

**FIFTH AMENDMENT TO SERVICE AGREEMENT
FOR FIRE PROTECTION AND EMERGENCY SERVICES**

THIS FIFTH AMENDMENT TO SERVICE AGREEMENT FOR FIRE PROTECTION AND EMERGENCY SERVICES (Amendment) is entered into this ____ day of _____, 2017, by and between the NORTH CENTRAL FIRE PROTECTION DISTRICT, a California fire protection district (District), and the City of Fresno, a California municipal corporation (City). The District and City may be referred to collectively as "Parties," or each individually as a "Party."

RECITALS

A. WHEREAS, the District and City entered into that certain Service Agreement For Fire Protection And Emergency Services ("Service Agreement") dated December 20, 2006 and amended, which is attached hereto as **Exhibit A** and incorporated herein by this reference; and

B. WHEREAS, the City has notified the District that the cost to provide services to the District is substantially higher than contemplated under the Service Agreement. The Parties have engaged in negotiations over the last year to agree upon a modification to the Service Agreement that provides the City's actual cost to provide such services shall be paid exclusively from a special fund to be established by the City and to be funded exclusively through payments made by the District pursuant to the terms of this Amendment. The Parties acknowledge no general fund revenues of the City shall be used to provide the services required by the Service Agreement as amended; and

C. WHEREAS, the Parties have agreed upon a compensation structure that will ensure that the City will provide to the District the services as agreed upon in the Service Agreement on an uninterrupted basis during the Fixed Compensation Term, as defined in Paragraph 1 below. The Parties also intend that this Amendment will ensure that the compensation described in this Amendment will pay for the City's costs to provide such services as well as any increased costs that might arise during the Term; and

D. WHEREAS, the Parties agree that, except as provided herein, neither Party may terminate the provisions contained in this Amendment during the Fixed Compensation Term.

NOW, THEREFORE, in consideration of the mutual undertakings and conditions contained herein, the Parties hereto agree as follows:

1. **Incorporation of Recitals.** The above recitals are incorporated herein by this reference.

2. **Term.** Paragraph 1 of the Service Agreement is hereby deleted in its entirety and replaced with the following:

Term. The base term of this Agreement shall begin on the 1st day of July 2007 and end on December 31, 2017. However, the “fixed price” term of this Agreement shall commence on January 1, 2018 and end on June 30, 2019 (the “Fixed Compensation Term”) subject to the provisions of Paragraph 8.”

3. **Scope of Services.** During the Fixed Compensation Term, the City will provide the services described in Paragraph 2 of the Service Agreement, as amended, on a continued and an uninterrupted basis subject to the provisions in Paragraph 8 of the Service Agreement as amended.

4. **Compensation.** Paragraph 3 of the Service Agreement is hereby amended by adding the following Paragraph 3.E:

“E. Effective January 1, 2018 and continuing for the remainder of the Fixed Compensation Term, Paragraphs 3.A (1), 3.A (2) and 3.A (3), as well as 3.C., and 3.D. shall be of no further force or effect. During the Fixed Compensation Term, the District shall make equal monthly payments of \$600,000.00 to the City totaling \$10.8 million into a specially designated fund to be used only for the payment of the cost of services provided by the City to the District pursuant to the terms of this Service Agreement. The Parties expressly agree that the compensation to be paid by District to the City during the Fixed Compensation Term fully pays the cost of providing the services required of the City pursuant to the terms of this Service Agreement and shall be the entire amount due and owing by the District to the City under the Service Agreement as amended. The amount of compensation shall not be increased or decreased unless a Party is in breach of the Service Agreement or as provided in Section 3.A (4) of the Service Agreement (detachment of lands from the District). Each monthly payment during the Fixed Compensation Period shall be due and owing by District to the City by the first day of each month but may be paid up to the fifth-day of each month without penalty. In the event that the District fails to transmit such funds to the City by the fifth-day of the month, the District shall have an additional 30-day cure period without penalty to ensure that all amounts then due are paid to the City. In the event that the District fails to make payment after the cure period, the District shall be in breach of this Agreement unless the District can demonstrate to the City’s reasonable satisfaction that the delay in payment was not caused by any delay on the District’s part.”

5. **Financial Review.** Paragraph 4 is hereby deleted in its entirety.

6. **Transition.** Paragraph 6 of the Service Agreement is hereby amended as follows:

A. The sentence, "The initial \$20,00.00 threshold shall be adjusted annually by the index described in paragraph 3.A.(3) of this Agreement." shall be deleted from Paragraph 6. D of the Service Agreement.

B. The sentence, "The initial \$30,00.00 threshold shall be adjusted annually by the index described in paragraph 3.A.(3) of this Agreement." shall be deleted from Paragraph 6. E. 2 of the Service Agreement.

C. The sentence, "The initial \$28,00.00 threshold shall be adjusted annually by the index described in paragraph 3.A.(3) of this Agreement." shall be deleted from Paragraph 6. F of the Service Agreement.

D. The sentence, "The initial \$20,00.00 threshold shall be adjusted annually by the index described in paragraph 3.A.(3) of this Agreement." shall be deleted from Paragraph 6. G of the Service Agreement.

E. The following sentences shall be added to Paragraph 6. G. of the Service Agreement, "The City shall, at the end of the Fixed Compensation Term, retain any turnout equipment purchased with District funds pursuant to the Service Agreement as amended. The City shall reimburse the District at the current fair market value for any turnout equipment purchased with District funds and shall return to the District any money deposited pursuant hereto, but not used for, the purchase of turnout equipment."

7. **Termination.** Paragraph 8 of the Service Agreement is hereby amended by adding the following:

"During the Fixed Compensation Term, the Service Agreement shall remain in full force and effect until the earlier of (i) termination by mutual written agreement of the Parties, (ii) termination by a non-breaching party for the nonperformance of the other not cured following thirty (30) days written notice thereof, or (iii) June 30, 2019. Within sixty (60) days of termination of the Service Agreement, the District and the City shall execute a fire transition agreement and mutual/instant aid agreements that are materially similar to other such agreements entered into between other fire protection districts or agencies, as the case may be, and the City of Fresno."

8. **Renewal.** Paragraph 10 is hereby amended by adding the following:

"During the Fixed Compensation Term, the Parties shall make reasonable efforts, but not be obligated, to renegotiate the Service Agreement. All renegotiation efforts, if any, shall occur no less than six (6) months prior to the expiration of the Fixed Compensation Term."

9. **Effect of Amendment.** Except as otherwise specifically set forth in this Amendment, each and every provision of the Service Agreement shall remain in full force and effect.

10. **Binding Effect.** This Amendment shall bind and inure to the benefit of all successors, assigns and heirs of the Parties and their officers and directors.

11. **Modification Must be in Writing.** This Amendment may not be altered, amended or modified, except by writing executed by duly authorized representatives of all Parties.

12. **Construction.** Should any paragraph, clause or provision of this Amendment be construed to be against public policy or determined by a court of competent jurisdiction to be void, invalid or unenforceable, such construction and decision shall affect only those paragraphs, clauses or provisions so construed or interpreted, and shall in no way affect the remaining paragraphs, clauses or provisions of this Amendment which shall remain in force.

13. **Counterpart Signatures.** This Amendment may be executed in two or more counterparts, by facsimile, and with originals following by mail or express delivery. In the event of a dispute, a facsimile shall be deemed to be an original.

14. **Governing Law.** This Amendment shall be construed and governed by the laws of the State of California, without regard to its conflict of laws provisions, and any action brought regarding this Agreement shall be brought in state or federal court in Fresno, California.

15. **Attorneys' Fees.** The prevailing party, or parties, in any action or proceeding to interpret or enforce this Amendment, or any of its terms, shall be entitled, in addition to any judgment or award upon such action or proceeding, to an award for all costs and expenses (including costs of all legal or administrative proceedings or hearings) incurred by such prevailing party or parties, including, without limitation, all attorneys' fees and related costs incurred by such party in connection with such actions and proceedings and the enforcement of any such judgment or award and upon prevailing in any appeal relating thereto

16. **Entire Agreement.** This Amendment states the entire agreement among the Parties and supersedes their prior agreements, negotiations or understandings. Each of these Parties acknowledges and agrees that no other party, nor agent, nor attorney of any of the Parties made any promises, representation or warranty, express or implied, not set forth in this Amendment. Each Party acknowledges that such Party has not executed this Amendment in reliance on any promise, representation, conduct or warranty of any other Party not expressly set forth in this Agreement.

[Signatures follow on the next page]

**NORTH CENTRAL FIRE PROTECTION
DISTRICT**

**CITY OF FRESNO,
A municipal corporation**

By: _____
Ken Abrahamian
President, Board of Directors

By: _____
Wilma Quan-Schechter
City Manager

APPROVED AS TO FORM:

BAKER MANOCK & JENSEN, PC

APPROVED AS TO FORM:

DOUGLAS T. SLOAN, City Attorney

By: _____
Kenneth J. Price
Attorney for North Central Fire
Protection District

By:  _____
Brandon M. Collet
Deputy City Attorney

ATTEST:
YVONNE SPENCE, MMC
City Clerk

By: _____
Deputy

EXHIBIT A

SERVICE AGREEMENT FOR FIRE PROTECTION AND EMERGENCY SERVICES

THIS AGREEMENT is made this 20th day of December, 2006, by and between the CITY OF FRESNO, a charter city and municipal corporation hereinafter referred to as "CITY," and the NORTH CENTRAL FIRE PROTECTION DISTRICT, a California fire protection district, organized and operated pursuant to the Fire Protection District Law of 1987, Health and Safety Code, Sections 13800, et seq., hereinafter referred to as "DISTRICT," the promises and agreements of each being in consideration of the promises and agreements of the other.

RECITALS

(1) DISTRICT currently is the primary provider of fire protection service and receives general purpose *ad valorem* property tax and other revenues from within its territorial limits, such tax revenue being based on application of the combined "parent zone" and applicable "ZONE 1" rates to the taxable value of the real property within such territory.

(2) DISTRICT'S current territorial limits include certain unincorporated territory in DISTRICT'S service area which are surrounded by incorporated areas of the CITY.

(3) Current and future expansion of CITY'S incorporated territory will include the detachment of territory from DISTRICT'S service area and the transfer of such territory to CITY, and will result in the loss of significant *ad valorem* property tax revenues for the District, the impact of which is presently partially mitigated by the "TRANSITION AGREEMENT" which the parties have executed, dated as of November 29, 2005.

(4) The parties have negotiated this "Service Agreement for Fire Protection and Emergency Services" (the "Agreement") in light of the foregoing facts and in order to enhance the fire protection services, equipment and staffing available for the residents of the DISTRICT.

(5) By this Agreement, the parties intend to provide for the continued independence of the District's Board of Directors and the services provided by the CITY, as described in this Agreement, shall be subject to the direction of the Board of Directors of the District.

(6) The parties wish to provide a clear means of administration and dispute resolution for purposes of this Agreement.

The parties agree as follows:

1. Term. The term of this Agreement is thirty (30) years, beginning of the 1st day of July 2007 and ending on the 30th day of June 2037, subject to the provisions of Paragraph 8.

