



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kimberly Shunk
Larry D. Lisenbee

SUBJECT: SEE BELOW

DATE: June 4, 2007

Approved *Ray Wines* Date *6/10/07*

COUNCIL DISTRICT: City-Wide
SNI AREA: N/A

SUBJECT: ADOPTION OF APPROPRIATION ORDINANCE AND FUNDING SOURCES RESOLUTION AMENDMENTS IN THE GENERAL FUND AND ADOPTION OF RESOLUTION AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE SEPARATE MEMORANDA OF UNDERSTANDING TO ACCEPT PROGRAM FUNDS FROM THE CITY AND COUNTY OF SAN FRANCISCO AS FISCAL AGENT FOR FY 2006 SUPER URBAN AREA SECURITY INITIATIVE (SUASI) GRANT; TO ACCEPT PROGRAM FUNDS FROM SANTA CLARA COUNTY'S OPERATIONAL AREA SHARE OF FEDERAL FUNDS FOR FY 2006 STATE HOMELAND SECURITY GRANT PROGRAM; AND TO PROVIDE ADDITIONAL FUNDS FROM THE FY2005 UASI GRANT TO SANTA CLARA COUNTY FOR THE PURPOSES OF PROVIDING PROJECT MANAGEMENT AND SPENDING AUTHORITY FOR THE TRI-COUNTY MICROWAVE PROJECT AND TO EXTEND THE PROJECT DEADLINE FROM MARCH 1, 2007 TO JULY 31, 2007

RECOMMENDATION

1. Adopt the following amendments to the 2007-2008 Appropriation Ordinance and Funding Sources Resolution in the General Fund:
 - a. Increase the 2006 Super UASI - Police grant in City-Wide Expenses in the amount of \$278,981 where \$12,314 will be used for one Police Lieutenant on the SUASI Management Team to support regional planning and \$266,667 will be used to establish a Terrorism Early Warning Group (TEWG) for the South Bay.

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- b. Establish an appropriation to the Office of Emergency Services (OES) in City-Wide Expenses for the 2006 State Homeland Security Grant Program (SHSGP) in the amount of \$45,444 to support the San José *Prepared!* program.
 - c. Increase the estimate for Revenue from the federal government by a total of \$324,425.
 2. Adopt a resolution authorizing the City Manager to negotiate and execute separate Memoranda of Understanding (MOU) to accept program funds from:
 - a. City and County of San Francisco as the fiscal agent for the FY 2006 Super Urban Area Security Initiative (SUASI) grant.
 - b. Santa Clara County as the fiscal agent for the FY 2006 State Homeland Security Grant Program (SHSGP).
 - c. Authorize the City Manager to amend MOUs as necessary without returning to Council, in the event that additional funds become available to the City of San José from either the 2006 SUASI grant or the 2006 SHSGP grant, or spending plans need to change.
 3. Adopt a resolution authorizing the City Manager to amend the existing Memorandum of Understanding (MOU) with Santa Clara County to provide an additional \$150,000 from the FY 2005 UASI grant to Santa Clara County to support project management and installation of the Tri-County Microwave (TriMac) project, to extend the deadline from March 1, 2007 to July 31, 2007, and to undertake any additional amendments without return to Council.

OUTCOME

Council approval of the appropriation and authorization actions recommended in this report will enable designated fiscal agents to use Department of Homeland Security grants to:

1. Reimburse the San José Police Department \$12,314 for salary and benefits for one Lieutenant on the SUASI Management Team which provides day-to-day oversight of the 2006 SUASI grant.
2. Reimburse the San José Police Department \$266,667 to establish a South Bay Terrorism Early Warning Group (TEWG).
3. Accept \$80,135 of personal protective equipment purchased by Santa Clara County on behalf of the San José Fire Department.
4. Reimburse San José OES \$45,444 for enhancements to the San José *Prepared!* program.
5. Complete a critical interoperable communications project for the region, linking Santa Cruz, San Benito, and Monterey Counties to Santa Clara County, by increasing project funds to Santa Clara County by \$150,000 and extending the deadline six months.
6. Amend agreements without returning to Council.

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EXECUTIVE SUMMARY

This report:

1. Authorizes a subgrant agreement with City and County of San Francisco to spend San José's portion of the FY 2006 SUASI grant; and
2. Authorizes a subgrant agreement with Santa Clara County to spend San José's portion of the FY 2006 SHSGP grant; and
3. Amends an existing agreement with Santa Clara County to complete installation of the TriMac project funded by San José's FY 2005 UASI grant.

