

# Memorandum

**To:** Council Member Paul Ostrow, Chair, Ways & Means/Budget Committee

**From:** Alex Jackson  
Chief, Minneapolis Fire Department

**Date:** April 6, 2009

**Subject:** Federal SAFER Grant – FY 2008

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On December 31, the Fire Department was notified by the Federal Emergency Management Agency (FEMA) Grant Directorate, that our FY 2008 SAFER grant application had been favorably reviewed. FEMA requested the completion of a questionnaire to further process the grant award. The first question was “If you are selected for a grant award, would you accept?” The Fire Department recommendation was to officially communicate to FEMA the inability to accept the grant due to the inability to meet the financial obligations.

The Fire Department brought this issue forward at the January 14, 2009 Public Safety & Regulatory Services Committee Meeting. At that meeting, the committee sent the recommendation forward to the Ways & Means/Budget Committee without recommendation and further directed the Fire Chief to contact FEMA to request clarification of the deadline to officially decline the grant. This action was requested to allow for completion of the revised budget actions.

At the January 20<sup>th</sup> Ways & Means/Budget Committee meeting, the Fire Chief had not received any notification from FEMA about a possible deadline extension. At the January 23 Council Meeting, Council Member Ostrow moved that the item be referred back to the Ways & Means/Budget Committee.

Given the current budget of the Fire Department and projections for future budgets, I regrettably cannot accept the grant and the associated financial obligations. Under the grant guidelines, the federal government would pay \$1,300,560 (30% of the total cost) and the City would be responsible for the remaining \$3.82 million (70% of the total cost) over a five-year period. In addition, any firefighters hired under the grant must be employed for the entire five years of the grant. If the new staffing level is not maintained, the federal share of the grant must be returned.

The 2009 revised budget of the Fire Department includes a reduction of \$2.647 million which is offset by a new revenue projection of \$800,000. Only with the addition of the new revenue and the use of one-time funding was the Department able to avoid employee layoffs in 2009. The projected budget reduction for 2010 is \$2.847 million and the Department will have to consider employee reductions to meet budget targets.

The American Recovery and Reinvestment Act of 2009 made several changes for future SAFER grants awarded in FY 2009 and 2010. The bill automatically waives the 10-20-50-70% local match for *new* SAFER grants. The FY 2009 application period is expected to take place during the summer of this year. In addition, other existing conditions still remain. A five-year commitment to keep the SAFER firefighter remains, as well as the approximately \$111,000 cap (in FY 2009) on the total federal share of salaries and associated benefits for the firefighter. In addition, the fire department still cannot use a SAFER grant to supplant state or local funds.