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Agenda Item: ID17-440 (3-F)

Date: 3/23/2017



## Supplemental Information Packet

Agenda Related Items – ID17-440 (3-F)

### **Contents of Supplement: Add-on: REVISED Resolution**

#### **Item(s)**

**File ID17-440 (3-F)** RESOLUTION – Directing giving notice of termination of the Service Agreement for Fire Protection and Emergency Services with North Central Fire Protection District based upon findings that the City of Fresno’s revenue streams are limited beyond its control; the City is not able to provide levels of service described in the Agreement; the parties have failed to meet and make annual adjustments pursuant to the Agreement; and the District is accumulating a substantial reserve while the City is incurring an ongoing deficit under the Agreement.

#### **Supplemental Information:**

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#### **Americans with Disabilities Act (ADA):**

The meeting room is accessible to the physically disabled, and the services of a translator can be made available. Requests for additional accommodations for the disabled, sign language interpreters, assistive listening devices, or translators should be made one week prior to the meeting. Please call City Clerk’s Office at 621-7650. Please keep the doorways, aisles and wheelchair seating areas open and accessible. If you need assistance with seating because of a disability, please see Security.

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO, CALIFORNIA, DIRECTING GIVING NOTICE OF TERMINATION OF THE SERVICE AGREEMENT FOR FIRE PROTECTION AND EMERGENCY SERVICES WITH NORTH CENTRAL FIRE PROTECTION DISTRICT BASED UPON FINDINGS THAT THE CITY OF FRESNO'S REVENUE STREAMS ARE LIMITED BEYOND ITS CONTROL; THE CITY IS NOT ABLE TO PROVIDE LEVELS OF SERVICE DESCRIBED IN THE AGREEMENT; THE PARTIES HAVE FAILED TO MEET AND MAKE ANNUAL ADJUSTMENTS PURSUANT TO THE AGREEMENT; AND THE DISTRICT IS ACCUMULATING A SUBSTANTIAL RESERVE WHILE THE CITY IS INCURRING AN ONGOING DEFICIT UNDER THE AGREEMENT

WHEREAS, on December 20, 2006, the City of Fresno and North Central Fire Protection District (District) entered into a Service Agreement for Fire Protection and Emergency Services (Agreement); and

WHEREAS, the City agreed to provide enhanced fire suppression services, building and construction plan review, fire investigation, fire prevention inspection and enforcement services, conduct fire prevention education programs and emergency management planning services in the District's service area; and

WHEREAS, the District will pay for those services using tax revenue payments from the County of Fresno; and

WHEREAS, the District agreed to pay the City a base annual fee including an adjustment tied to the Consumer Price Index or the percentage of District tax revenue, whichever is less; and

WHEREAS, the District's service area includes Kerman, Biola, Fresno County, and county islands within the City; and

Date Adopted:

Date Approved:

Effective Date:

City Attorney Approval: BC

Resolution No.

WHEREAS, the Agreement requires the chief financial officers of City and District to meet annually to review the costs associated with providing fire protection and emergency services and to prepare a report; and

WHEREAS, the City and District's chief financial officers have failed to meet and make annual adjustments pursuant to the Agreement; and

WHEREAS, the City's annual expense is under the Agreement approximately \$7 million, and the annual revenue from the District is \$5.1 million, leaving the City with a \$1.9 million deficit in Fiscal Year 2017, which increases \$158,837 per month; and

WHEREAS, the City's general fund must pay for the ongoing deficit under the Agreement; and

WHEREAS, it is not financially feasible for the City to continue providing the services while accumulating a deficit; and

WHEREAS, the District has accumulated a substantial reserve of approximately \$8 million; and

WHEREAS, in October 2016, the City initiated informal discussions with the District to discuss the Agreement's fee structure, but the fee dispute was not resolved.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Fresno as follows:

1. The Council of the City of Fresno is in support of giving notice of termination of the Service Agreement for Fire Protection and Emergency Services with North Central Fire Protection District based upon findings that the City of Fresno's revenue streams are limited beyond its control as provided in the above recitals.

STATE OF CALIFORNIA )  
COUNTY OF FRESNO ) ss.  
CITY OF FRESNO )

I, YVONNE SPENCE, City Clerk of the City of Fresno, certify that the foregoing resolution was adopted by the Council of the City of Fresno, at a regular meeting held on the \_\_\_\_\_ day of \_\_\_\_\_, 2017.

AYES :  
NOES :  
ABSENT :  
ABSTAIN :

Mayor Approval: \_\_\_\_\_, 2017  
Mayor Approval/No Return: \_\_\_\_\_, 2017  
Mayor Veto: \_\_\_\_\_, 2017  
Council Override Vote: \_\_\_\_\_, 2017

YVONNE SPENCE, CMC  
City Clerk

By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:  
DOUGLAS T. SLOAN  
City Attorney

By: \_\_\_\_\_  
Brandon M. Collet                      Date  
Deputy