BACKGROUND

FY 2006 Super Urban Area Security Initiative (SUASI) grant

On May 31, 2006, the federal Department of Homeland Security announced the Urban Area Security Initiative awards for FY 2006. This year the three core cities of San José, Oakland, and San Francisco, along with the ten counties ringing the San Francisco Bay, were combined by the federal government into a single Super Urban Area Security Initiative (SUASI). The FY 2006 grant totaled \$28,320,000 for the region. As allowed by the grant program, the Governor's Office of Homeland Security retained 20% of this total, reducing the amount received to \$22,656,000. The region's final spending plan was approved by the Governor's Office of Homeland Security on August 23, 2006. The City and County of San Francisco is the fiscal agent for this grant. The grant expires on March 31, 2008, though San Francisco has requested that most activities be completed by December 31, 2007 in order to allow time to close out records.

On December 12, 2006, San José City Council authorized a Memorandum of Understanding which described governance and day-to-day management of the FY 2006 SUASI grant.

- The SUASI Approval Authority oversees policy and financial management decisions, and consists of the three core cities (San José, Oakland, and San Francisco) and the three counties in which the cities are located (Santa Clara, Alameda, and San Francisco Counties). The Director, State OES Coastal Region, votes only in the event of a tie.
- The SUASI Management Team is responsible for the day-to-day management of the grant, and consists of two members from San Francisco, two members from the East Bay, and two members from the South Bay.

State Homeland Security Grant Program (SHSGP)

California divides its annual Homeland Security Grant among each of its 58 Operational Areas on a per capita basis; an Operational Area consists of a county and all political subdivisions within the county area. Each county then becomes the fiscal agent for this grant, and names an Approval Authority to oversee policy and financial management decisions. Santa Clara County's SHSGP Approval Authority consists of the County Public Health Officer, County Fire Chief, County Sheriff, one city fire chief, and one city police chief. The Approval Authority is responsible for allocating funds to each of the fifteen cities in Santa Clara County, and to Santa

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Clara County itself, for the purposes of providing training, exercises, and equipment to prepare for, respond to, and recover from a natural or human-caused disaster. The grant expires on March 31, 2008.

Tri-County Microwave project (TriMac)

On June 27, 2006, San José City Council approved a Memorandum of Understanding with Santa Clara County for the purposes of having the County install the Tri-County Microwave project. This project connects the public health laboratories in Santa Cruz, San Benito, and Monterey Counties to the diagnostic laboratory in Santa Clara County. Using San José's FY 2004 and FY 2005 UASI grants, the County received \$1,800,000 for the installation of the project and \$60,000 for project management, for a total of \$1,860,000. The work was originally scheduled to be completed by March 1, 2007. While the 2005 UASI originally expired on March 31, 2007, the Governor's Office of Homeland Security approved an extension for this project until December 31, 2007.

ANALYSIS

FY 2006 SUASI grant

As the fiscal agent for the FY 2006 SUASI grant, the City and County of San Francisco is restricting the number of Memoranda of Understanding (MOU) that it will allow for each sub-recipient. Therefore, this MOU has three major components: \$1,000,000 managed by the Office of Emergency Services (OES) for planning; \$200,000 managed by the Police Department to support the SUASI Management Team; and \$266,667 managed by the Police Department to establish and maintain a Terrorism Early Warning Group (TEWG) in the South Bay.

- **SUASI Planning**

The federal government and the State of California require additional activities of the three UASI cities that are not required of other entities. Recognizing this, the SUASI Approval Authority has allocated \$1,000,000 to each of the three core cities for the purposes of preparing for natural and human-caused disasters. Funds will be used to support planning activities, exercises, training, and equipment purchases and will be managed by OES. Approximately \$500,000 will be used for planning activities, which include full-time salary and benefits for San José's five-person UASI Team whose members provide day-to-day grant management, participate in SUASI working group meetings to identify and prioritize regional projects, and lead regional exercise planning sessions; a cold weather notification system (if the data support such); public education for a heat alerting system; and updates to the Emergency Operations Plan. Approximately \$35,000 will be used for training and exercises, while the balance of \$465,000 will be used to purchase equipment.