2. Scope of Services:

A. The CITY agrees to provide fire protection and emergency services to the DISTRICT consistent with the services provided within the CITY. In providing these services the CITY shall:

- 1) Provide primary response fire protection and emergency services throughout the DISTRICT in a manner consistent with this Agreement and within the staffing and response guidelines established in the service level criteria set forth in Appendix A, including the use of the CITY'S vehicles, equipment, apparatus, and sufficient personnel to operate the vehicles, equipment, and apparatus. These services shall be provided subject to the condition that reasonably sufficient vehicles, equipment, apparatus, and personnel shall remain within the CITY to assure adequate fire protection and emergency services to the CITY. Under this condition, if the demands of the DISTRICT exceed the services which the CITY can provide, the CITY agrees to the use of third party mutual aid agreements may be necessary to supplement the CITY'S vehicles, equipment, apparatus, and personnel.
- 2) Use due diligence to maintain continuous (twenty-four [24] hours per day, seven [7] days per week) and uninterrupted fire protection and emergency services which shall at least be consistent with the standards set forth in the service level criteria in Appendix A. Under no circumstances is the CITY liable to the DISTRICT for an interruption or failure of service caused by acts of God, unavoidable accident, or other circumstances beyond the control of the CITY through no fault of its own.
- 3) The services described in paragraph 1) of this section shall include the following activities:
 - (i) Review building and construction plans for compliance with applicable fire codes and ordinances of the DISTRICT.
 - (ii) Investigate fires within the DISTRICT.
 - (iii) Review and propose fire codes and ordinances for adoption by the DISTRICT, subject to the provisions of Paragraph 20.
 - (iv) Perform inspections in the DISTRICT in accordance with the Department's service level objectives.

(v) Enforce applicable fire codes, ordinances, regulations, and statutes for the District. The DISTRICT hereby delegates to the CITY authority to issue citations for such purposes.

(vi) Conduct a fire prevention and education program within the DISTRICT.

(vii) Maintain, for the DISTRICT, adequate fire service records of activities as may be required by the Insurance Services Office and the California State Fire Marshal, and financial records, as may be required by the DISTRICT Board of Directors.

(viii) Participate in mutual aid agreements and instant aid with fire protection providers who are contiguous with DISTRICT, as approved by both the CITY and the DISTRICT as necessary/appropriate.

(ix) Take all reasonable steps to maintain all of its apparatus, equipment, and its entire system in a good state of repair and shall at all times conduct its operations under this Agreement in a safe and professional manner.

(x) Participate in the DISTRICT'S emergency management planning through the Fire Chief or designee.

(xi) Prepare reports for and take action for those matters shown on Appendix "D" and such other matters as reasonably requested by the DISTRICT Board from time to time, except for those matters assigned to the District's Business Manager, as set forth on Appendix "F".

(xii) Designate an individual to act as the DISTRICT "Fire Chief", subject to DISTRICT approval as the point of contact for residents of the DISTRICT and for DISTRICT Board Members.

(xiii) Insure that the DISTRICT Fire Chief attend all special and regular meetings of the DISTRICT Board of Directors, and represents the Board at all other City, County and Regional meetings of Fire Chiefs.

(xiv) Insure DISTRICT compliance with its contractual obligations by managing the contracts listed in Appendix "E", provided legal and financial obligations remain with District. CITY expressly does not assume these contracts or any of them.

- B. The CITY agrees to provide the DISTRICT with monthly call summary and other reports for the fire protection services and emergency services provided.
 - C. The CITY shall keep the DISTRICT informed of all new developments, issues, or concerns affecting the operations of the CITY that impact CITY's performance of this Agreement. CITY shall endeavor to notify the DISTRICT in advance of any public announcement concerning such CITY operations. The DISTRICT shall endeavor to notify the CITY of any developments or issues concerning the Agreement in advance of any public announcement on the subject.
 - D. The City shall cooperate with the District's Business Manager in all assigned duties, as set forth on Appendix "F".
3. Compensation. The DISTRICT agrees to pay the CITY a base annual fee in two annual installments on December 31st and April 30th of each year, beginning on December 31, 2007, subject to the receipt of the DISTRICT tax revenue payments from the County of Fresno, as shown on Appendix B, subject to the following adjustments:
- A. The adjustments are:
 - 1) The base annual fee may be adjusted by approval of the parties to meet decreased service level demands resulting from annexation of DISTRICT service area.
 - 2) The base annual fee may be adjusted by approval of the parties to meet increased service level demands.
 - 3) The base annual fee shall be adjusted for the change in All Urban Consumers California CPI for the previous year or the % of DISTRICT tax revenue growth whichever is less.
 - 4) In the event that a portion of the territory of DISTRICT is annexed to CITY, such territory shall be excluded from this Agreement upon detachment, and at the next installment payment as defined in this paragraph 3, the base annual fee shall be permanently reduced by the amount of tax revenue (including the ad valorem tax and the Zone 1 voter approved tax) generated from the annexed area from/after the date of detachment. The amount of the reduction shall be the amount received by the DISTRICT in the tax year immediately preceding the annexation. The DISTRICT shall remit to the CITY any post-detachment tax revenues received by it within 30 days thereof.

B. None of the provisions of this Agreement shall be construed to create in the DISTRICT either party any right, interest, or ownership in any real or personal property of the CITY other used for the performance of this Agreement.

C. If during the term of this Agreement the revenue streams of the DISTRICT and/or the CITY are limited for reasons beyond their respective control and if, as a result the CITY is unable to provide the level of service described in Section 2 above, and/or if DISTRICT is unable to pay CITY for the established levels of service, either party may terminate the Agreement by notice as described in Section 8 (iv) and request best efforts renegotiation and/or service transition.

D. This agreement is subject to any applicable constitutional and charter taxing or debt limitations and is contingent upon the annual appropriation of funds. Upon failure to appropriate the funds necessary for this Agreement, notice as described in Section 8 shall be given and both parties will immediately negotiate a service transition and/or enter best efforts renegotiation, subject to Transition Agreement revival as provided hereunder.

4. Financial Review. Each year, the chief financial officers or designees of both agencies will review the costs associated with providing fire protection and emergency services to protect against cost shifting between agencies. The financial officers will produce a report to the elected officials that describes the outcome of the financial review, by not later than May 30th.
5. Legal Advice. Each party will be represented by and bear costs of its respective counsel.
6. Transition:

A. Employees: Employees of the DISTRICT who are currently employed by the DISTRICT shall have the option of transferring employment to CITY effective July 1, 2007, as described in Appendix C.

1) Except and to the extent otherwise provided herein, all DISTRICT employees who transfer to CITY employment shall be governed by the terms and conditions of the Charter of the CITY, the Fresno Municipal Code, the Administrative Order manual, the Salary Resolution and other rules and regulations of the CITY.

2) Employees of the DISTRICT who elect to transfer to CITY employment shall be placed into a job classification and bargaining unit commensurate with their DISTRICT duties and at the rate of pay as shown on Appendix "C." Non-safety DISTRICT employees shall be required to complete a CITY job application specifying their relevant knowledge, skills and abilities. All transferring DISTRICT employees

must meet CITY minimum qualifications and eligibility criteria to be eligible for promotion to higher classes or ranks. All DISTRICT employees who transfer to CITY employment shall be fingerprinted prior to employment and subject to Department of Justice clearance prior to commencement of employment.

3) Except and to the extent otherwise expressly provided herein, the DISTRICT will be and remain responsible for all vested welfare, retirement and pension obligations (including pension obligation bonds, if any) and liabilities, existing on transition date, including the obligation to pay off the "severance bank" for those employees shown on Appendix "C" and to satisfy any remaining "longevity pay" obligations for those employees shown on Appendix "C."

4) DISTRICT will transfer DISTRICT leave balances remaining at time of separation to CITY for all employees who transfer employment to CITY as outlined in this Section 6 and Appendix C.

(a) Sick Leave – all DISTRICT employees shall carry over their current balance of sick leave hours (maximum of 2160 hours) which shall be their starting CITY balance at the time of transition to the CITY, provided that as to sworn management employees (Battalion Chiefs and DISTRICT Fire Chief) the DISTRICT shall pay to the CITY the value of those transferred sick leave hours above 240 hours multiplied by forty percent (40%) of the employee's existing hourly rate of pay at the time of retirement from the CITY;

(b) Vacation Leave – all DISTRICT employees shall carry over their current balance of vacation hours (maximum of 216 hours) which shall be their starting CITY balance at the time of transition to the CITY;

(i) Transitioning employees shall accrue applicable CITY vacation or annual leave hours based on their combined total years of service to the DISTRICT and the CITY in accordance with the respective Memorandums of Understanding.

(c) Holiday Leave – all sworn DISTRICT employees shall be paid by the DISTRICT for any holiday leave balance prior to transfer of employment to the CITY.

5) DISTRICT employees who transfer employment to the CITY shall be entitled to all applicable benefits to which CITY employees are entitled including under CITY reciprocity agreement(s) and Memorandums of Understanding with each respective bargaining unit. DISTRICT and

DISTRICT employees shall provide all certifications, documentation and information reasonably required by the CITY for transfer of employment to the CITY, including without limitation a HIPAA certificate of creditable coverage.

6) Employees of the DISTRICT who have not completed or satisfied the terms of their probation, as of the date of the transfer, shall be required to satisfactorily complete their probation as CITY employees in accordance with CITY standards.

(i) DISTRICT dispatchers who transfer to CITY employment shall be required to successfully complete a background investigation and a probationary period with the Police Department. Dispatchers who do not successfully complete the background investigation or their probation shall be offered CITY employment in one available CITY position for which they meet the minimum qualifications with similar rate of pay.

7) Any DISTRICT employee who has suffered a work related injury or illness prior to the date of transition shall be entitled to receive medical and/or other workers' compensation benefits required by law from and through the DISTRICT before and after the date of transition. Any work related injury or illness occurring after the transition date shall be administered through the CITY's workers' compensation program.

8) The DISTRICT shall transfer the personnel files of all transitioning employees to CITY at the time of transition.

9) All safety DISTRICT employees shall be covered by the existing Memorandums of Understanding between the CITY and the International Association of Firefighters (Basic Unit and Management Unit) as outlined in Appendix "C," in addition to the following terms and conditions:

(i) Salaries – DISTRICT employees will begin at the "A" step of the salary range for each respective rank;

(ii) Seniority On the Job – DISTRICT employees will be placed at the bottom of the current seniority list in the same order they held with DISTRICT at time of transfer of employment to CITY;

(iii) Seniority In Rank – DISTRICT employees will be placed at the bottom of the current seniority list in each rank, in the order that will reflect their seniority in rank with the DISTRICT as of the time of transfer of employment to the CITY;

(iv) Assignments – DISTRICT employees may remain in their respective DISTRICT stations until the next occurring station draw.

(v) Movement Through Steps – For the first 5 years after transition, DISTRICT employees shall move from the “A” step of the salary range for each respective rank to the “B” step upon 1 year of paid status at the “A” step. Movement to each higher step of the salary range for each respective rank shall also be upon completion of one year of paid status at the lower step.

