LOCAL GOVERNMENTS & DISASTER PLANNING

Disaster Cost Recovery Lessons Learned

Todd L. Rydstrom, Deputy Controller
City & County of San Francisco

October 26, 2015
Phases of Emergency Management

Preparedness → Response → Recovery
A Recent Disaster – 2013 Rim Fire

Hetch Hetchy Regional Water System

Rim Fire Area
Rim Fire Facts

- Ignited Aug 17, 2013
- Contained Oct 25, 2013
- Burned 257,314 acres
- 8x size of San Francisco
- 3rd largest wildfire in California history
- Over 5,000 fire service personnel, 300 SFPUC personnel

Extent of fire: August 19, 2013 – August 23, 2013
South Napa Earthquake
August 24, 2014
South Napa Earthquake Facts

- 3:20 am on August 24, 2014
- 6.0 Magnitude
- Bay Area’s largest earthquake since 1989’s 6.9 magnitude
- Currently tracking over 260 projects
- Major damage at the Historical Courthouse, Jail, Administration Building, Health & Human Services Campus, County facilities and over 100 roads, bridges and culverts
- Over 350 displaced county workers and 75 jail inmates
- Business closures, houses red-tagged, mobile homes parks completely off foundations.
When a disaster strikes…

How quickly can your agency recover?

Do you have the necessary tools in your toolbox?
Lessons Learned: Preparedness

Before the Disaster have in place and practiced …

✓ Emergency declaration, budget unit and control procedures
✓ As-needed contracts to support emergency response
✓ Pre-qualified, competitively bid procurement pool for services and goods
✓ Emergency coding for timekeeping and cost accounting
✓ Insured asset lists, with coverages & deductibles
✓ Reimbursement requirements & procedures
✓ Records management & documentation procedures
✓ Key FEMA forms (90-123 through 90-128)
✓ Training and Practice Sessions
Rim Fire Lessons Learned: Response – Incident Command Post (ICP)
So. Napa Earthquake – E.O.C
Lessons Learned: Response

During the Disaster:

✓ DOCUMENT, DOCUMENT, DOCUMENT!

✓ Constant Communication

✓ Commit Finance, HR & IT staff time
  - “Begin with the end in mind”: RECOVERY OF COSTS
  - Adjust information requirements to operational needs, while keeping in mind on-the-ground conditions

✓ Deploy technology:
  - Deploy on-the-fly, in the field mobile apps to assist with info gathering
  - Use GIS and geo-tagged photos

✓ Track data at lowest possible level

✓ Make sure a local state of emergency has been declared!

✓ Initial Damage Estimate Process – Department Survey & HAZUS
Rim Fire Lessons Learned: Recovery
South Napa Earthquake Lessons Learned: Recovery

- Earthquakes keep moving, damages are continuous or not discovered for months
- Relations with FEMA and State are tense after the Sandy Act
- The honeymoon period of response ends abruptly and burnout sets in
Lessons Learned: Recovery

After the Disaster, you will need to:

✓ Drill down & roll up your data
  - Track ALL costs at lowest possible level
  - FEMA has very specific requirements

✓ Integrate your information systems
  - Integrate IT information on insured assets into the GIS maps early, link to fixed assets
  - Ensure you can change payroll, work order, asset management systems

✓ Document, Document, Document
  - Have a records management mindset and communicate to departments
  - Processes will change given new information
Cost Recovery Lessons Learned: Reimbursement Facts

FEMA Claim Reductions:

- Improper purchasing
- Insufficient or improper documentation
- Lack of knowledge
- Ineligible costs claimed
  - Future mitigation and prevention costs
  - Regular labor costs
Prepare Your Infrastructure: Your Financial System & Cost Recovery

• Time and Labor
  – Time and equipment usage is collected and reported using project activity codes that integrate employee or equipment usage times with project or activity costs

• Project Costing
  – Defined structure for project costs – from planning, to review, adjustment, approval or deferral – before transactions are sent through the billing process

• Disaster Planning
  – Disaster activities can be setup in advance in PeopleSoft Enterprise Project Costing with time and labor time reporting templates
  – Templates can be established to meet FEMA or other emergency cost reporting criteria for rapid and efficient cost recovery reimbursement
Finance Team Disaster Cost Recovery Work

- Budget & Funding Preparedness
- Be ready to go it alone for 24 months
- Reserves policy in place with funding designated
- Insurance coverage updated annually with listed assets, values and “before” photos
- Auto appropriation authority for insurance proceeds, State and Federal disaster funds
- Gift and donations fund established with auto appropriation, authorized uses and lead departments determined
- Existing appropriations re-purposing / borrowing
Disaster Recovery Funding Sources

**Local Sources**
- Cash Reserves
- Borrowed Appropriation
- Insurance
- Donations/Gifts

**Other Gov’t Sources**
- Federal Disaster Assistance
- State Disaster Assistance

**Total Funding Sources**
Federal Grant Programs

• **Preparedness & Mitigation**
  – Hazard Mitigation Grant Program
  – State Homeland Security Grant Program
  – Urban Areas Security Initiative Grant Program
  – Emergency Management Performance Grant Program

• **Response**
  – Fire Management Assistance Grant Program

• **Recovery**
  – Public Assistance Grant Program
  – Federal Highway Administration-Emergency Relief
  – Community Development Block Grants-Disaster Recovery
Federal/State/Local Cost Share

FEMA Public Assistance

- 75%
- 18.75%
- 6.25%

- FEMA
- State
- Local
Preparedness tools to consider...

