

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

November 9, 2022 (Agenda)

November 9, 2022
Agenda Item 7

LAFCO 22-07

Contra Costa County Fire Protection District and City of Pinole – Extension of
Out of Agency Service (OAS)

STATUTORY FRAMEWORK

LAFCOs were created by the State legislature and are governed by the Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (CKH). In 2016, the CKH was amended to include Government Code (GC) §56134, which establishes procedural requirements for a public agency to provide *fire protection service by contract outside the public agency's jurisdictional boundary* in accordance with Senate Bill 239 (Hertzberg). GC §56134 authorizes LAFCO to review and approve OAS agreements between local government agencies for the provision of fire protection and related services.

This statute applies to contracts for the exercise of new or extended fire protection services outside a public agency's boundary if the contract would transfer responsibility for providing services in more than 25% of a public agency's service area to another public agency or would change the employment status of more than 25% of the employees of a public agency affected by the contract. The proposed cooperative fire protection agreement between CCCFPD and the City of Pinole would result in the transfer of 100% of the current City of Pinole firefighting services and staff to CCCFPD, triggering review and approval by LAFCO.

Application Criteria: Pursuant to GC §56134 and LAFCO's policies and procedures, an OAS application must include a fire protection contract, plan for service, independent comprehensive fiscal analysis, and a LAFCO public hearing. Both the City of Pinole and CCCFPD also submitted resolutions supporting the application following their respective public hearings (Exhibits A and B, respectively).

SYNOPSIS

The Contra Costa County Fire Protection District ("CCCFPD") recently submitted an application to LAFCO to provide fire, rescue, and emergency medical services (EMS) to the City of Pinole ("City") through a service contract with a five0year term (Attachment 1). The application includes supporting documents including consent resolutions from both CCCFPD and the City of Pinole, a fire protection services agreement, a *Plan for Providing Services*, an independent fiscal analysis, lease agreements (signatures pending), and agency consent letters and side letters and agreements from the City, Local 1230, and the United Chief Officers Association.

PURPOSE

The key purposes of the proposed CCCFPD and City of Pinole out of agency service contract are as follows:

1. To enhance and expand fire and emergency medical services to the City of Pinole, including reopening of Station 74;
2. To improve economies of scale of fire protection services within the City of Pinole; and
3. To better meet the fire, rescue, and emergency medical service needs of the City of Pinole

Both the City and CCCFPD held multiple public hearings and received public input regarding the proposal. There were numerous public speakers at the October 10th City of Pinole public hearing. The public comments were significantly positive. Several speakers expressed concerns regarding the 5-year contract, what happens after five years, and the fiscal forecast/sustainability.

DISCUSSION

Background

CCCFPD was formed in 1964 as a county-dependent district through the consolidation of the Central Fire District and the Mt. Diablo County Fire District. Subsequently, Mountain View FPD, Lafayette FPD, Bay Point FPD, Island FPD, Briones County FPD, Pinole FPD, Riverview FPD, West County FPD, and most recently, East Contra Costa Fire Protection District (ECCFPD), consolidated with CCCFPD. The County Board of Supervisors serves as the governing board for CCCFPD, which is a dependent district.

The CCCFPD service boundary covers 555± square miles and includes the cities of Antioch, Brentwood, Clayton, Concord, Lafayette, Martinez, Oakley, Pleasant Hill, Pittsburg, San Pablo, and Walnut Creek. Unincorporated communities of Alhambra Valley, Bay Point, Bethel Island, Byron, Clyde, Discovery Bay, El Sobrante, Knightsen, Marsh Creek/Morgan Territory area, and Pacheco, serving a population of approximately 760,600 (*Data analysis by CCC DCD*).

CCCFPD currently owns 34 fire stations throughout the District, including those in the former ECCFPD. Two were closed as of 2022, and one is a reserve station and a leased facility. Two replacement stations and one new station are in the design and development process. Funding and personnel are available to staff two additional fire companies, in Antioch and Brentwood, which will effectively bring staffing back to pre-recession levels in March 2023. CCCFPD personnel includes 392 operations staff, 21 dispatchers, 28 fire prevention staff, 54 full-time administrative/support staff, and 27 part-time support staff. There is currently an academy of 32 firefighter recruits anticipated to graduate in mid-February 2023 which will increase the total operations staff.

CCCFPD is funded primarily by property tax revenues (ad valorem). Other revenue sources include charges for services, intergovernmental revenue, and other taxes. CCCFPD's FY 2022-23 General Funds budget totals \$175,494,000 with an additional estimated \$20,000,000 in revenues from the former ECCFPD annexation effective July 1, 2022.

The **City of Pinole** incorporated in 1903. City services include finance, city clerk and administration, public safety (police and fire), public works (parks, streets, highways, street sweeping), development (planning, building, city engineering, sewer collection and treatment), recreation (senior center, youth center, facility rentals, tiny tots' program, cable access TV). Contractual services include legal, solid waste/recycling, community branch library, and animal control.

The City's boundary is approximately 11.61± square miles including 6.5± square miles under water. The City serves a population of 19,343 (American Community Survey).

The City relies primarily on property and sales and uses taxes for revenue. The FY 2022-23 fire department budget is \$5.5 million and comprises 11% of the City's budget.

Need for Service: For most of its history, the City has operated with one fire station (Station 73). The City operated with two fire stations from 2003 to 2011. The second station (Station 74) was closed due to lack of funding. The City has conducted multiple studies regarding its fire service model and funding options, including surveying the public. The most recent study was conducted in November 2019 by Emergency Services Consulting International (ESCI).