B. Facilities and Equipment. Fire protection and emergency services facilities and equipment owned by the DISTRICT shall be available for the use by the CITY at no cost to the CITY (except for stations 45 and 47) during the term of this Agreement. DISTRICT shall retain ownership of all facilities and equipment owned by DISTRICT on July 1, 2007. Should DISTRICT decide to divest itself of facilities, fire equipment or apparatus, CITY shall have right-of-first-refusal to purchase said equipment apparatus or facilities at its fair market value. The parties shall conduct an initial inventory such facilities and equipment variously identifying assets including general condition, operational status and interface/interoperability issues and costs. Any required modifications/fitting out (including without limitation as to Mobile Data Terminals) not otherwise provided for in this Agreement shall be accomplished only as agreed to by parties in writing.

C. Reserves. DISTRICT will maintain sufficient funds in reserve to replace fire apparatus and vehicles based upon the DISTRICT replacement schedule.

D. Apparatus Maintenance. Generally, CITY will maintain DISTRICT owned apparatus and equipment regularly used by the CITY hereunder. CITY will pay for parts and labor for apparatus maintenance up to twenty thousand dollars (\$20,000) per year, and DISTRICT will be billed for all apparatus maintenance costs that exceed this amount. The initial \$20,000 threshold shall be adjusted annually by the index described in paragraph 3.A. (3) of this Agreement. Labor will be billed at an hourly rate based upon the wage and benefits of a Fire Equipment Mechanic II. IF DISTRICT transitions ownership of equipment and apparatus to CITY, DISTRICT and CITY will establish an equitable formula for adjusting maintenance costs. Operating costs for fuel and tires shall be borne by the DISTRICT for District Apparatus.

E. Facilities and Utilities. The cost of utilities (electric, gas, water, sewer, trash and telecom) for DISTRICT facilities will be the responsibility of the DISTRICT, provided that:

1) The CITY shall provide routine/emergency maintenance for the DISTRICT'S facilities necessary to keep such in a state of good repair; and

2) DISTRICT will pay for such routine facility maintenance not exceeding thirty thousand dollars (\$30,000) per year; maintenance costs exceeding said amount must be prior approved by the DISTRICT except in emergency situations imperiling life or property. The initial \$30,000 threshold shall be adjusted annually by the index described in paragraph 3.A. (3) of this Agreement.

F. Small tools and equipment. The DISTRICT will budget and fund twenty-eight thousand dollars (\$28,000) per year for replacement or addition of small tools and equipment. Anything above that amount will be borne by the CITY. The initial \$28,000 threshold shall be adjusted annually by the index described in paragraph 3.A. (3) of this Agreement.

G. Turnout Equipment. DISTRICT shall budget and fund fifty thousand dollars (\$50,000) in year 1 of this Agreement for a second set of turnout gear/equipment for each transitioning DISTRICT firefighting position. DISTRICT shall budget and fund Twenty Thousand Dollars (\$20,000) In each subsequent year of this Agreement for replacement of turnout gear and equipment. The initial \$20,000 threshold shall be adjusted annually by the index described in paragraph 3.A. (3) of this Agreement.

H. Emergency Communications. CITY will provide DISTRICT with dispatch services.

I. Insurance. Each party shall be responsible for providing insurance policies or self-insurance programs to fund liabilities on the facilities and equipment it owns. Evidence of Insurance, Certificates of Insurance or other similar documentation shall not be required of either party under this Agreement.

J. Facility/Apparatus Identity. The facilities and apparatus of the DISTRICT shall be numbered, identified and marked in the manner mutually agreed upon by the parties.

K. Prorations. The foregoing dollar amounts shall be prorated in the first year of this agreement, except for the cost of turnout equipment in Section 6.G.

7. Hold Harmless

A. The CITY shall indemnify, hold harmless and defend DISTRICT and each of its officers, officials, employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and

property damage) incurred by DISTRICT, CITY or any other person, and from any and all claims, demands and actions in law or equity (including attorney's fees and litigation expenses), arising or alleged to arise directly or indirectly from the negligent or intentional acts or omissions of CITY or any of its officers, officials, employees, agents or volunteers in the performance of this Agreement.

B. DISTRICT shall indemnify, hold harmless and defend CITY and each of its officers, officials, employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage) incurred by the CITY, DISTRICT or any other person, and from any and all claims, demands and actions in law or equity (including attorney's fees and litigation expenses), arising or alleged to arise directly or indirectly from the negligent or intentional acts or omissions of DISTRICT or any of its officers, officials employees, agents or volunteers in the performance of this Agreement.

C. In the event of concurrent negligence on the part of CITY or any of its officers, officials, employees, agents or volunteers, and DISTRICT or any of its officers, officials, employees, agents or volunteers, the liability for any and all such claims, demands and actions in law or equity for such losses, fines, penalties, forfeitures, costs and damages shall be apportioned under the State of California's theory of comparative negligence as presently established or as may be modified hereafter.

D. This section shall survive termination or expiration of this Agreement.

8. Termination. This Agreement shall be effective beginning July 1, 2007, and shall remain in full force and effect until the earlier of (i) termination by mutual written agreement of the parties, (ii) termination by a non-breaching party for the nonperformance of the other not cured following thirty (30) days written notice thereof (iii) June 30, 2037 or (iv) on nine (9) months written notice by either party, if given pursuant to paragraph 3.C.. In the event of termination, the "Transition Agreement" between the parties, dated as of November 29, 2005, shall again become effective retroactive to date one year prior to the date of termination.
9. Master Agreement. This agreement shall serve as the "Master Agreement" for fire protection and emergency services and transition of annexed/detached DISTRICT service area. Upon signing the parties agree that, as to the subject matter hereof this Agreement shall control any inconsistent portions of all other Agreements if any between the parties, and shall specifically supersede and suspend obligations under the "Transition Agreement" between the CITY and the DISTRICT, dated as of November 29, 2005. The DISTRICT and CITY will explore other opportunities for entering into additional mutually beneficial agreements during the effective life of this Agreement and as long as neither party is in default, CITY and DISTRICT and each of them covenant that they will not directly or indirectly oppose annexations to CITY.

10. Renewal. Each party agrees to give not less than twelve (12) months notice to the other prior to the expiration of this Agreement of intention to renegotiate the Agreement.
- A. If a party has notified the other of its intent to renegotiate this Agreement, the parties agree that prior to the termination of this Agreement, they will negotiate in good faith concerning the possible renewal of this Agreement or the making of a new Agreement.
- B. If a party has notified the other of its intent to renew or renegotiate this Agreement and renewal or successful renegotiation has not been completed before the end of this contract period, this Agreement shall be automatically extended for 90 days to allow continuing negotiations, upon terms and conditions then in effect. This Agreement may be extended further by mutual agreement for additional increments up to 90 days each.
11. Discrimination. The parties agree not to discriminate on the basis of race, religion, color, sex, marital status, familial status, national origin, age, mental or physical disability, sexual orientation, or source of income in the performance of this Agreement.
12. Waiver of Breach. A waiver of any breach of any provision of this Agreement by either party shall not operate as a waiver of any subsequent breach of the same of any other provision of this Agreement.
13. Applicable Laws. At all times during the term of this Agreement, the CITY and the DISTRICT shall comply with all applicable laws, ordinances, rules, and regulations of the United States of America, the State of California, including all agencies and subdivisions thereof.
14. Dispute Resolution. The parties desire, if possible, to resolve disputes, controversies, and claims ("Disputes") arising out of this Agreement without litigation. To that end at the written request of a party, each party shall appoint a knowledgeable, responsible management representative to meet and negotiate in good faith to resolve any Dispute arising under this Agreement. The parties intend that these negotiations be conducted by non-lawyer, business representatives. The discussions shall be left to the discretion of the representatives.
- A. If the negotiations do not resolve the Dispute within sixty (60) days of the initial written request, the Dispute may be submitted to non-binding mediation with a mediator chosen by mutual agreement of the parties.
- B. Each party shall bear its own cost of these dispute resolution procedures. The parties shall equally share the fees of the mediation and the mediator.

15. Notice. All notices, reports, or demands required to be given in writing under this Agreement shall be deemed to be given when delivered personally to the person designated below, or his successor, or when five (5) days have elapsed after it is deposited in the United States mail in a sealed envelope, with registered or certified mail postage prepaid, or on the next addressed business day if sent by express mail or overnight air courier to the party to which the notice is being given, as follows:

For CITY

Fire Chief
450 "M" Street
Fresno, CA 93721

For DISTRICT

15850 W. Kearney Blvd.
Kerman, CA 93630

Copy To:
City Manager – City of Fresno
2600 Fresno Street, Room 2064
Fresno, CA 93721-3601

Such addresses may be changed by either party upon written notice to the other party given as provided in this section.

16. Captions. The paragraph captions and headings in this Agreement are for convenience and reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.
17. Precedence of Documents. In the event of any conflict between the body of this Agreement and any exhibit or attachment hereto, the terms and conditions of the body of this Agreement shall control and take precedence over the terms and conditions expressed within the exhibit or attachment. Furthermore, any terms or conditions contained within any exhibit or attachment hereto which purport to modify the allocation of risk between the parties, provided for within the body of this Agreement, shall be null and void.
18. Third Party Beneficiaries/Independent Capacity. This Agreement shall not be assigned and shall not be construed or deemed to be an agreement for the benefit of any third party or parties, and no third party or parties shall have any right of action hereunder for any cause whatsoever. The parties are acting in an independent capacity in pursuit of this Agreement.
19. Attorney's Fees. If either party is required to commence any proceeding or legal action to enforce or interpret any term, covenant or condition of this Agreement, the prevailing party in such proceeding or action shall be entitled to recover from the other party its reasonable attorney's fees and legal expenses in addition to any other relief to which such party may be entitled.

20. Advisory Committee. Following the execution of this Agreement, the parties agree to create a committee to review applicable DISTRICT service area codes and fees and present recommendation back to the North Central Fire Protection Board.

APPENDIX A
SERVICE LEVEL CRITERIA

Station Location	Minimum Staffing Per Shift
NCFD Station 41 – Kerman	2 – Firefighters 1 – Firefighter Specialist 1 – Captain 1 – Battalion Chief
NCFD Station 43 – Biola	1 – Firefighter 1 – Firefighter Specialist 1 – Captain
NCFD Station 44 – Kearney Park	1 – Firefighter 1 – Firefighter Specialist 1 – Captain
NCFD Station 45 – Shields/Grantland	District Board discretion for future use
NCFD Station 47 – Bullard/West	District Board discretion for future use

- The City shall follow existing District "cover" protocols to insure the availability of vehicles, equipment, apparatus and personnel throughout the District.
- The City shall respond to Priority #1 and Priority #2 medical aid emergency calls outside of city limits.
- The City shall respond with the closest available engine to an incident.
- The City use due diligence to maintain continuous (twenty-four [24] hours per day, seven [7] days per week) and uninterrupted fire protection and emergency services.