Do you have the necessary tools in your toolbox?
SF Disaster Recovery Gifts & Donations

Give2SF Donation Portal:
The City’s official online portal to facilitate monetary and in-kind donations to City departments to:

- Replace, repair, and rebuild buildings, infrastructure and other assets
- Considering expansion to assist individuals, families, and animals with interim housing and other needs resulting from a disaster or emergency event
SF Disaster Recovery Donations: In-kind Good & Services

**Goods**
- Tangible items: clothing, bottled water, etc.

**Services**
- Volunteers
  - Government-Affiliated
  - Spontaneous
  - Disaster Service Worker Volunteer Program
Cost Recovery Tools: SF PhotoMap

- **GIS Layers for:**
  - Fire parameters
  - Critical infrastructure
  - Insured assets
  - Photos/Condition assessments
  - Maximo/FAMIS workorders
  - Employee residences

- **PC / iPad platforms**
- **Frequent updates**
Cost Recovery Tools: SF PhotoMap

- Easy way to document and evaluate asset condition for Federal, State, or other cost recovery applications
- Geo-tagged photos, asset condition, documentation
- Features:
  - Ability to work offline in the field
  - Rapid collection of data
  - Presentation of documented photos on a GIS map
  - Photos stored in a database
  - View photos from a browser
  - Update assets in your Asset Management system
Disaster Cost Estimating Tools: Hazus
Disaster Cost Estimating Tools: Hazus

- Hazards United States (Hazus) model
  - Geographic Information System (GIS) based
  - Free software, FEMA provides at no cost
    - Must have GIS software installed
  - Useful tool for quickly preparing a press release or Initial Damage Estimate (IDE)
    - Damage to buildings and infrastructure
    - Includes both public and private
    - Provides estimate of economic and other losses
  - Ability to model different disaster types
    - Earthquake, hurricane, floods
How will a disaster impact my city, county...?

- Revenue shortfall and cash flow shortfall?
- How much? When? How long?
- Recovery and rebuild ... 3, 5, 10 or even 15+ years?
- Estimate upper, lower range before it happens.
Risk & Vulnerability

Rim Fire Area
How will a disaster impact my city, county...?

- Revenue shortfall and cash flow shortfall?
- How much? When? How long?
- Recovery and rebuild ... 3, 5, 10 or even 15+ years?
- Estimate upper, lower range before it happens.
- To estimate the impact ...
  - Assess CA R&T Code Provisions, incl. Sec. 170
  - Has your Board of Supervisors adopted a disaster relief ordinance?
    - San Francisco – Yes.
    - SF has pro-rata relief, base year transfer to a replacement property.
- R&T Code Sec. 194 – Deferred installment payments?
- County Assessor’s Disaster Policies, Procedures ready?
Property Taxes in San Francisco

- $290 B Estimated Total Market Value
- $194 B Net Assessed Value, incl. $95.4 B land
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- $194 B Net Assessed Value, incl. $95.4 B Land

- $ 2.2 B SF Countywide Property Tax Revenue
- $ 1.6 B SF City & Co., General Fund & GO Bonds
- $ 1.3 B SF City & Co., General Fund
Property Taxes in San Francisco

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- $194 B  Net Assessed Value, incl. $95.4 B Land
- $ 2.2 B  SF Countywide Property Tax Revenue
- $ 1.6 B  SF City & County, General Fund & GO Bonds
- $ 1.3 B  SF City & County, General Fund
- $114 B  Hazus Model Building Replacement Costs
  Utility and Transportation Infrastructure Costs Extra
- $ 14 B  8.0 San Andreas Earthquake, Hazus Model
  Building & Utility Replacement Costs
Property Taxes in San Francisco, if . . .

- 8.0 Earthquake on the San Andreas, and
- $14 billion of damage estimated by HAZUS
- 5% resulting NAV proportionate reduction

So upwards of...

- $110 M  SF County Property Tax Impact – Year 1
- <$110 M  Years 2 through 15?

- $1.1 B  Deferred Installment Impact – Year 1
Other Tools at SF Prepared

- SF PhotoMap
- Hazus
- IDE Survey
- SF Prepared
  - SF Controller’s Office
  - Finance & Administration Webpage
Contacts

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Disaster Cost Estimating Tools: IDE Survey Tool

SurveyMonkey


2014 Statewide December Winter Storm

3. If your department did sustain damage during the 2014 Statewide December Winter Storm, what was the total department monetary impact?
- Less than $10,000
- Between $10,000 and $100,000
- Between $100,000 and $250,000
- Between $250,000 and $1,000,000
- Over $1,000,000

If over $1,000,000, please indicate the estimated range below
Disaster Cost Estimating Tools: Initial Damage Estimate (IDE)
## Cost Recovery Tools: Federal, State, & Local Forms

### FORCE ACCOUNT LABOR RECORD

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<th>APPLICANT</th>
<th>PW REF NO</th>
<th>CATEGORY</th>
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State Association of County Auditors
Property Tax Managers' Sub-Committee
Cost Recovery Tools: Federal, State, & Local Forms

- Federal Emergency Management Agency (FEMA) Forms
  - Project cost documentation of labor, equipment, and materials costs required by FEMA for cost recovery

- California Governor’s Office of Emergency Services (Cal OES) Forms
  - State forms required for federal and state disaster assistance

- Incident Command System (ICS) Forms
  - Standardized forms for systematic documentation of emergency response activities

- Applied Technology Council (ATC) Forms
  - Used for safety assessment of damaged buildings