Based on the ESCI study and other research, in March 2021 City staff recommended that the City increase fire and emergency medical staffing and services and collaborate with CCCFPD to expand the City's fire protection services, including reopening Station 74.

Contract for Services

As proposed, the contract for service between CCCFPD and City Pinole commences on January 1, 2023 and terminates on June 30, 2028 unless extended as mutually agreed upon in writing by CCCFPD and City of Pinole. The contract provides that CCCFPD will commence services on a date mutually agreed to in writing by both parties.

The contract addresses the following provisions: scope of services, facilities/apparatus/equipment, cost of services/funding commitment, personnel/transition plan, new development/development submittal process, indemnification, insurance, and miscellaneous provisions including term, extension, and termination of contract for services.

Under the contract, the City and CCCFPD agree to jointly prepare a review and analysis of services provided to the City by March 31, 2027. CCCFPD will prepare an updated 5-year cost projection, for the purpose of inclusion in an extension agreement, if any such extension agreement is agreed to and executed by the parties.

Fiscal Impact

In accordance with GC §56134, an independent fiscal analysis (IFA) was prepared in conjunction with the OAS LAFCO application. The IFA was prepared by *Stone Municipal Group* (Attachment 2). The scope of the IFA reviews and documents the following:

1. A thorough review of the plan for services submitted by the public agency.
2. Analysis of how the costs of the existing service provider compare to the costs of services provided in service areas with similar populations and of similar geographic size that provide a similar level and range of services and make a reasonable determination of the costs expected to be borne by the public agency providing new or extended fire protection services; and
3. Evaluation that the proposed affected territory is expected to receive revenues sufficient to provide public services and facilities and a reasonable reserve during the three fiscal years following the effective date of the contract or agreement between the public agencies to provide the new or extended fire protection services.
4. Any other information and analysis needed to support the proposal.

The fiscal study reflects that the City has the fiscal ability to enter into and sustain an agreement with CCCFPD to provide fire and emergency response services given the County's commitment to providing \$2 million annually of Measure X funding to subsidize CCCFPD's services.

Services will be provided through a five-year contract. The first-year costs are estimated at \$7.5 million with the City contributing \$5.5 million and the County contributing \$2 million (Measure X funds) annually through FY 2027-28. There is no fiscal impact to CCCFPD associated with leasing both fire stations 73 and 74. The IFA reflects that the City has the fiscal ability to enter into and sustain an agreement with CCCFPD to provide fire and emergency response services given the County's contribution of \$2 million annually (Measure X funds) to subsidize CCCFPD's services. Details regarding the fiscal impacts are provided in the IFA.

Table A below includes a 5-year comparison of the cost of fire/EMS services as provided by the City for both one and two stations, and the cost of these services for two stations as provided by CCCFPD.

Table A

	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
	2023-24	2024-25	2025-26	2026-27	2027-28
City runs 1 station	\$6,363,316	\$6,746,973	\$7,155,799	\$7,575,803	\$8,005,331
City runs 2 stations	\$8,655,357	\$9,338,113	\$9,894,535	\$10,469,430	\$11,061,687
OAS w/ CCCFPD with 2 stations	\$6,107,445	\$6,493,411	\$6,950,823	\$7,433,677	\$7,937,218

Table B below shows the proposed FY 2022-23 budget and budget forecasts throughout the contract term - FYs 2023-24 thru 2027-28.

Table B

	2022-23	2023-24 (F)	2024-25 (F)	2025-26 (F)	2026-27 (F)	2027-28 (F)
Personnel Costs	\$2,540,000	\$2,616,200	\$2,694,686	\$2,775,527	\$2,858,792	\$2,944,556
Employee Benefits	\$3,461,572	\$3,738,498	\$4,037,578	\$4,360,584	\$4,709,430	\$5,086,185
Materials/Supplies	\$173,872	\$187,782	\$202,804	\$219,029	\$236,551	\$255,475
Equipment Replacement	\$305,000	\$320,250	\$336,263	\$353,076	\$370,729	\$389,266
Comm Center Allocation	\$172,498	\$179,398	\$186,574	\$194,037	\$201,798	\$209,870
Admin Allocation	\$648,044	\$686,927	\$728,142	\$771,831	\$818,141	\$867,229
Total Operating Costs	\$7,300,986	\$7,729,054	\$8,186,046	\$8,674,082	\$9,195,442	\$9,752,581
Measure X Allocation*	\$2,000,000	\$2,080,000	\$2,163,200	\$2,249,728	\$2,339,717	\$2,433,306
Net Costs - CCCFPD Contract	\$5,300,986	\$5,649,054	\$6,022,846	\$6,424,354	\$6,855,725	\$7,319,275

* Includes maximum 4% escalator for Measure X allocations

(F) - Forecast

The FY 2022-23 City of Pinole Fire Department budget is \$5.5 million and comprises 11% of the City's budget. Based on the City's current fire service costs, it appears there will be cost savings to the City should the City contract with CCCFPD for fire/EMS services. Further, the contract provides for the reopening of Station 74.

Plan for Services

In accordance with GC §56134, a *Plan for Services* was submitted (Attachment 3). The *Plan for Services* includes the following:

- ✚ Background/history
- ✚ Justification
- ✚ Plan and description of services (current/future), infrastructure, transition plan
- ✚ GC §56134 factors

The *Plan for Services* includes a description of both the City's and CCCFPD's services, level of demand, response times, facilities, apparatus, and programs. The *Plan for Services* also notes the benefits of out-of-agency service including augmented service levels, enhanced standardization, and service efficiencies. Other benefits include reopening of Station 74, and improvements in fire, rescue, and emergency medical services.