APPENDIX B
PROFORMA FINANCIALS

Period of Service	Service Contract Fees
7/1/2007 through 6/30/2008	\$4,354,825*

Note: First year transition costs that are not reflected in the numbers include MDT costs.

* This fee is an estimate and includes a projection of benefits costs for FY2008. FY 2008 benefit costs for workers compensation, health insurance and retirement benefit rates are anticipated to be available in February 2007. July 1, 2007 Battalion Chief salaries were estimated and may be subject to adjustment pending finalization of contract negotiations. Actual benefit rates may cause the contract fee to increase or decrease. The fee will be reduced by \$156,549 if the North Central Fire Protection District Fire Chief remains an employee of the District. The fee will be prorated and reduced based on a cost of \$13,046 per month if the Fire Chief becomes a City employee and works less than 12 months in any calendar year due to retirement or any other cause.

APPENDIX C
EMPLOYEE TRANSITION

Employee ID	NCFD Rank	NCFD Vacation Leave Balance 1/1/06*	NCFD Sick Leave Balance 1/1/06*	Fresno City Fire Department Rank	Fresno City Fire Department Monthly Base Salary	Fresno City Labor Unit/MOU Applicable
196	Firefighter	120.00	486.00	Firefighter	Step A - \$ 4,556	Basic-Local 753
206	Firefighter	120.00	240.00	Firefighter	Step A - \$ 4,556	Basic-Local 753
209	Firefighter	120.00	200.00	Firefighter	Step A - \$ 4,556	Basic-Local 753
216	Firefighter	40.00	48.00	Firefighter	Step A - \$ 4,556	Basic-Local 753
222	Firefighter			Firefighter	Step A - \$ 4,556	Basic-Local 753
220	Firefighter			Firefighter	Step A - \$ 4,556	Basic-Local 753
221	Firefighter			Firefighter	Step A - \$ 4,556	Basic-Local 753
219	Firefighter			Firefighter	Step A - \$ 4,556	Basic-Local 753
218	Firefighter			Firefighter	Step A - \$ 4,556	Basic-Local 753
207	Firefighter	120.00	264.00	Firefighter	Step A - \$ 4,556	Basic-Local 753
210	Firefighter	120.00	150.00	Firefighter	Step A - \$ 4,556	Basic-Local 753
157	Engineer	120.00	235.50	Firefighter Specialist	Step A - \$ 5,114	Basic-Local 753
203	Engineer	120.00	235.50	Firefighter Specialist	Step A - \$ 5,114	Basic-Local 753
202	Engineer	120.00	156.00	Firefighter Specialist	Step A - \$ 5,114	Basic-Local 753
185	Engineer	168.00	783.00	Firefighter Specialist	Step A - \$ 5,114	Basic-Local 753
190	Engineer	168.00	786.50	Firefighter Specialist	Step A - \$ 5,114	Basic-Local 753
195	Engineer	120.00	343.00	Firefighter Specialist	Step A - \$ 5,114	Basic-Local 753
200	Engineer	120.00	396.00	Firefighter Specialist	Step A - \$ 5,114	Basic-Local 753
166	Engineer	168.00	792.00	Firefighter Specialist	Step A - \$ 5,114	Basic-Local 753
129	Engineer	216.00	1,860.00	Firefighter Specialist	Step A - \$ 5,114	Basic-Local 753
189	Engineer	168.00	906.00	Firefighter Specialist	Step A - \$ 5,114	Basic-Local 753
182	Engineer	168.00	1,134.00	Firefighter Specialist	Step A - \$ 5,114	Basic-Local 753
197	Engineer	120.00	390.00	Firefighter Specialist	Step A - \$ 5,114	Basic-Local 753
160	Engineer	216.00	1,632.00	Firefighter Specialist	Step A - \$ 5,114	Basic-Local 753
201	Engineer	120.00	300.00	Firefighter Specialist	Step A - \$ 5,114	Basic-Local 753
184	Training Captain	168.00	891.75	Fire Captain	Step A - \$ 5,721	Basic-Local 753
151	Fire Prev Captain	216.00	2,160.00	Fire Captain	Step A - \$ 5,721	Basic-Local 753
111 ●●●	Fire Captain	216.00	2,160.00	Fire Captain	Step A - \$ 5,721	Basic-Local 753

156	Fire Captain	216.00	1,747.00	Fire Captain	Step A - \$5,721	Basic-Local 753
115 ●●	Fire Captain	216.00	2,160.00	Fire Captain	Step A - \$5,721	Basic-Local 753
154	Fire Captain	216.00	2,142.00	Fire Captain	Step A - \$5,721	Basic-Local 753
188	Fire Captain			Fire Captain	Step A - \$5,721	Basic-Local 753
176	Fire Captain			Fire Captain	Step A - \$5,721	Basic-Local 753
116 ●●●	Fire Captain	216.00	2,160.00	Fire Captain	Step A - \$5,721	Basic-Local 753
133 ●	Fire Captain	216.00	2,160.00	Fire Captain	Step A - \$5,721	Basic-Local 753
158	Fire Captain	216.00	1,625.50	Fire Captain	Step A - \$5,721	Basic-Local 753
150	Battalion Chief	216.00	2,160.00	Battalion Chief #	Step A - \$7,414	Mgmt-Local 753
114 ●●●	Battalion Chief	216.00	2,160.00	Battalion Chief #	Step A - \$7,414	Mgmt-Local 753
109 ●●●	Battalion Chief	216.00	2,121.00	Battalion Chief #	Step A - \$7,414	Mgmt-Local 753
097 ●●●	Fire Chief	216.00	2,160.00	Deputy Chief	\$9,389	Mgmt-Local 753

*Accrued balances shown are hours as of 1/1/06 for informational purposes only. DISTRICT shall provide actual balances current as of July 1, 2007 as to all transitioning employees.

Estimated Step A pending MOU negotiations related to July 2007 and subsequent salary range.

**APPENDIX C (Continued)
EMPLOYEE TRANSITION**

Employee Name	NCFD Rank	NCFD Vacation Leave Balance 1/1/06*	NCFD Sick Leave Balance 1/1/06*	Fresno City Fire Department Rank	Fresno City Fire Department Monthly Base Salary	Fresno City Labor Unit/MOU Applicable
217	Account Clerk	12.00	42.00	Principal Account Clerk	Step D - \$3,333	FCEA
139	Administrative Tech	120.00	454.50	Sr Administrative Clerk	Step E - \$2,940	FCEA
141	Dispatcher	112.00	888.80	See Note Below	See Note Below	FCEA
193	Dispatcher	70.00	274.00	See Note Below	See Note Below	FCEA

*Accrued balances shown are hours as of 1/1/06 for purposes of presentation for negotiation purposes only. Actual balances will be reflected in the final agreement.

•• – Employee holds “severance bank” balance. (All balances to be paid as wages by DISTRICT on or before the separation date.)

• – Employee enjoys “longevity bank” benefits due to time in service of [---] . (No payment by DISTRICT to be made so long as the starting salary for City employment is 8% or more than the base DISTRICT salary on the transition date.)

NOTE: City Job Title of Emergency Services Dispatcher I
City Monthly Base of A-Step \$2,993

APPENDIX D

North Central Fire Protection District

MASTER CALENDAR

Monthly Business:

- Financial Reports.
- Budget Report.
- Apparatus/Equipment Report.
- Monthly Board Meeting (4th Wednesday – 7 p.m.).

January:

February:

- Distribute Form 700 to Board Members.

March:

- Weed abatement: Adopt Resolution to establish the existence of a public nuisance.
- Collect Annual Form 700 from Board Members and file with County Clerk and FPPC.

April:

- Public Hearing for Weed Abatement.
- Weed Abatement Contract for Services.

May:

June:

- Preliminary Budget Presentation.
- Appoint Auditor.

July:

- Adopt Resolution for Weed Abatement Tax Roll Assessment.
- Automatic Defibrillators maintenance contract renewal.

August:

- Adoption of Final Budget.

September:

October:

- Prepare and file annual Financial Report with State Controller (110 days after close of fiscal year).

November:

December:

- Reorganization of Board Offices.
- Election of Board Members.

APPENDIX E CONTRACTS

<u>Contract Name</u>	<u>Contract Date</u>
• Lease Agreement between NCFPD and Madera Radio Dispatch, Inc.	• July 1, 2001
• Lease Agreement between NCFPD and County of Fresno regarding use of space for radio communications equipment.	• March 16, 2004
• Tower Lease Contract between NCFPD and Unwired Broadband, Inc.	• March 10, 2004
• Business Associate Agreement between NCFPD and Central Valley Commercial Corporation.	• January 28, 2004
• Paramedic Ambulance Services Agreement Between North Central Fire Protection District and American Ambulance.	• January 1, 2004
• Defib Technical Service Agreement between NCFPD and Medtronic Physio-Control.	• September 1, 2006
• Semi-Annual Inspection and Service Agreement for Air Compressor between NCFPD and Bauer Compressors Inc.	• March 1, 2004
• PWT IT, 3COM Partner Express Service Agreement for Service of Switched Infrastructure and Voice Systems.	• December 21, 2005
• Agreement between NCFPD and the County of Fresno regarding Hazmat Vehicle	• November 17, 2004
• Bio-waste Disposal Agreement between NCFPD and Community Medical Centers.	• April 1, 2006
• All mutual and Instant Aid Agreements	•

APPENDIX F

North Central Fire Protection District **BUSINESS MANAGER**

Job Description
(Effective July 1, 2007)

DEFINITION

The Business Manager performs and/or supervises professional financial and accounting functions necessary to maintain the financial and accounting records of the District. The Business Manager is responsible to the District Board of Directors for advice relative to all financial management matters.