As fiscal agent for this grant, the City and County of San Francisco has approved funding for expenses related to the UASI Team from September 2007 through February 2008. All other expenses have a December 31, 2007 deadline.

- **SUASI Management Team**

The SUASI Management Team was created by the Approval Authority to provide day-to-day oversight of the FY 2006 grant. The San José Police Department provides one Lieutenant on this six-person team, which consists of two representatives from San Francisco, two from the East Bay, and two from the South Bay. The Police Department manages this component of the grant.

As fiscal agent for this grant, the City and County of San Francisco has approved funding for expenses related to this Police Lieutenant from October 2006 through December 31, 2007.

- **Terrorism Early Warning Group (TEWG)**

A Terrorism Early Warning Group (TEWG) performs two primary functions:

- (1) To analyze information about plans for a possible terrorist act, prevent a terrorist attack, and respond to a terrorist act if one were to occur; and
- (2) To protect critical infrastructure through prevention and recovery for both human-caused and natural disasters.

A total of three TEWGs are planned for the San Francisco Bay Area. The South Bay TEWG, managed by the San José Police Department, will include Santa Clara and Santa Cruz Counties. The West Bay TEWG will include San Mateo County. The East Bay TEWG, which is already operational, includes Alameda and Contra Costa Counties.

With information sharing as a primary objective, the Bay Area SUASI Approval Authority set aside \$467,000 to finance each of the Bay Area TEWGs. The South Bay TEWG has been given authorization to utilize this money to become operational. To support the South Bay TEWG, the San Jose Police Department will provide one full-time Lieutenant, while the Santa Clara County Sheriff's Office will provide one full-time Deputy and the Palo Alto Police Department will provide one full-time Officer. SUASI funds will reimburse salaries and benefits, along with limited supplies and equipment, for these participants in the South Bay TEWG.

As fiscal agent for this grant, the City and County of San Francisco has approved funding for expenses related to establishing the South Bay TEWG through December 31, 2007.

For future planning, the SUASI Approval Authority has applied for competitive grant funding for FY 2007 and intends to support the continued operation of the three Bay Area TEWGs. Future funds would again be used to reimburse full-time salaries and benefits for the participating agencies, and provide supplies and equipment. The FY 2007 awards will be announced on July 3, 2007 and should be approved for release to local jurisdictions by the Governor's Office of Homeland Security in August 2007. If funds are

not available through FY 2007 and future SUASI grants, the San José Police Department will not staff the Lieutenant position beyond December 2007.

State Homeland Security Grant Program (SHSGP)

Through its FY 2006 State Homeland Security Grant Program (SHSGP), Santa Clara County will reimburse San José OES for \$45,444 for enhancements to the San José *Prepared!* program. Santa Clara County will also purchase \$80,135 of personal protective equipment (N95 masks) for the San José Fire Department, which will be transferred to the Fire Department upon receipt.

Contingency spending

On occasion, fiscal agents responsible for managing Homeland Security grants discover that they have unspent funds, often near the end of the grant cycle. Fiscal agents then have to make one of two decisions:

- (1) To return unused funds to the State of California, or
- (2) To seek State-approved modifications to spending plans in order to use grant funds for contingency projects.

Because time is of the essence, this report recommends that, if additional funds become available unexpectedly, or if spending plans need to change due to unforeseen circumstances, San José City Council will authorize the City Manager to negotiate and execute amended Memorandum of Understanding with the City and County of San Francisco for the FY 2006 SUASI grant or with Santa Clara County for the FY 2006 SHSGP grant, without returning to Council for approval.

Tri-County Microwave project (TriMac)

In February 2007, Santa Clara County requested an additional \$150,000 for the Tri-County Microwave project (TriMac) and a six month extension of the March 2007 deadline.

In a letter to San José OES, Santa Clara County explained that they had experienced prolonged contract negotiations between the State Department of General Services, the California Department of Forestry, and the four counties involved in the project regarding the occupancy and intended use of the state owned and operated radio communications site at Loma Prieta. Santa Clara County was confident that resolution was close at hand, though an extension of the deadline was needed to allow enough time to execute an agreement among all parties.