Additionally, fire prevention, public education programs, and administrative support functions will be enhanced and delivered in a consistent manner throughout the proposed service area.

Services to be extended include fire, rescue, and emergency medical services; fire prevention; community risk reduction and fire investigation services; administrative and support services.

Below is a summary of services to be provided by CCCFPD. Details are provided in the *Plan for Services*.

<p>Current Service Delivery Levels</p> <ul style="list-style-type: none"> ▪ Service and staffing overview ▪ Dispatch/Communications <p>Level of Demand</p> <ul style="list-style-type: none"> ▪ Total 911 Call Volume – City of Pinole ▪ Response Times ▪ Pinole Fire Dept Facilities ▪ Fire Dept Apparatus <p>Public Education Programs</p> <p>Support Services</p> <ul style="list-style-type: none"> ▪ Apparatus and Vehicle Maintenance ▪ Fire Prevention ▪ Fire Cause Determination & Investigation 	<p>Proposed Service Delivery Plan</p> <ul style="list-style-type: none"> ▪ Service Overview ▪ Staffing ▪ Dispatch Communication ▪ Level of Demand ▪ Response Times ▪ Automatic and Mutual Aid ▪ Public Outreach/Education ▪ Fire Prevention ▪ Fire Code Adoption ▪ Administration ▪ Maintenance ▪ Training ▪ Personnel/Recruitment 	<p>Level and Range of Proposed Services</p> <ul style="list-style-type: none"> ▪ Capacity Availability ▪ Willingness to Serve ▪ Service Adequacy <p>Infrastructure Needs/Planning Improvements</p> <ul style="list-style-type: none"> ▪ Facilities ▪ Apparatus ▪ Equipment <p>Transition Plan</p> <ul style="list-style-type: none"> ▪ Apparatus and Equipment Transfer ▪ Fire Station 74 Staffing ▪ Personnel and Employment Agreements
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LAFCO Municipal Service Reviews

Contra Costa LAFCO has completed two Municipal Service Reviews (MSRs) and sphere of influence (SOI) updates covering fire/EMS services. The first Fire/EMS MSR was completed in 2009 and was a comprehensive study covering fire/EMS service providers including the cities of El Cerrito, Pinole, and Richmond and the following districts: CCCFPD, Crockett-Carquinez FPD (CCFPD), East Bay Regional Park District (EBRPD), East Contra Costa FPD (ECCFPD), Kensington FPD (KFPD), Moraga-Orinda FPD (MOFPD), Rodeo-Hercules FPD (RHFPD), San Ramon Valley FPD (SRVFPD), County Service Area (CSA) EM-1, and various regional service providers. The **2009** MSR identified the following governance options for CCCFPD and City of Pinole:

CCCFPD	City of Pinole
<ul style="list-style-type: none"> ✚ Expand SOI to include City of Pinole ✚ With regard to west county, form a West County Ad Hoc Fire Service Committee to study and develop a reorganization plan 	<ul style="list-style-type: none"> ✚ Annex unincorporated areas (Bay View, Tara Hills) ✚ Consolidate with all west county service providers ✚ Consolidate with RHFPD and adjacent CCCFPD areas (Battalion 7) ✚ Consolidate with RHFPD, CCFPD, and adjacent CCCFPD areas ✚ Discontinue direct fire service and contract with CCCFPD or annex to CCCFPD ✚ Form a West County Ad Hoc Fire Service Committee to study/develop a reorganization plan; defer SOI update pending completion of West County Sub-regional MSR, and committee report

In conjunction with the 2009 Fire/EMS MSR, LAFCO formed a *FIRE AND EMERGENCY MEDICAL SERVICES AD-HOC COMMITTEE* comprised of LAFCO Commissioners. The Committee met over the course of six months, Subsequently, the committee provided recommendations to the Commission.

In addition, a West County *Technical Advisory Committee* was formed to provide technical advice and analytical information on the various fire service governance options. The committee reported to the West County Mayors at their monthly meetings. The Committee included the City Managers from Pinole, San Pablo, and Hercules; five Fire Chiefs [CCCFPD, cities of Pinole, El Cerrito and Richmond fire departments, Rodeo-Hercules Fire Protection District (RHFPD)], one representative from Local 1230 (representing CCCFPD, City of Pinole, and RHFPD); and one representative from Local 188 (Richmond Fire).

The 2009 MSR culminated in updating the SOIs for the fire districts as follows:

- ❖ CCCFPD – SOI expansions/reductions
- ❖ MOFPD – expansion
- ❖ ECCFPD – reduction
- ❖ SRVFPD – expansion

In 2016, LAFCO completed its second-round fire/EMS MSR which provided updates to the 2009 MSR. The 2016 MSR covered all fire/EMS service agencies; however, the primary focus of the 2016 MSR was on the two most distressed fire districts – ECCFPD and RHFPD.