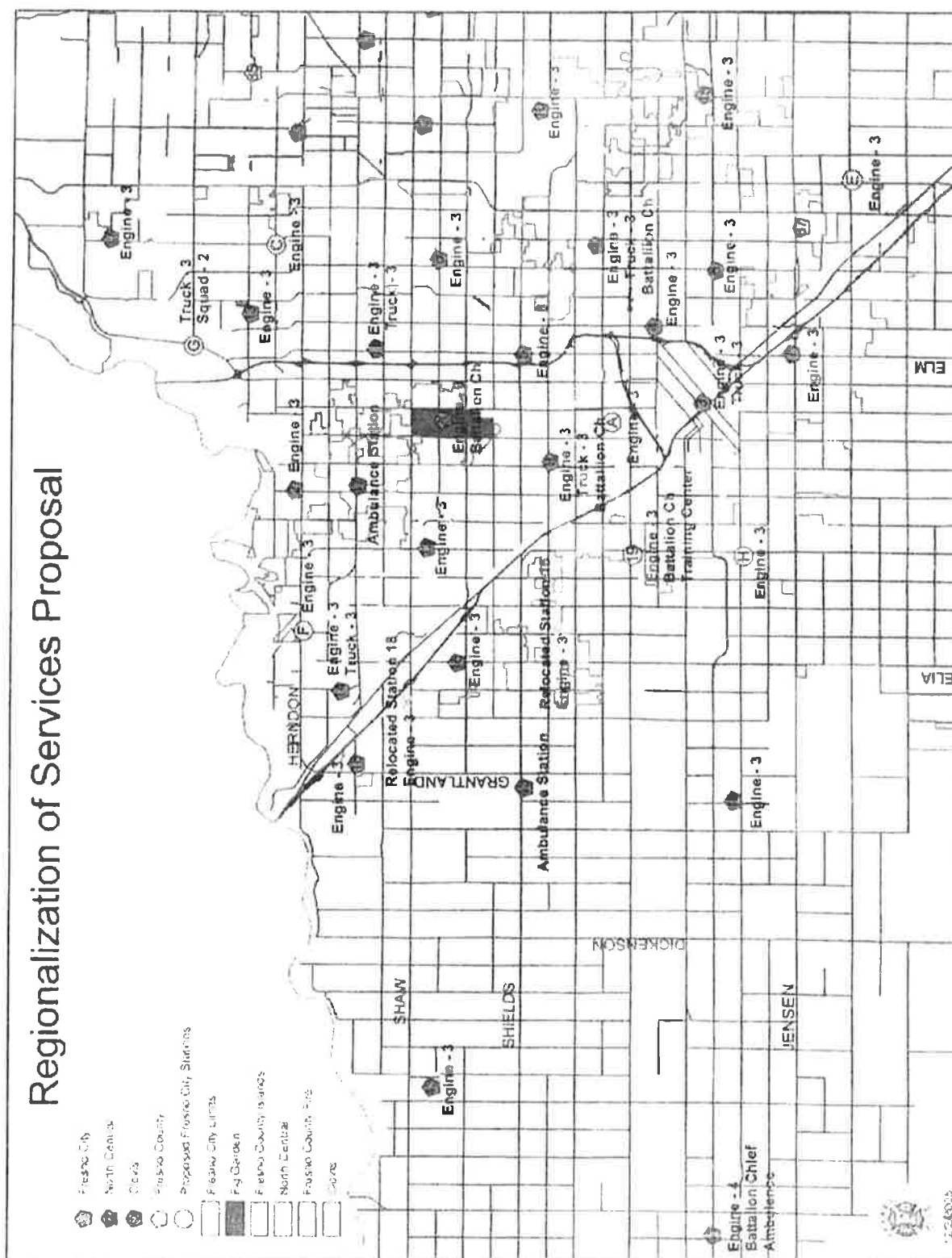
DUTIES AND RESPONSIBILITIES

- Responsible for the posting and maintenance of the general ledger and budgetary control accounts of the District.
- The Business Manager shall process deposits and transfers into the District's Funds held at the County of Fresno. He/she shall monitor and report Fund account information to the Board of Directors at the monthly meetings.
- Responsible for the formulation of a fiscal operating budget for the District. He/she shall prepare monthly expenditure analysis of Fire District expenditure accounts and maintain expenditure history for the District.
- The Business Manager shall manage all accounting and financial functions to ensure systems provide complete, accurate, and timely information for all internal and external audiences.
- Responsible for closely monitoring, analyzing, and reporting information regarding District's financial performance and recommend updates to financial procedures as needed to the Board of Directors.
- The Business Manager shall meet with the District's Fire Chief designee as often as needed to discuss board agenda items, budget issues, financial reports, expenditure analysis, and to monitor compliance of contractual obligations.
- The Business Manager shall meet each year with the chief financial officer or designee from the City of Fresno for the review of costs associated with providing fire protection and emergency services to protect against cost shifting between agencies. The financial officers will produce a report to the elected officials that describes the outcome of this review no later than May 30th of each year.
- Responsible for providing timely responses to requests for information to external auditor assigned to audit the District's records
- Responsible for preparing and filing Financial Report with the State Controller within 110 days after close of fiscal year
- Responsible for producing timely, accurate, and understandable financial reports for all Board Meetings. He/she is responsible for reviewing all board packet information before it goes out to the Board of Directors.
- The Business Manager shall attend all Board Meetings.

- Responsible for providing the custody, safekeeping, and handling of cash receipts.
- The Business Manager shall review the posting and processing of all accounts payable invoices.
- Responsible for monthly bank reconciliations.
- The Business Manager shall post billings and invoices for services rendered as received for the District in a legible and accountable manner.
- The Business Manager shall keep records of expenditures, additions, and replacement of fixed assets for normal maintenance upkeep of facilities, grounds, and equipment.
- Responsible for distribution, filing, and safekeeping of Form 700 (statement of economic interests) for Board of Directors.
- Responsible for posting and monitoring all ambulance transport fee cash receipts and reconciliation of Lockbox account. He/she shall report cash receipts received at the District to American Ambulance to update patient accounts.
- Responsible for collection procedures regarding ambulance delinquent accounts and contacting patients via collection letter in the attempt to make payment arrangements before assigning accounts to the District's collection agency.
- The Business Manager shall monitor and report at the Board Meetings informational and financial reports regarding annexations through LAFCO.
- The Business Manager shall prepare and process payroll, federal and state tax deposits, quarterly payroll reporting, W2 and 1099 forms.
- The Business Manager shall monitor and maintain reserve balances required by contract with the City of Fresno for fire apparatus and vehicle replacement, facility maintenance, small tools and equipment, apparatus maintenance, and turnout.

NOTE

The above statements are intended to describe the general nature and level of work being performed by the person assigned to this position. They are not intended to be an exhaustive list of responsibilities and duties. All other District administrative, secretarial, and legal obligations and tasks not included in this job description have been assumed by the City of Fresno pursuant to the Service Agreement.



RESOLUTION NO. 06-39

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN IN SUPPORT FOR
SERVICE AGREEMENT FOR FIRE PROTECTION AND EMERGENCY SERVICES BETWEEN
NORTH CENTRAL FIRE PROTECTION DISTRICT AND THE CITY OF FRESNO

WHEREAS, the North Central Fire Protection District's (hereby referred to as DISTRICT)
is considering entering into an agreement with the City of Fresno to enhance the fire protection
services, equipment and staffing available for the residents of the DISTRICT, and

WHEREAS, the parties herewith propose the term of this Agreement to be 30 years,
beginning the 1st day of October, 2006, and ending on the 30th day of September, 2036, and

WHEREAS, the parties have negotiated the agreement and are anticipating a long working
relationship.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KERMAN:

1. lends their support to the North Central Fire Protection District in entering into this
agreement with the City of Fresno, because the contract presents the most cost effective
approach to fire protection services for the City of Kerman, and
2. that the Mayor is authorized to sign this Resolution and the City Clerk to Attest.

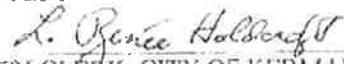
The foregoing Resolution was approved by the City Council of the City of Kerman
at a regular meeting held on the 17th day of May, 2006, and passed at said meeting by the following
vote:

AYES:	Councilmembers Moore, Sidhu, Stockwell
NOES:	None
ABSENT:	Councilmembers Cromartie, Rodriguez
ABSTAIN:	None

The foregoing Resolution is hereby approved.


MAYOR, CITY OF KERMAN

ATTEST:


CITY CLERK, CITY OF KERMAN

**CITY CLERK
RESOLUTION CERTIFICATION**

I, L. RENEE HOLDCROFT, do hereby certify as follows:

That I am the City Clerk of the City of Kerman and that the foregoing document, being Resolution No. 06-39, was passed at a regular meeting of the City Council of the City of Kerman held on the 17th day of May, 2006 and I further certify that the foregoing is a true and correct copy of the document so adopted.

5-25-06
DATE

L. Renee Holdcroft
L. RENEE HOLDCROFT
City Clerk



COPY

DATE: July 13, 2006

TO: ANDREW T. SOUZA, City Manager
JON RUIZ, Assistant City Manager

FROM: RENENA SMITH, Budget Manager *Rf*
Department of Finance

SUBJECT: FISCAL ANALYSIS ON THE NORTH CENTRAL FIRE PROTECTION DISTRICT
MERGER PROPOSAL

Background

The Fire Department (Fire) requested that the Budget & Management Studies Division (BMSD) review the fiscal information related to the North Central Fire Protection District (District) merger. Fire provided the fiscal information and arranged a follow-up meeting with our office to discuss the details of their analysis. The Fire Department did an outstanding job of reporting and substantiating first year and subsequent year costs related to the merger. BMSD subsequently reviewed and validated the information. Our review is limited to the fiscal impacts of the merger and does not address the strategic or policy issues related to the proposal.

Methodology

1. Information provided included:
 - o The draft status report from the Fire Chief to the Mayor and Council
 - o The draft contract with the District
 - o Detailed spreadsheets on employee costing, minimum shift replacement, proposed options for staffing and schedule of levies trend analysis
2. Review of assumptions to ensure that all costs have been considered
3. Validate calculations to ensure that math works
4. Validate revenue stream to the schedule of levies to assure that the District will have tax revenue to cover the projected costs
5. Review the future personnel cost impacts
6. Identify areas of risk

Conclusion

The Fire Department did address all material cost components associated with personnel in the spreadsheet and within the contract. There are some interdepartmental charges and overhead costs that were not included however these costs are not deemed material.

The revenue increase trend in the schedule of levies is sufficient to support the increase in costs through 6/30/2012 assuming the status quo. Annexations, changes in MOU policies or Health & Welfare adjustments could have significant impacts on revenue and expenses and need to be considered on a case by case basis.

The contract calls for, "adjustments in the base annual fee for the change in All Urban Consumers California CPI (CPI) for the previous year or the percentage of District tax revenue growth whichever is less." While the tax revenue trend appears to be sufficient to support costs the CPI has been trending 1 -1.5% lower. This variance does put the City of Fresno at risk for approximately \$45,000 - \$70,000 annually at the current MOU policies and Health & Welfare rates. Any additional cost increases in either policy will be fully born by the City under the existing terms.

Finally, the Fire Department's assessment and assumptions appear to be accurate and conservative. Based on the current assumptions and options The City of Fresno will not suffer fiscal hardship related this merger.

