

DATE: MAY 27, 2026

FROM: DEBT & FINANCIAL ANALYSIS

SUBJECT: RESOLUTION NO. _____ - APPROVAL OF LETTER OF AGREEMENT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND THE CITY OF LOS ANGELES FIRE DEPARTMENT FOR FIREBOAT MAINTENANCE

SUMMARY:

Staff requests approval of a Letter of Agreement (LOA) between the City of Los Angeles Harbor Department (Harbor Department) and the City of Los Angeles Fire Department (LAFD) to establish a system to manage fireboat maintenance and the associated costs, including the implementation of a standardized inter-department review, approval, and reimbursement process.

The proposed LOA is for a three-year term and shall automatically renew for additional three-year terms until the LOA is either terminated in writing by either party or reaches a term of 15 years. While the proposed LOA primarily establishes a system to manage fireboat maintenance and does not commit the Harbor Department to incurring a specific dollar amount for fireboat maintenance costs in any given year, staff anticipates incurring \$2,000,000 in the first year of the proposed LOA to address deferred maintenance needs. The Harbor Department will be financially responsible for reimbursement of fireboat maintenance expenses incurred by LAFD, subject to review of related expenditure plans and actual expenses by Harbor Department staff.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Approve the Letter of Agreement between the City of Los Angeles Harbor Department and the City of Los Angeles Fire Department to establish a system to manage fireboat maintenance and the associated costs thereof, including the

SUBJECT: LETTER OF AGREEMENT FOR FIREBOAT MAINTENANCE BETWEEN THE HARBOR DEPARTMENT AND LAFD

implementation of a standardized inter-department review, approval and reimbursement process for a three-year term with automatic renewals for additional three-year terms for a maximum term of 15 years or until terminated by either party;

- 3. Authorize the Executive Director to execute, and the Board Secretary to attest to the proposed Letter of Agreement for and on behalf of the Board; and
- 4. Adopt Resolution No. _____.

DISCUSSION:

Background – In 1997, the Harbor Department entered into Memorandum of Understanding 1956 (MOU 1956) with the City of Los Angeles (City). Under MOU 1956 (Transmittal 1), the City agreed to provide services to the Harbor Department that are cost-effective, efficient and necessary in order to ensure its competitive position with other ports.

As noted within Exhibit A of MOU 1956, fire services provided by LAFD are among the services which the City agreed to provide to the Harbor Department, and five fireboats would be utilized in the course of providing these fire services. The following table summarizes the location (Transmittal 2) and age of each fireboat:

TABLE 1: FIRE BOAT AGE AND LOCATION

Fire Boat #	Year Built	Fire Station #	Fireboat Station Address
1	2002	111	1444 S. Seaside Ave., Terminal Island
2	2003	112	444 S. Harbor Blvd., San Pedro
3	2002	49	400 Yacht St., Wilmington
4	1961	49	400 Yacht St., Wilmington
5	2003	110	2945 Miner St., San Pedro

LAFD operates the fireboat fleet and provides emergency Fire Department services to the Harbor Department in and around the Port of Los Angeles. Article 9 of MOU 1956 addresses operational and capital costs related to maintenance, repair, alteration, modification, preservation and upgrades of equipment or assets under the control of City departments, including equipment utilized by LAFD. However, Article 9 is not explicit in certain areas regarding the management of fireboat maintenance, which, along with difficulty in having a specific fireboat maintenance line item included in LAFD’s annual budget, has led to lapses and delays in critical repair work.

The proposed LOA (Transmittal 3) will cover all maintenance, repairs and modifications for the five fireboats. Under the proposed LOA, by September 30 of each year, LAFD will submit an Annual Plan for anticipated work for the following fiscal year as well as a Strategic Plan covering the subsequent 10-year period for each fireboat. In addition, on September 30 of each year, LAFD will submit a three-year Operational Plan covering

SUBJECT: LETTER OF AGREEMENT FOR FIREBOAT MAINTENANCE BETWEEN THE HARBOR DEPARTMENT AND LAFD

projected routine maintenance, component upgrades/replacements, major component overhauls/refits and capital equipment replacement for each fireboat.