The **2016** LAFCO MSR identified the following determinations, governance, and SOI options for CCCFPD and City of Pinole:

CCCFPD	City of Pinole
<ul style="list-style-type: none"> ✚ Consider annexing underserved areas and areas the district is already serving (e.g., Tesoro refinery, Roddy Ranch, small area southeast of Clayton) ✚ Defer SOI update pending report from West County agencies regarding a regional Standards of Cover (SOC) Study, and collaboration on grant opportunities, programs and services 	<ul style="list-style-type: none"> ✚ Participate with West County fire agencies in a regional SOC Study, and collaboration on grant opportunities, programs and services ✚ SOI update following 2nd round city services MSR

The 2016 MSR culminated in updating the SOIs for the fire districts as follows:

- ❖ CCCPD - SOI update pending
- ❖ MOFPD – retained SOI
- ❖ CCFPD – SOI update pending
- ❖ RHFPD – provisional SOI
- ❖ ECCFPD – provisional SOI
- ❖ SRVFPD – retained SOI
- ❖ KFPD – SOI update pending

Both the 2009 and 2016 fire/EMS MSRs noted the cooperation present in West County including participation in the Battalion 7 configuration and sharing of resources and Battalion Chiefs. Both MSRs presented governance options including consolidation of West County service providers – both “functional” consolidation (e.g., shared positions, services, etc.) and boundary reorganizations (e.g., consolidation, annexation, etc.).

Environmental Review

CCCFPD, as Lead Agency, found the project categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15320, Class 20 – Changes in Organization of Local Agencies.

Indemnification Agreement

CCCFPD has delivered to LAFCO an executed indemnification agreement providing for CCCFPD to indemnify LAFCO against any claims or legal actions that challenge LAFCO's approval of the out of agency services contract.

ALTERNATIVES FOR COMMISSION ACTION

LAFCOs were formed for the primary purpose of promoting orderly development through the logical formation and determination of local agency boundaries and facilitating the efficient provision of public services. Under GC §56134(h)(2), LAFCO can approve, disapprove, or approve with conditions a contract for fire protection services. The following options and recommended terms and conditions are presented for the Commission's consideration.

Option 1

- A. Find that the project is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines section 15320, Class 20 – Changes in Organization of Local Agencies.
- B. Approve the attached resolution authorizing CCCFPD to provide fire, rescue, and emergency medical services (EMS) to the City of Pinole under the proposed fire protection contract subject to the following terms and conditions:
 - 1. CCCFPD shall provide LAFCO with a mid-term status report by December 1, 2025 regarding services provided to the City of Pinole.

Option 2

- A. Find that the project is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines section 15320, Class 20 – Changes in Organization of Local Agencies.
- B. Approve the attached resolution authorizing CCCFPD to provide fire, rescue, and emergency medical services (EMS) to the City of Pinole under the proposed fire protection contract subject to the following terms and conditions:
 - 1. CCCFPD shall provide LAFCO with a mid-term status report by December 1, 2025 regarding services provided to the City of Pinole; and
 - 2. Within five years after LAFCO's approval of OAS under the contract, CCCFPD and/or the City of Pinole must submit to LAFCO an application to annex the City of Pinole to CCCFPD's service area to allow for CCCFPD to continue to provide fire, rescue, and EMS in the City of Pinole.

Option 3 Deny the request, thereby preventing CCCFPD from providing fire/EMS to the City of Pinole.

Option 4 Continue this matter to a future meeting to obtain more information.