Santa Clara County went on to explain that additional funds were needed for the Watsonville site. As a result of an engineering survey conducted in January 2007, the TriMac project manager discovered that the existing microwave tower needed to be replaced because of structural integrity problems. The tower, which was installed in 1977, supported several antennas and two mesh-style microwave dishes that were to be replaced by this project. The survey

disclosed previously unidentified structural damage in the 40-60 foot section of the tower that was to support three new dishes. Eliminating the Watsonville site was not a viable option since this site was centrally located among the ten sites included in the project. Engineers concluded that if the Watsonville site was not remediated, the microwave run between the Loma Prieta and Toro sites, a distance of 41.6 miles, was too long to be reliable. Therefore, the best solution was to replace the existing tower and base at the Watsonville site.

In order to protect the region's multi-million dollar investment in this critical interoperable communications initiative, the UASI Working Group voted to approve these changes to the TriMac project on March 12, 2007.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater.
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City.
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach.

While the above criteria do not apply to this report, spending plans for all three grants were vetted through regional collaborative processes and approved by the Governor's Office of Homeland Security. This memorandum is also posted on the City's website for the June 26, 2007 Council agenda.

SUASI: Information in this report has been discussed extensively with City and County of San Francisco's Office of Emergency Services (OES), the SUASI Management Team, and the SUASI Approval Authority.

SHSGP: Information in this report has been discussed extensively with Santa Clara County's OES, the Santa Clara County Emergency Managers' Association, and the SHSGP Approval Authority.

TriMac: Information in this report has been discussed extensively with Santa Clara County's OES and County Communications as well as San José's UASI Working Group.

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COORDINATION

This report was coordinated with the Police Department, Fire Department, and City Attorney's Office.

COST IMPLICATIONS

FY 2006 SUASI

According to the terms and conditions of the 2006 SUASI grant, the City of San José will be reimbursed by the City and County of San Francisco, acting as fiscal agent for the grant, for grant-related purchases of equipment, supplies, training, and planning services and for the salaries and benefits for five members of the San José UASI Team. The 2006 SUASI grant will also fund the salary for San José's representative on the SUASI's day-to-day Management Team as well as fund the establishment of the South Bay's Terrorism Early Warning Group. No matching funds are required.

FY 2006 SHSGP

According to the terms and conditions of the FY 2006 State Homeland Security Grant Program, the City of San José will be reimbursed by Santa Clara County, acting as fiscal agent for the grant, for grant-related purchases supporting the San José *Prepared!* program. Under this same agreement, Santa Clara County will purchase N95 masks for the San José Fire Department and will transfer the equipment to the City of San José upon receipt. No matching funds are required.

TriMac

According to the terms and conditions of the FY 2005 Urban Area Security Initiative grant, the City of San José will reimburse Santa Clara County for its expenses related to the installation and project management of the Tri-County Microwave project. No increase to the existing appropriation is required because funds were reallocated from savings in the training program.

BUDGET REFERENCE *

Fund #	Appn. #	Appn. Name	RC #	Total Appn.	2007-2008 Proposed Budget Page	Last Budget Action (Date, Ord. No.)
001	3393	2005 UASI Grant	Various	447,944	IX - 13	
001	3486	2006 SUASI-Police	001-50-000944	11,197	N/A	
Total Current Funding Available				459,141		
Additional Funding Recommended						

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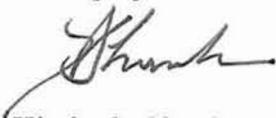
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001	3486	2006 SUASI – Police	001-50- 000944	278,981		
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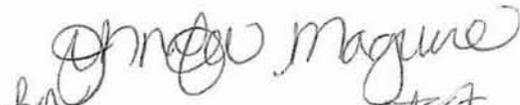
* This contract will be funded by the 2007-2008 Operating Budget. This amount includes \$459,141 which was budgeted in 2006-2007, but was recommended for rebudget into 2007-2008 as part of the Recommended Amendments to the 2007-2008 Proposed Operating and Capital Budget Manager's Budget Addendum (MBA). The 2007-2008 Operating Budget and the implementing appropriation ordinance are anticipated to be approved by City Council on June 19, 2007.

CEQA

Not a project.



Kimberly Shunk
Director, Office of Emergency Services



Larry D. Lisenbee
Budget Director

Asst.
Budget
Director

I hereby certify that there will be available for appropriation in the General Fund in the Fiscal Year 2007-2008 monies in excess of those heretofore appropriated therefrom, said excess being at least \$324,425.



Larry D. Lisenbee
Budget Director

Asst.
Budget
Director

For questions, please contact Kimberly Shunk at (408) 277-4595.