Under the proposed LOA, the Harbor Department would solicit the services of a subject matter expert to evaluate the appropriateness, cost and adequacy of the work proposed by LAFD. The Harbor Department would then determine reimbursements to LAFD based upon the subject matter expert’s recommendations and subject to funds availability by no later than June 30. Staff will request funding for fireboat maintenance reimbursements as part of the annual budget adoption process, subject to Board approval.

Any modifications to the proposed LOA must be made in writing and would be subject to all approvals required by the City Charter. The LAFD Board of Fire Commissioners approved the proposed LOA on September 17, 2024. Harbor Department staff subsequently performed site visits in October and November 2025 to evaluate fire boat maintenance needs and potential requirements in advance of presenting the proposed LOA to the Board.

In line with the terms of the LOA, since last year, LAFD has been providing the Harbor Department with annual and long-term maintenance plans outlined in the LOA. Also, despite the challenges previously explained, staff members from both departments have worked creatively and collaboratively to address critical maintenance needs and have been successful in expediting maintenance projects more effectively in the last two fiscal years.

A specific line item was added to LAFD’s Fiscal Year (FY) 2025/26 budget for fireboat maintenance, and it is expected that this appropriation will continue each year. The following table summarizes Harbor Department spending by fire boat over the past three fiscal years:

TABLE 2: FIRE BOAT SPENDING BY FISCAL YEAR

Fire Boat #	FY 2023	FY 2024	FY 2025	3-Yr. Total
1	\$ 91,934	\$ 22,474	\$ 640,612	\$ 755,021
2	\$ 192,013	\$ 18,192	\$ 906,607	\$ 1,116,811
3	\$ 33,194	\$ 2,357	\$ 50,662	\$ 86,213
4	\$ 8,817	\$ 309,142	\$ 446,821	\$ 764,780
5	\$ 13,457	\$ 59,132	\$ 30,427	\$ 103,016
Total	\$ 339,414	\$ 411,297	\$ 2,075,129	\$ 2,825,841

SUBJECT: LETTER OF AGREEMENT FOR FIREBOAT MAINTENANCE BETWEEN THE HARBOR DEPARTMENT AND LAFD

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of an LOA with LAFD to establish a system to manage fireboat maintenance and the associated costs, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed LOA primarily establishes a system to manage fireboat maintenance and does not commit the Harbor Department to incurring a specific dollar amount for fireboat maintenance costs in any given year. Under the proposed LOA, by September 30 of each year, LAFD will submit an Annual Plan, 3-Year Operational Plan and 10-year Strategic Plan covering all maintenance, repairs and modifications required for the five fireboats utilized by LAFD to fulfill its service obligations outlined within MOU 1956. LAFD would be required to submit formal written requests for any repairs, upgrades, and/or improvements greater than \$10,000 that exceed the scope and cost of the Annual Plan.

While the proposed LOA primarily establishes a system to manage fireboat maintenance and does not commit the Harbor Department to incurring a specific dollar amount for fireboat maintenance costs in any given year, staff anticipates incurring \$2,000,000 in the first year of the proposed LOA to address deferred maintenance needs. Future fiscal year funding will be requested as part of the annual budget adoption process, subject to Board approval.

DATE: MAY 27, 2026

PAGE 5 OF 5

SUBJECT: LETTER OF AGREEMENT FOR FIREBOAT MAINTENANCE BETWEEN
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CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the Letter of Agreement as to form and legality.

TRANSMITTALS:

1. MOU 1956
2. Fireboat Locations
3. Letter of Agreement

FIS: JS
CA: SO

Matthew Marchese

MATTHEW MARCHESE
Director of Debt and Financial Analysis

Jeffrey Strafford
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Chief Financial Officer

APPROVED:



EUGENE D. SEROKA
Executive Director