RECOMMENDATION: Option 1

LOU ANN TEXEIRA, EXECUTIVE OFFICER
CONTRA COSTA LAFCO

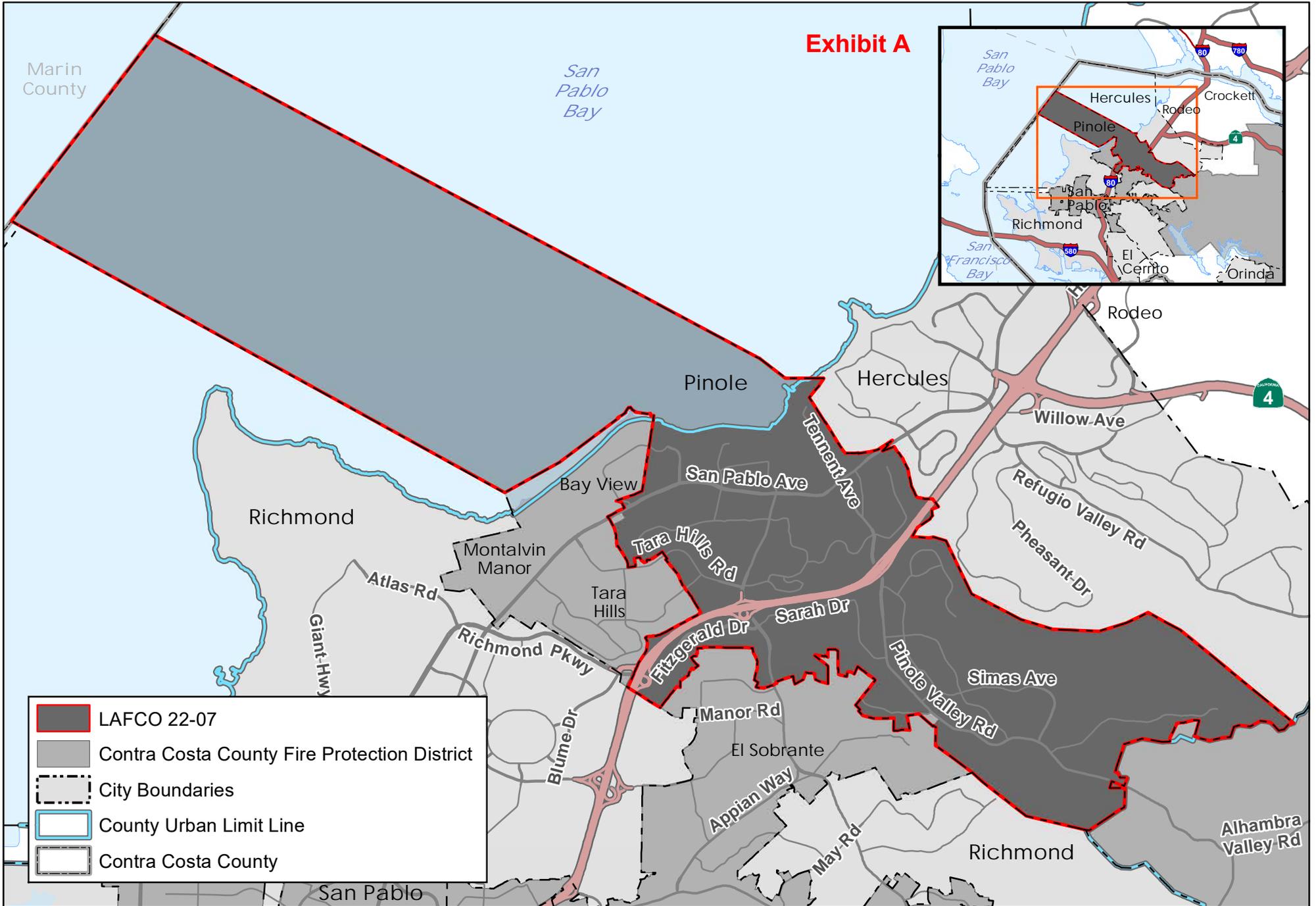
Exhibits

- A. Map - LAFCO 22-07 – Out of Agency Service Agreement – Contra Costa County Fire Protection District and City of Pinole

Attachments

- 1. Service Contract - CCCFPD & City of Pinole
 - 2. Independent Fiscal Analysis
 - 3. Plan for Services
 - 4. Draft LAFCO Resolution 22-07
 - 5. City of Pinole Resolution
 - 6. CCCFPD Resolution
- c: Chief Lewis Broschard, CCCFPD
Monica Nino, Contra Costa County – County Administrator
Chief Wynkoop, City of Pinole
Andrew Murray, City Manager, City of Pinole
Distribution

LAFCO 22-07 – Out of Agency Service Agreement – Contra Costa County Fire Protection District and City of Pinole



Map created 10/24/2022
 by Contra Costa County Department of
 Conservation and Development, GIS Group
 30 Muir Road, Martinez, CA 94553
 37:59:41.791N 122:07:03.756W

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RESOLUTION NO. 22-07

**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
AUTHORIZING CONTRA COSTA COUNTY FIRE PROTECTION DISTRICT TO PROVIDE
OUT OF AGENCY FIRE PROTECTION SERVICES TO THE CITY OF PINOLE**

WHEREAS, the above-referenced request was filed with the Executive Officer of the Contra Costa Local Agency Formation Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (California Government Code Section 56000 et seq.); and

WHEREAS, at the time and in the manner required by law the Executive Officer gave notice of the Commission’s consideration of this request; and

WHEREAS, the Commission heard, discussed, and considered all oral and written testimony related to this request including, but not limited to, the Executive Officer's report and recommendation; and

WHEREAS, out of agency service approval of a fire protection contract between Contra Costa County Fire Protection District (CCCFPD) and the City of Pinole is needed to expand and improve fire protection and related services in the City of Pinole; and

WHEREAS, CCCFPD delivered to LAFCO an executed indemnification agreement providing for CCCFPD to indemnify LAFCO against any expenses arising from any legal actions challenging the out of agency service.

NOW, THEREFORE, BE IT RESOLVED DETERMINED, AND ORDERED by the Contra Costa Local Agency Formation Commission as follows:

- A. The Commission finds that the project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15320, Class 20 – Changes in Organization of Local Agencies.
- B. Pursuant to Government Code section 56134, the Commission authorizes CCCFPD to provide fire protection and related services to the City of Pinole under the approved fire protection contract between CCCFPD and the City of Pinole subject to the following terms and conditions:
 - 1. CCCFPD shall provide LAFCO with a mid-term status report by December 1, 2025 regarding services provided to the City of Pinole.
- C. Approval to extend CCCFPD services beyond those specifically noted herein is withheld and is subject to future LAFCO review.

* * * * *

PASSED AND ADOPTED THIS 9th day of November 2022, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ROB SCHRODER, CHAIR, CONTRA COSTA LAFCO

I hereby certify that this is a correct copy of a resolution passed and adopted by this Commission on the date stated above.

Dated: November 9, 2022

Lou Ann Teixeira, Executive Officer

**Attachment 2
Independent Fiscal Analysis**

COMPREHENSIVE FISCAL ANALYSIS

Independent fiscal analysis of the proposed cooperative fire service agreement between the City of Pinole, CA, and Contra Costa County Fire Protection District. The purpose of the report is to estimate and compare the cost of service between similar agencies and forecast the expected impact to Pinole. This report is a required diligence item as part of the application to LAFCO and is intended to aide in the local decision-making process.