C: Bruce Rudd, Assistant City Manager
Randy R. Bruegman, Fire Chief
Cheryl Carlson, MAIII
Pedro Rivera, Budget Analyst



ITEM B
ATTACHMENT A

FIRE DEPARTMENT

DATE: August 24, 2006

TO: HONORABLE MAYOR ALAN AUTRY
COUNCIL PRESIDENT JERRY DUNCAN
COUNCIL MEMBERS

THROUGH: ANDREW T. SOUZA, City Manager
JON RUIZ, Assistant City Manager

FROM: RANDY R. BRUEGMAN, Fire Chief *RRB*

SUBJECT: UPDATE ON THE REGIONALIZATION EFFORTS

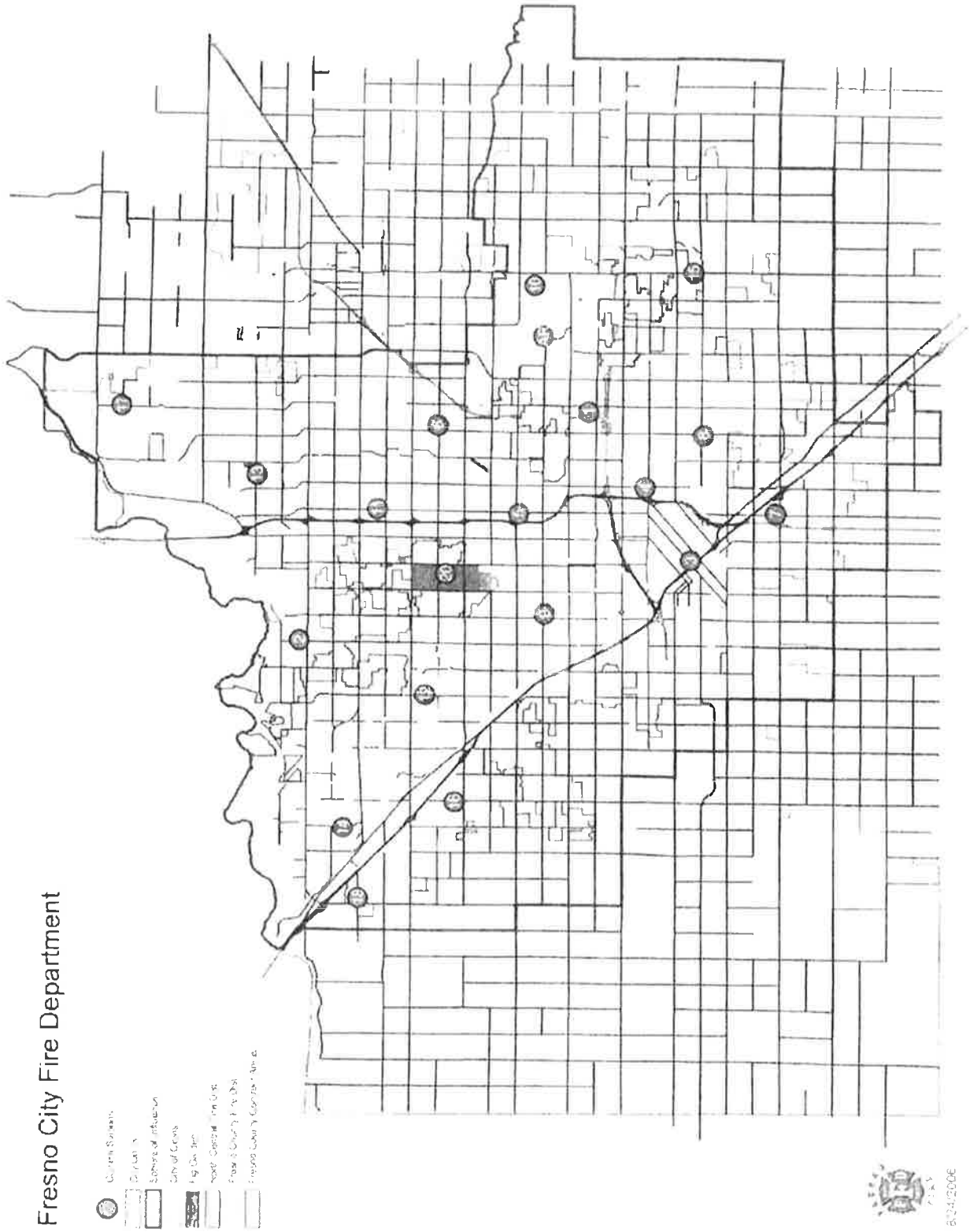
Attached are the correspondences that have been exchanged between the Fresno County Fire Protection District and the City of Fresno over the course of the last several months regarding response into the county island areas.

In addition, two maps have been included. One map shows the county islands that are within the sphere of influence, and the second map shows the area that the City is responsible for under the existing Station 15 (Sunnyside) contract. These are the only areas that the City is responsible to respond into from an automatic-aid standpoint. All other responses into county islands are only after the county response and only under the request for mutual aid.

Attachments:

- A1: Map: Fresno City Fire Department
- A2: Letters Exchanged between City of Fresno and Fresno County Fire Protection District

Fresno City Fire Department





ITEM B
ATTACHMENT A2

Randy R. Bruegman
Fire Chief

450 "M" Street
Fresno, California 93721-3083
(559) 621-4000 FAX (559) 498-4261
www.fresno.gov

August 9, 2006

Stan Craig, Fire Chief
Fresno County Fire Protection District
210 S. Academy
Sanger, CA 93657

Dear Chief Craig:

In response to your letter dated July 25, 2006, you requested examples of incidents where mutual aid was not used appropriately. I have eight specific examples, which I believe represent a snapshot during a specific period of time and not necessarily an all inclusive list. The dates range from June 7, 2006 through July 29, 2006.

The examples are:

1. June 7, 2006—4381 East International, Clovis: Fresno City Engine 17, along with North Central engine 47, was dispatched with the first-alarm assignment. Fresno County Engine 86 was dispatched 13 minutes later.
2. June 23, 2006—Marks and Clemenceau, Caruthers: Fresno City Engines 8 and 15 were dispatched on the initial alarm for a reported structure fire at Temperance and Manning at approximately 2217 hours. Fresno County Engine 87 was in available in quarters. At 2222 hours Fresno City Engine 15 was diverted from the Manning incident to the Caruthers incident.
3. June 28, 2006—1066 North Wintergreen: Fresno City Engine 15 was dispatched to this location for a medical-aid call. Fresno County Engines 84 and 86 were available in quarters.
4. July 7, 2006—Muscat and Valentine: Fresno City Water Tender 3 was on the initial dispatch. Fresno County Water Tender 83 was available.
5. July 11, 2006—6036 South Cherry: Fresno City Engine 7 and North Central Engine 44 were specifically requested for mutual aid.

"To protect and put service above all else."

Stan Craig, Fire Chief
August 9, 2006
Page 2

6. July 29, 2006—5675 East Ashlan (Tarpey Village): Fresno City Engine 10 was dispatched to a medical aid when Clovis Engine 32 is approximately half mile closer.
7. July 29, 2006—4181 North Dewitt (Tarpey Village): Fresno City Engine 10 was dispatched to this location while Clovis 32 is much closer.
8. July 29, 2006—Ashlan and Sunnyside: Fresno City Engine 10 was dispatched to this location for a medical aid, along with Fresno County Engine 85. Clovis 34 is one mile closer to this location than the City's Engine 10.

In each incident City resources were utilized inappropriately. As you understand, mutual-aid requests should not be included with the initial alarm, a mutual-aid assignment should not be diverted to another call without the parent organizations approval, and automatic-aid requests are by contract to include sending the closest appropriate resource. Incidents 6, 7, and 8 are not in alignment with the current Automatic Aid Agreement.

I find it unfortunate that your Board has made the decision to not discuss the delivery of fire protection services to its constituents until after the release of the report by the Fresno Area Chamber of Commerce. As fire chiefs, we are sworn to protect our citizens to the best of our ability. This being the case, the District and the City of Fresno have entered into an agreement for Automatic Aid Fire Protection Services signed November 20, 2003. As of the opening of Fresno City Fire Station 15, the automatic aid agreement is effective as outlined in Exhibit B, which the City of Fresno is honoring. Everything outside of Exhibit B will be a mutual-aid response in accordance to the guidelines of the California Fire Service and Rescue Emergency Mutual Aid System's Mutual Aid Plan:

"In the absence of an emergency that is beyond the ability of a local government entity to control, mutual aid shall not be used to shift the costs of fire suppression to another political entity."

While mutual aid was never meant to replace an agency's responsibility to provide for the initial response, rest assured if the County is out of resources or an incident exceeds your capacity to control, the City resources are at your disposal. As I have previously stated, I believe the Fresno City Fire Department should be providing the fire services to county islands within the City of Fresno as we have the immediate resources to mitigate emergencies. To do so will require the negotiation of a separate agreement. The current system of response will inevitably lead to a disastrous outcome. We can prevent this from occurring.

I am aware that your tenure as the Fresno County unit chief is coming to closure very soon, and I wish you all the best in your future endeavors. It is my hope you will find the time to

Stan Craig, Fire Chief
August 9, 2006
Page 3

discuss this very important issue with the incoming unit chief. As always, the City remains willing to negotiate an automatic aid agreement with the District for those county islands outside of the existing contract.

Lastly, it has also come to my attention of city fire apparatus self dispatching to county areas without notification to the County's command center. I have directed the battalion chiefs to educate the field captains on the importance of the Incident Command System, as well as reporting to the proper command center. In some instances, the City engines are dispatched to a fire thought to be within the city limits. Once at location, the fire is found to be in a county jurisdiction. The City engine crew extinguishes the fire and sometimes fails to contact the responsible jurisdiction's communications center. Again, we are educating the field captains on the importance of notifying the proper authority having jurisdiction.

Again, all the best to you in the future.

Sincerely,


Randy R. Bruegman, Fire Chief

FRESNO COUNTY
FIRE PROTECTION DISTRICT



July 25, 2006

Randy R. Bruegman, Fire Chief
Fresno Fire Department
450 "M" Street
Fresno, California 93721-3083

Dear Chief Bruegman:

I am in receipt of your letter dated July 11, 2006, and am frankly surprised. I was not aware that our Emergency Command Center has requested City resources for incidents originating outside the area covered by our agreement. In fact, I have been led to believe that the City has been self dispatching into County response areas, in many cases without notification to our command center. It is not my intent to be adversarial, however; in order for me to accurately analyze your concerns, and our role therein, I will need specific examples cited.

I am in full agreement with your understanding of "Mutual Aid" and pride myself on a 33 year career without intentionally abusing what I consider to be the most efficient system of cooperative fire protection found anywhere. I can assure you that it is not the intent of the District, nor its leadership, to knowingly violate the intent of mutual aid. If I determine that my command center is requesting mutual aid, in a manner for which mutual aid was not intended, I will implement policy direction to correct this.

As for your previous letters to the District, it is the understanding of my Board of Directors that Mr. John Baker, of Management Partners Incorporated, has been retained to analyze, among other subjects, the issue of fire protection service delivery to those County islands which have been created by City annexations. I am not currently authorized by my Board to enter into negotiations for the purpose of providing services to these areas, however; it is my understanding that once the final report is issued by Management Partners, the District Board will reconsider their position on this issue.

In closing, if your staff could send me information citing some specific examples of when we have requested mutual aid from your department, which may represent an abuse of the intent of "Mutual Aid," it would be most helpful in conducting my research. Additionally, as you are aware, my tenure here is limited, and it is my understanding that my replacement will be on-board on August 7, 2006. I assure you that my orientation with the next Chief will include discussion of this and other topics relative to the cooperative relationship between Fresno Fire Department and the County Fire District.

