



Legislation Details (With Text)

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Title: Actions pertaining to North Central Fire Protection District:
1. ***RESOLUTION - 44th amendment to the Annual Appropriation Resolution (AAR) No. 2017-165 appropriating \$3,624,200 to fund the North Central Fire Protection District Contract for a full fiscal year of service (Requires 5 affirmative votes) (Subject to Mayor's Veto)
2. ***RESOLUTION - 2nd amendment to the Position Authorization Resolution (PAR) No. 2017-166 adjusting positions in the Fire Department pursuant to North Central Fire Protection District Amendment (Subject to Mayor's Veto)
3. Approve the Fifth Amendment to Service Agreement between the City of Fresno and the North Central Fire Protection District for Fire Protection and Emergency Services

Sponsors: Office of Mayor & City Manager

Indexes:

Code sections:

Attachments: 1. 06 12-21 North Central Fire Protection District Service Agreement w_EXHIBIT A 11.29.17.pdf, 2. 18 44th NCFPD PR.2.pdf, 3. 12 04 17 - SECOND Amend to PAR FY18_FIRE.pdf, 4. Supplement - Signed PAR.pdf, 5. Supplement - Red-lined Agreement.pdf

Date	Ver.	Action By	Action	Result
12/4/2017	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

December 4, 2017

FROM: WILMA QUAN-SCHECTER, City Manager
Office of the Mayor & City Manager

BY: BRUCE RUDD, Interim Assistant City Manager
Office of the Mayor & City Manager

SUBJECT

Actions pertaining to North Central Fire Protection District:

1. ***RESOLUTION - 44th amendment to the Annual Appropriation Resolution (AAR) No. 2017-165 appropriating \$3,624,200 to fund the North Central Fire Protection District Contract for a full fiscal year of service (Requires 5 affirmative votes) (Subject to Mayor's Veto)
2. ***RESOLUTION - 2nd amendment to the Position Authorization Resolution (PAR) No. 2017-166 adjusting positions in the Fire Department pursuant to North Central Fire Protection District Amendment (Subject to Mayor's Veto)
3. Approve the Fifth Amendment to Service Agreement between the City of Fresno and the North

Central Fire Protection District for Fire Protection and Emergency Services

RECOMMENDATION

Approve Fifth Amendment to Service Agreement between the City of Fresno and the North Central Fire Protection District.

Approve 44th Annual Appropriation Resolution No. 2017-165 appropriating \$3,624,200 to fund the North Central Fire Protection District Contract for a full year of service (Requires 5 votes) (Subject to Mayor's Veto).

Adopt the Second Amendment to Resolution No. 2017-166 Entitled "A Resolution of the Council of the City of Fresno Establishing the Number of Positions Authorized in the Various Departments and Offices of the City for Fiscal Year 2018"

EXECUTIVE SUMMARY

Representatives from the City of Fresno and North Central Fire Protection District have been meeting since May, 2016, over concerns related to a service agreement that was executed by the parties on December 20, 2006. The attached represents the Fifth Amendment to this agreement, which will result in the fire protection services continuing to be provided by the City of Fresno on behalf of the District effective January 1, 2018, through June 30, 2019. The amendment will also ensure that the payments received by the District will be sufficient to cover the cost of providing the service during this period while the parties continue to work on a possible long term agreement.

BACKGROUND

The City of Fresno and the North Central Fire Protection District (District) entered into service agreement on December 20, 2006, in which the Fresno Fire Department would provide fire protection services to the City of Kerman as well as to residents living within boundaries of the North Central Fire Protection District. This agreement defined the level of staffing/service levels provided by the City and a formula in which the payments needed to fund this agreement would be adjusted. The formula called for annual adjustments based on growth in property tax revenues received by the District, but capped by annual increases in a consumer price index (CPI).

Due to concerns related to this formula, in particular situations in which personnel related expenses had known to be greater than what was provide by this formula, the Administration began analyzing whether the payments being received by the District were sufficient to cover the actual cost of providing the service. This analysis confirmed that the costs of providing the service had been greater than the payments being received by NCFPD and that situation was probably occurring for a number of years. In fact, based on this analysis, it was determined that the City had accrued a negative balance of more than \$1 million, which was projected to grow by another \$1 million annually unless a change was made to the agreement.

As a result of this analysis, the Administration began meeting with representatives from District beginning in May, 2016, in an effort to negotiate a change to the agreement; in particular, the manner in which the supporting payments would be calculated. Unfortunately, these efforts failed to effectuate the needed changes, which resulted in the City Council issuing a notice to the District on March 10, 2017, that the Fresno Fire Department would no longer provide fire protection services

effective December 15, 2017.

Since that time the parties have continued to work toward, at a minimum, a short term agreement that would ensure that fire protection services could continue provided that payments would be sufficient to cover the costs of providing the service. The attached amendment addresses these concerns and includes the following:

- The effective date of the amendment is January 1, 2018, and expires on June 30, 2019 (18 months)
- During the term of this amendment the City and NCFPD will make reasonable efforts to renegotiate a new service agreement. At a minimum, these efforts must occur six months prior to the expiration of the amendment.
- While both the District and the City will continue to negotiate in good faith on a successor agreement, the District is not obligated to continue with the agreement after June 30, 2019.
- The City will receive monthly payments of \$600,000 or \$10.8 million over the term of the agreement
- The amount paid by the District is a fixed amount, therefore, all applicable provisions related to the manner in which annual payments were calculated have been deleted.
- The level of service provided to the District remains unchanged.

ENVIRONMENTAL FINDINGS

This Amendment is not a project as defined by the California Environmental Quality Act.

LOCAL PREFERENCE

Local preference was not implemented because this is an amendment to an existing agreement.

FISCAL IMPACT

Approval of Annual Appropriation Resolution will increase the amount of payments the City will receive to provide this service by \$3.6 million. As an associated matter, the \$700,000 of General Fund appropriations reserved within the Adopted FY 2018 budget in the event an agreement could not be reached will be used to fund a drill school necessary to comply with the terms and conditions of the 2016 SAFER grant. If the City is found to be noncompliant with the grant, it may result in the suspension of grant funding.

Attachment:

Fifth Amendment to Service Agreement with NCFPD
44th Annual Appropriation Resolution No. 2017-165
Second Amendment to Resolution No. 2017-166