City of Pinole,
California



October 5, 2022

This Independent Comprehensive Fiscal Analysis (“analysis”) was prepared for the City of Pinole, California (“City”) as its officials navigate the decision of whether to enter a cooperative shared services fire protection agreement with Contra Costa County Fire Protection District (“CCCFPD”). Per the Contra Costa County Local Agency Formation Commission (“LAFCO”), the initiation process includes a variety of required steps and due diligence items the City of Pinole must complete prior to applying for collaborative fire protection. Specifically, the State of California Government Code Section 56134 requires a submission of an independent fiscal analysis to ascertain whether the financial terms of the service contract are feasible and sustainable. The specific scope of this independent fiscal analysis must review and document all the following:

1. A thorough review of the plan for services submitted by the public agency.
2. Analysis of how the costs of the existing service provider compare to the costs of services provided in service areas with similar populations and of similar geographic size that provide a similar level and range of services and make a reasonable determination of the costs expected to be borne by the public agency providing new or extended fire protection services; and
3. Any other information and analysis needed to support the proposal.
4. Evaluation that the proposed affected territory is expected to receive revenues sufficient to provide public services and facilities and a reasonable reserve during the three fiscal years following the effective date of the contract or agreement between the public agencies to provide the new or extended fire protection services.

Our analysis was completed using budgetary, census, and departmental statistics that were publicly available on the individual units’ websites or data portals. We completed a thorough review of the plan for service and supporting documents during the month of June 2022 and communicated with city, county, and fire leadership officials on clarifying questions at that time over multiple worksessions. A list of the comparative agencies was selected with the assistance of city officials on June 15th . Assumptions were used in the estimation of certain direct and indirect costs and are noted within the contents of the report. It is our goal to be conservative in forward looking estimates while also illustrating what the potential fiscal impact may likely be from the proposed cooperative fire service plan. I can be reached at Adam@StoneMunicipal.com or at (317) 476-2826 for questions or additional information as needed.

Sincerely,

Adam D. Stone

Adam D. Stone, CPA

Stone Municipal Group | Municipal Advisor | Principal-in-charge

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Executive Summary

In November, 2021 the County Board of Supervisors approved certain expenditures of Measure X funds. Included in this decision was an intent to provide \$2 Million in funding from Measure X to assist in providing full funding, when combined with City of Pinole (“PFD”) funds, to reopen Fire Station 74 in Pinole Valley as part of a contract for fire services to be provided by Contra Costa County Fire Protection District (“CCCFPD”) for the full operation of fire, rescue, emergency medical, fire prevention, training, and administration to the City of Pinole.

Background information related to the contract for service:

- Fire Station 74 in Pinole Valley was closed in 2012.
- The proposed service plan will provide for the reopening and staffing of Fire Station 74.

Purpose of Report

This report was prepared to assist the City of Pinole with the Contra Costa County Local Agency Formation Commission (“LAFCO”) process related to contracting with another unit or agency of local government to provide fire contractual services. An independent fiscal report is required and outlined by the State of California Government Code Section 56134 to ascertain whether the financial terms of the service contract are feasible and sustainable. To comply with the requirements, our firm completed a detailed and thorough review of the proposed service plan, comparable costs, and other documentation that outlines the proposed plan to contract with CCCFPD to provide fire service to City of Pinole residents.

How to Use Navigate & Use Report

This report is prepared for external technical financial review purposes and is not intended to argue one method over another. This report does not make a recommendation or advice regarding negotiation terms, plan for service proposals, or details into day-to-day fire operations. This report is intended to project the most likely budget and financial outcomes of the options available to the City of Pinole and provide stakeholders with information to make an informed decision. As such, readers of this report are encouraged to review the table of contents to select areas of interest. The report is organized into broad sections to comply with California Government Code Section 56134.

Plans and Document Review

This report was prepared using estimates, calculations, and management plans that were made available during June and July 2022. Specifically, we completed a detailed review of the CCCFPD proposed station budgets, proposed Pinole Fire Plan for Services, proposed staffing standards, staffing growth plans, position cost schedules, and operating statistics.

In addition to the plans for service and management reports, we reviewed the City of Pinole’s line-item budgetary and financial documents for fiscal years 2018-2022. We also reviewed the most recent CalPERS Annual Valuation Report for Pinole City safety. (i.e. Safety & PEPR Fire Safety) The FY21 report was not yet published at the time of this report. Therefore, all CalPERS related estimates are dated as of June 30, 2020.

Comparative entity data was sourced through publicly available data on comparable entities which included annual adopted budgets, annual reports, and Census data. For the comparison entities, major assumptions include Fire runs (incidents), staffing levels, and budgetary estimates.

Certain assumptions were made to project future cost of operations under different scenarios. To assist in this forecast, we enlisted the help of the report review team to help create growth plans into our forecast. The core report review team consisted of the following individuals:

- City of Pinole
 - Chief Chris Wynkoop
 - Ms. Markisha Guillory
- Contra Costa County Fire Protection District
 - Chief Lewis Broschard
- Contra Costa County
 - Mr. Adam Nguyen
 - Mr. Paul Reyes