Sincerely,

STAN CRAIG
UNIT CHIEF

laf

cc: Board of Directors, Fresno County Fire Protection District



Randy R. Bruegman
Fire Chief

450 "M" Street
Fresno, California 93721-3083
(559) 621-4000 FAX (559) 498-4261
www.fresno.gov

July 11, 2006

Stan Craig, Fire Chief
Fresno County Fire Protection District
210 S. Academy
Sanger, CA. 93657-9306

Dear Chief Craig:

The Fresno County Fire Protection District and City of Fresno Agreement for Automatic Aid Fire Protection Services dated November 20, 2003 supersedes previously existing Fire Protection agreements between the District and the City (4th paragraph under RECITALS). The agreement provides for response to emergency incidents with the nearest available fire unit regardless of which unit that may be as set forth within the boundaries in Exhibit B of the agreement. With the opening of City of Fresno Fire Station 15 (Park Circle Drive and Clovis Avenue), all other Automatic Aid agreements between the District and the City were rendered null and void.

Exhibit B outlines the area covered by the agreement as that area bounded by Dakota Avenue on the north, Temperance Avenue on the east, California Avenue on the south, and First Street on the west. Mutual aid will govern any incident occurring outside the above boundaries. (See enclosure. City will respond Automatic Aid to all areas shaded purple.)

As you are well aware, mutual aid was designed to augment a jurisdiction's resources when an emergency was of such size that the jurisdiction was overwhelmed and could not mitigate the situation on its own. Mutual aid is also available to a jurisdiction requiring a specific piece of equipment, which it does not possess but is available through a neighboring jurisdiction. Mutual aid is not designed to cover the daily events for another jurisdiction.

Unfortunately, the City of Fresno is being requested to provide mutual aid to the District, not because the District is overwhelmed but because the City has a closer unit(s). This use of City resources goes against the intent of mutual aid and the above-mentioned Automatic Aid Agreement between the District and the City.

As always, the City will respond units into the District in order to mitigate an emergency when the District is overwhelmed or requires a specific piece of equipment from the City. The City

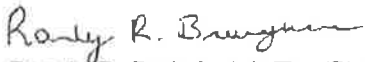
"To protect and put service above all else"

Stan Craig, Fire Chief
July 11, 2006
Page 2

should not be requested to respond into the District to mitigate an emergency until the District has committed units on scene or has exhausted its resources.

The City remains willing to negotiate an agreement for fire protection services, similar to the November 2003 agreement, for all District pockets within the Fresno metropolitan area. This Department has sent three letters to the District and received no response to the first two. We request a response no later than July 31, 2006. Without a response, the Fresno Fire Department will take this matter before the City Council for direction.

Sincerely,



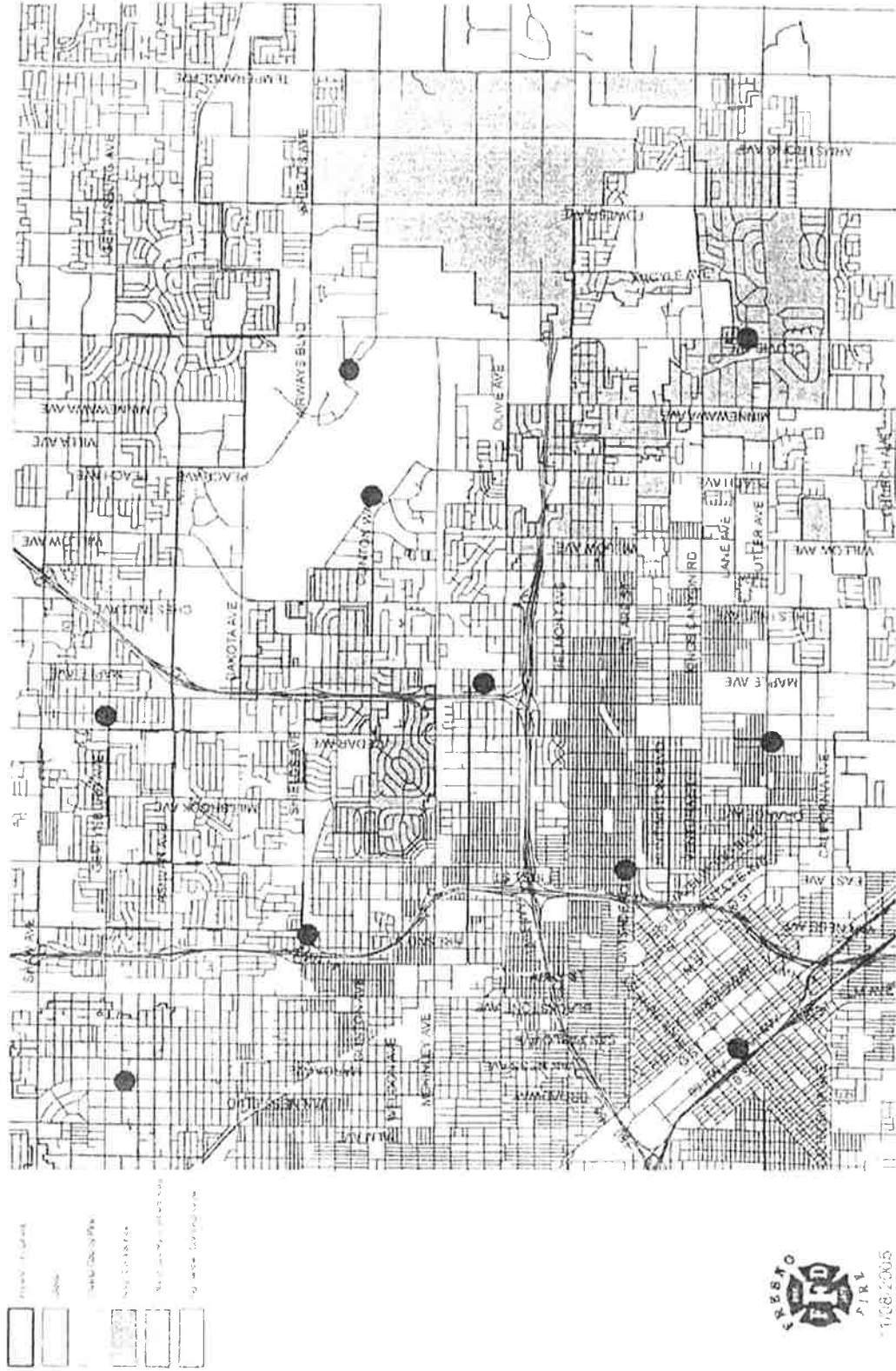
Randy R. Bruegman, Fire Chief

JLA:ls

Enclosure

c: Jon Ruiz, Assistant City Manager
Robert Coyle, Deputy City Attorney

Fresno County Contract Area





Randy R. Bruegman
Fire Chief

450 "M" Street
Fresno, California 93721-3083
(559) 621-4000 FAX (559) 498-4261
www.fresno.gov

April 13, 2006

Stan Craig, Interim Fire Chief
Fresno County Fire Protection District
210 S. Academy
Sanger, CA 93657

Dear Chief Craig:

In a letter dated September 15, 2005, I asked the Fresno County Fire Protection District to enter into discussions regarding the county islands bounded by the city of Fresno. With the transition of service within the Fig Garden Fire District, it only makes sense that the county islands surrounded by the city of Fresno be serviced by the Fresno Fire Department as several City fire stations are in the best position to provide service to these areas.

These six island areas are generally bounded by:

1. North of Alluvial, east of Fruit, south of the bluff line (Pinedale Water District)
2. East of Palm, west of Maroa, north of Sierra, south of Warner (Pinedale Water District)
3. South of Sierra, east of Maroa, north of Bullard, west of Blackstone (Pinedale Water District)
4. South of Dakota, west of Van Ness, north of Garland, east of Southern Pacific Railroad (City of Fresno Water)
5. East of Millbrook, west of Cedar, south of Behymer alignment, north of Plymouth (City of Fresno Water)
6. South of California, east of Minnewawa, west of DeWitt (No water system)

"To protect and put service above all else"

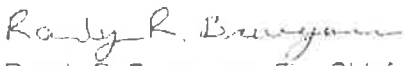
Stan Craig, Interim Fire Chief
April 13, 2006
Page 2

As I stated in my letter of September 15, the current system of relying on automatic or mutual aid is neither effective nor does it provide for a coordinated or consistent response to the residents who live in these areas. Repeatedly there have been incidents that due to the use of multiple dispatch centers and the lack of county resources based within the city limits have resulted in uncoordinated and/or ineffective responses. On September 15, 2005, I proposed that the City of Fresno provide service to the area outside of the city limits, which can be reached within eight minutes with a first-alarm response. The first-alarm response would include a minimum of three engines, two ladder trucks, and a battalion chief. The eight-minute response for a first-alarm assignment would meet NFPA 1710, Standard for Organization Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Departments. I have enclosed a map of the eight-minute response area that I am proposing FFD provide service to.

The Fresno Fire Department (FFD) again proposes to provide all the fire protection services to include "First and Greater Alarm Assignments" as defined by the FFD Standard Response Plan, which would include response to all fire, medical aid, motor vehicle accidents, hazmat, and technical rescue incidents within the areas of the district stated above and shown on the map. The payment for such service would be for 100 percent of the general purpose Ad Valorem property tax for real property within the area listed on the map. Revenue shall be based on application of the combined "Parent Zone" and applicable "Service Zone" rates. FFD will service the fire hydrants owned by the City of Fresno.

Although this has some economic impact to the district, I believe in the course of good governance the utilization of resources in a most effective manner in the delivery of service to the residents whether they are city or county is of the utmost importance. I believe the proposal being presented to you does that for the county residents who live in and around the city of Fresno, where FFD can place a first-alarm assignment within eight minutes, therefore, offering them a higher level of service than is currently being afforded to them. Any proposal developed will be presented to the Fresno County Fire Protection District Board and Fresno City Council for approval.

Sincerely,


Randy R. Bruegman, Fire Chief

Enclosures: Map
Copy of September 15, 2005 Letter

cc: Andrew Souza, City Manager
Jon Ruiz, Assistant City Manager
Bob Coyle, Deputy City Attorney



Randy R. Bruegman
Fire Chief

450 M Street
Fresno, California 93721-3083
(559) 621-4000 FAX (559) 498-4261
www.fresno.gov

September 15, 2005

Ted Mendoza, Interim Fire Chief
Fresno County Fire Protection District
210 S. Academy
Sanger, CA 93657

Dear Chief Mendoza:

With the conclusion of the Fig Garden agreement, we would like to address the other remaining six county island areas within the metropolitan area of Fresno, which are currently protected by the Fresno County Fire Protection District (District).

Because these county islands are surrounded by the City of Fresno, City fire stations are deployed in a manner to provide the best response times and an excellent level of fire protection to all areas identified.

The six (6) island areas are generally bounded by:

1. North of Alluvial, east of Fruit, south of the bluff line (Pinedale Water District)
2. East of Palm, west of Maroa, north of Sierra, south of Warner (Pinedale Water District)
3. South of Sierra, east of Maroa, north of Bullard, west of Blackstone (Pinedale Water District)
4. South of Dakota, west of Van Ness, north of Garland, east of Southern Pacific Railroad (City of Fresno Water)
5. East of Millbrook, west of Cedar, south of Behymer alignment, north of Plymouth (City of Fresno Water)
6. South of California, east of Minnewawa, west of DeWitt (No water system)

"To protect and put service above all else."