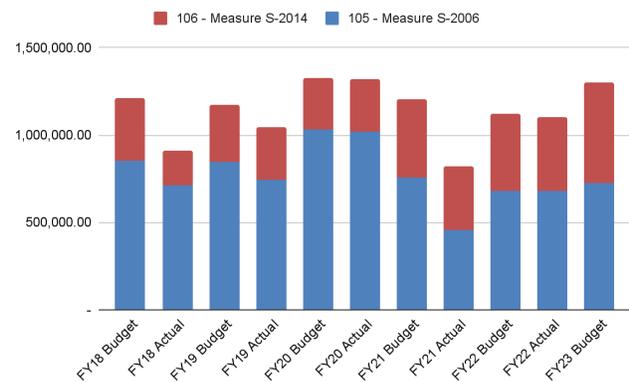
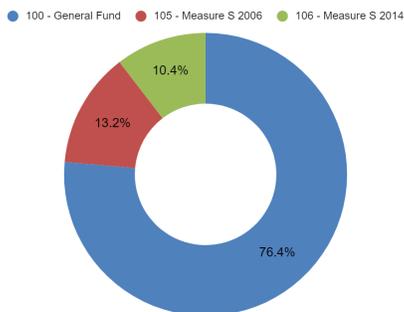
With the help of this group, we were able to prepare a seven-year capital improvement plan for the City of Pinole Fire Department that incorporates apparatus replacement, facility improvements, and necessary equipment needs. While an estimate, this plan will allow us to better compare the scenarios as they more accurately reflect the complete cost of operating the Fire Department long term. Note, the CCCFPD budget scenario assumes an annual programmatic apparatus replacement of \$250,000 per year. The City of Pinole Capital Improvement Plan (“CIP”) assumes a non-programmatic “pay-as-you-go” apparatus replacement project which results in large swings in the annual capital budget. Comparing the CCCFPD to the average annual capital outlay amount creates a better comparison. The average across all categories is \$417,286 per year including building improvements. (i.e. FY 24 - FY 30)

Project	Description	Funding Source	Budget Line Code	Today's Cost	Plan Year No.							Fire Dept. Total		
					0	1	2	3	4	5	6		7	
FF&E-Vehicles	Replace Staff Vehicle (Chief & Battalion)	Budget-Cash	47104	\$68,600		\$72,000				\$83,500				\$155,500
FF&E-Equipment	Station 74 Generator	Budget-Cash	47101	\$4,000	\$4,000									\$4,000
FF&E-Improvements/Building	Based on 3-Yr Average	Budget-Cash	47105	\$45,000		\$47,250	\$49,500	\$52,000	\$54,500	\$57,250	\$60,000	\$63,000	\$63,000	\$383,500
FF&E-Equipment	Misc. Equipment	Budget-Cash	47101	\$20,000		\$21,000	\$22,000	\$23,000	\$24,250	\$25,500	\$26,750	\$28,000	\$28,000	\$170,500
FF&E-Computer Equipment	Based on 3-Yr Average	Budget-Cash	47102	\$3,000		\$3,250	\$3,500	\$3,750	\$4,000	\$4,250	\$4,500	\$4,750	\$4,750	\$28,000
FF&E-Furniture	Based on 3-Yr Average	Budget-Cash	47103	\$2,500		\$2,750	\$3,000	\$3,250	\$3,500	\$3,750	\$4,000	\$4,250	\$4,250	\$24,500
FF&E-Equipment	Type VI Grass Rig	Budget-Cash	47101	\$275,000				\$318,250						\$318,250
FF&E-Equipment	Type III Wildland Engine	Budget-Cash	47101	\$450,000						\$574,250				\$574,250
FF&E-Equipment	Type I Front-Line Engine	Budget-Cash	47101	\$900,000									\$1,266,500	\$1,266,500
				\$1,625,000	\$4,000	\$146,250	\$78,000	\$400,250	\$169,750	\$665,000	\$95,250	\$1,366,500	\$2,925,000	

Analysis of Existing Service Provider Cost

The City of Pinole Fire Department Budget is sourced by multiple governmental funds. The funds reviewed are General Fund, 2006 Measure S Fund, 2014 Measure S Fund, Equipment Reserve, and the Growth Impact Fund. We reviewed combined actual and budgeted results for fiscal years 2018, 2019, 2020, 2021, 2022, and 2023. Below is a categorical summary which shows combining current and historic results for the Fire Department.

Category	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Actual	2022-2023 Total Budget
Category: 32 - INTERGOVERNMENTAL REVENUES	\$47,026	\$57,026	\$47,026	\$46,937	\$46,937	\$47,026
Category: 33 - LICENSES AND PERMITS	\$67,307	\$101,163	\$54,436	\$74,600	\$273,396	\$301,922
Category: 38 - MISCELLANEOUS REVENUE	\$0	\$1,190	\$1,071	\$110,484	\$139	\$1,746
Category: 39 - OTHER FINANCING SOURCES	\$10,000	\$0	\$0	\$0	\$0	\$0
REVENUE TOTAL	\$124,333	\$159,379	\$102,533	\$232,022	\$320,472	\$350,694
Category: 40 - SALARIES AND WAGES	\$1,832,416	\$1,878,300	\$2,182,339	\$2,205,603	\$2,560,590	\$2,663,740
Category: 41 - EMPLOYEE BENEFITS	\$604,578	\$860,471	\$1,038,920	\$1,097,045	\$1,341,532	\$1,602,331
Category: 42 - PROFESSIONAL/ADMINISTRATIVE SERVICES	\$637,373	\$640,483	\$684,184	\$857,617	\$560,089	\$843,700
Category: 43 - OTHER OPERATING EXPENSES	\$55,366	\$52,691	\$61,102	\$69,773	\$74,494	\$53,600
Category: 44 - MATERIALS AND SUPPLIES	\$43,413	\$26,969	\$65,351	\$48,148	\$84,323	\$66,000
Category: 46 - INTERFUND/INTERDEPARTMENTAL CHARGES	\$111,353	\$61,593	\$212,462	\$197,543	\$215,152	\$281,057
Category: 47 - ASSET ACQUISITION, IMPROVEMENT, DISPOSAL	\$0	\$168,113	\$200,019	\$954,080	\$10,905	\$4,000
Category: 48 - DEBT SERVICE	\$70,433	\$70,433	\$70,433	\$0	\$0	\$0
EXPENSE TOTAL	\$3,354,931	\$3,759,053	\$4,514,810	\$5,429,808	\$4,847,084	\$5,514,428
NET TO BE COVERED BY GENERAL REVENUES	-\$3,230,598	-\$3,599,674	-\$4,412,277	-\$5,197,786	-\$4,526,612	-\$5,163,734