Ted Mendoza, Interim Fire Chief
September 15, 2005
Page 2

Additional areas for consideration:

1. Any islands that are developed during the term of the agreement.
2. Areas outside the city limits that the City will respond a first-alarm assignment to in eight minutes.

As the city has grown, the ability for the District to provide service to these county island areas has been significantly impacted. The current system, reliant on automatic or mutual aid, is neither effective nor does it provide a consistent coordinated response to the residents who live in these areas.

In addition, I would propose that the City of Fresno also provide service to the area outside of the city limits that can be reached within eight minutes with the first-alarm response. The eight-minute response for a first-alarm assignment would meet NFPA 1710, Standard for Organization Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Departments. The enclosed map shows the eight-minute response area that we would propose providing service to.

The Fresno Fire Department (FFD) proposes to provide all fire protection services to include "First and Greater Alarm Assignments" as defined by the FFD Standard Response Plan. FFD would respond to all fire, medical aid, motor vehicle accidents, hazmat, and technical rescue incidents within the District areas stated above. FFD's response would be for 100 percent of the general purpose Ad Valorem property tax revenue from real property within the areas listed above. Revenue shall be based on application of the combined "Parent Zone" and applicable "Service Zone" rates. FFD will service the fire hydrants owned by the City of Fresno.

I appreciate your consideration and look forward to hearing from you.

Sincerely,


Randy R. Bruegman, Fire Chief

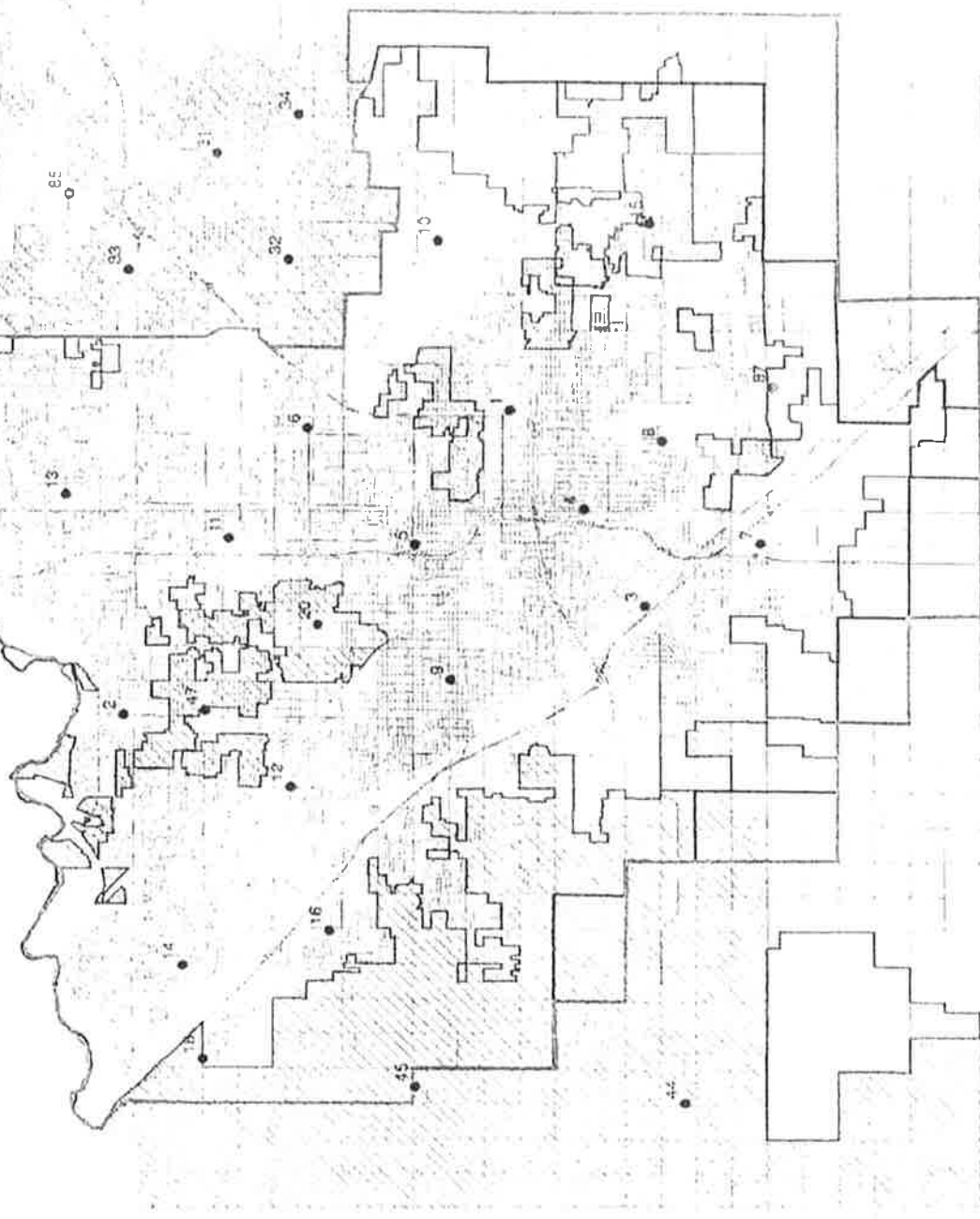
Enclosure – Map

c: Andrew T. Souza, City Manager



Urban Response Areas - First Alarm Assignment within 8 Minutes
3 Engines, 2 Trucks, 1 Batt Chief, 1 Investigator

- City Limits
- Sphere of Influence
- 8-Minute First Alarm
- North Central Fire
- Fresno County Fire
- Clovis



9/8/2005

DEPARTMENT OF FORESTRY
AND FIRE PROTECTIONP. O. Box 944246
SACRAMENTO, CA 94244-2440
(916) 653-9424GOVERNOR'S OFFICE
OF EMERGENCY SERVICES2800 Meadowview Rd.
Sacramento, CA 95832
(916) 262-1816

November 16, 2000

Dear Chief:

In 1997, the Directors of the Governor's Office of Emergency Services and the California Department of Forestry and Fire Protection signed a joint letter clarifying the responsibilities of the state and local government under the California Fire Services and Rescue Emergency Mutual Aid System Operating Plan.

Although the provisions of that letter have not changed since then, various fire chiefs throughout the state have requested the letter be reissued. This letter will reaffirm the provisions contained in the attached letter of June 19, 1997.

Sincerely,

Handwritten signature of Andrea E. Tuttle.

Andrea E. Tuttle, Director
Department of Forestry
and Fire Protection

Handwritten signature of Dallas Jones.

Dallas Jones, Director
Governor's Office of
Emergency Services

ch

Attachment

DEPARTMENT OF FORESTRY
AND FIRE PROTECTIONP. O. Box 944246
SACRAMENTO, CA 94244-2460
(916) 653-9424GOVERNOR'S OFFICE
OF EMERGENCY SERVICES2800 Meadowview Rd.
Sacramento, CA 95832
(916) 262-1616

June 19, 1997

Dear Chief:

The purpose of this letter is to clarify the State of California's Fire and Rescue mutual aid practices and procedures. In recent discussions between the California Department of Forestry and Fire Protection (CDF), Governor's Office of Emergency Services (OES), and representatives from both the California Fire Chiefs Association and the Fire Districts Association of California, it became clear that some misunderstandings exist regarding the application of mutual aid.

"Mutual Aid" is utilized when an incident is likely to exceed, or has exceeded, the ability of a responsible entity to control the event. The basic assumptions are that the local government entity has taken ALL actions within its capabilities necessary to mitigate a potential or on-going disaster, and has reasonably exhausted local resources before requesting outside assistance through the California Fire Service and Rescue Emergency Mutual Aid System.

These discussions underscored the fact that each department has a basic responsibility to protect its jurisdiction from potential fire disasters by providing training, planning and equipment, and, as necessary, to formulate agreements for acquiring those services and resources that are reasonably necessary to protect that jurisdiction. Further, it was clear that a real need exists for Chief Officer training in all areas of mutual aid. OES provides information and training to fire agencies at the local and operational area level, and is working with the State Fire Marshal to correct this deficiency through a review and revision of both Level I and Level II state fire training program certified courses.

With these issues in mind, we have jointly developed the attached guidelines for your direction. We encourage each of you to become familiar with the provisions of the documents available from either your duly elected Area Fire and Rescue Area Coordinator, or the OES Fire and Rescue Branch in Sacramento.

It is important to understand that these discussions on Mutual Aid do not preclude the responsibility for entities to develop cost apportionment agreements when emergency incidents involve more than a single jurisdiction. The unified command on a multi-jurisdictional emergency incident is responsible for the apportionment of incident related costs.

We are committed to a cooperative effort to mitigate the effects of disasters in California by supporting the spirit of the Master Mutual Aid Agreement and maintaining one of the most efficient mutual aid systems in the Nation. We also want to thank the members of the California Fire Service, as represented by the task force from the California Fire Chiefs Association/Fire Districts Association and the Firescope Board of Directors, for their cooperation in responding to this issue.

Sincerely,

A handwritten signature of Richard A. Wilson in dark ink.
Richard A. Wilson, Director
Department of Forestry and
Fire ProtectionA handwritten signature of Richard Andrews in dark ink.
Richard Andrews, Director
Governor's Office of Emergency
Services

June 19, 1997

Provisions of the California Fire Service and Rescue Emergency Mutual Aid System's Mutual Aid Plan, that provide for assistance without reimbursement, may apply to state resources prior to a declaration of "local emergency" (as defined in the California Emergency Services Act), when a local government entity determines that a fire is likely to exceed its ability to control. Applicability will be based on the following guidelines:

1. From the time of initial attack to the point of determination that an incident is likely to exceed the ability of a local government entity to control, state resources can be made available to local fire agencies through a variety of agreements (e.g., automatic aid, wildland protection, mutual threat zone, etc.)
2. In the absence of an emergency that is beyond the ability of a local government entity to control, mutual aid shall not be used to shift the costs of fire suppression to another political entity.
3. Mutual aid fire suppression resources committed to an incident, under the provisions of the California Fire Service and Rescue Emergency Mutual Aid System's Mutual Aid Plan, should only be used during the period of the emergency. The period of emergency constitutes the time during which mutual aid resources are necessary to prevent imminent or perceived imminent threat to life and property. As the emergency condition de-escalates, the mutual aid resources should be released, based on a preplanned demobilization process.
4. Entities should make maximum use of locally available facilities, equipment and services.
5. Requests for firefighting resources, for response to an emergency that is beyond the ability of a local government entity to control, are to be based on the "closest resources" concept and initiated through proper mutual aid channels.
6. Federal fire suppression resources which may be the "closest resources" are not part of the California Fire Service and Rescue Emergency Mutual Aid System. Assistance provided by these resources will be on an assistance-by-hire arrangement, unless obtained through other pre-existing agreements.
7. Local government agencies receiving mutual aid are responsible for providing logistical support to the mutual aid personnel and equipment.