Source: City of Pinole financial reports and budget documents provided July 14, 2022. (unaudited)

Comparison of Existing Service Provided to Similar Entities

Entity Selection

Part of the LAFCO process is to conduct comparative cost analysis. For this report, we selected comparison entities that were similar in population and geographic size. (i.e., land area) Additionally, we looked at entities that provide a similar range and level of service. We selected fire runs, number of stations, and staffing level as indicators for range and level of service. Lastly, we selected comparable entities of differing government structure and fire service. As each entity is different, the data for each was normalized to produce as close to an “apples-to-apples” comparison as possible. Therefore, the data was normalized on per capita, per full-time firefighter, and per run incident metrics to help in the comparability. It should be noted that comparing public safety departments on an apples-to-apples basis is extremely challenging as run data can be grossly under or over inflated due to different entities counting runs differently. (e.g. EMS, apparatus dispatched, etc.) For the purposes of this report, we are taking the publicly available data at face value and make no opinion on the type of runs reported.

Entity Comparison

Category	Agency-Wide			Comparable Entities			
	Contra Costa	Pinole City	El Cerrito City	Mill Valley	Albany	Rodeo Hercules FPD	Benicia
Population estimates (1)	625,000	18,821	25,845	14,105	19,488	35,744	26,819
Land Area - Square Miles (2)	304	5.1	3.7	4.8	1.8	10.2	12.8
Fire Runs - Incidents (3) (4)	82,561	1,624	3,010	1,888	1,850	2,888	2,761
Service Level:							
Stations (3) (4)	26	1	2	2	1	2	2
Fulltime Firefighters (3) (4)	355	15	36	26	18	18	30
Fulltime Firefighters per 1,000 residents	0.57	0.80	1.39	1.84	0.92	0.50	1.12
Fire Runs per 100 residents	13.21	8.63	11.65	13.39	9.49	8.08	10.29
Population per square mile	2,056	3,690	7,042	2,951	10,887	3,515	2,094

Source:

- 1.) United States Census - July 1, 2021 (V2021) Population Estimates as collected by the five-year American Community Survey data. (2016-2020)
- 2.) United States Census - Population per square mile, 2020.
- 3.) Fire department websites, 2021 annual reports, and operational plans where available.
- 4.) Contra Costa, El Cerrito, and Rodeo fire incidents provided by CCCFPD dispatch.

Notes:

Budget Comparison (FY2022 Adopted Budget)

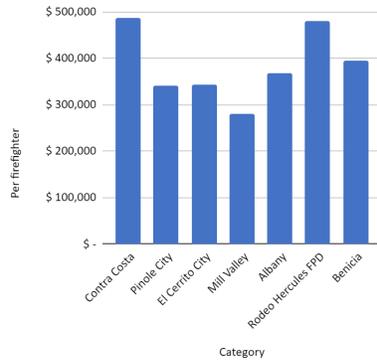
Assumes (2) civilian positions for Mill Valley listing. SMFPD listed 4,720 fire incidents in FY21. Assumes 40% of runs allocated to Mill Valley.

Rodeo Hercules FDP includes Census Designated Place ("CDP") population estimates.

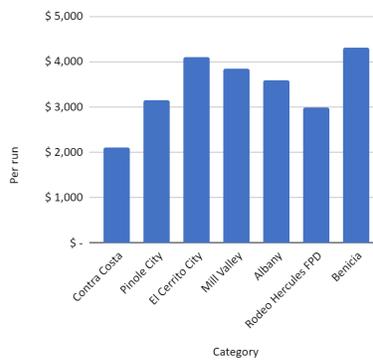
Comparison of Existing Service Provided to Similar Entities (Cont.)

Budget Comparison

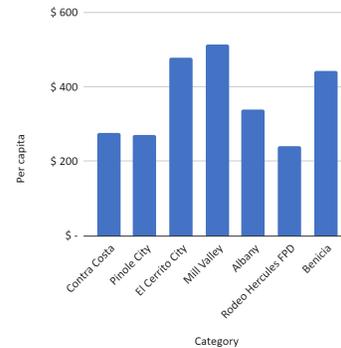
FY22 Budget Per Full-time Firefighter



FY22 Budget Per Run



FY22 Budget Per Capita



Category	Contra Costa	Pinole City	El Cerrito City	Mill Valley	Albany	Rodeo Hercules FPD	Benicia
Salaries & Benefits	127,023,000	\$ 3,826,010	\$ 11,084,920	\$ 6,011,043	\$ 5,197,300	\$ 7,121,509	\$ 9,442,290
Services & Supplies	18,964,000	1,193,632	1,226,382	1,256,970	580,840	1,218,423	1,175,940
Capital Outlay	3,498,000	72,600	37,100	-	-	20,500	810,700
Debt Service	-	-	-	-	-	269,114	-
Other Financing Uses	14,057,000	-	-	-	843,755	-	196,630
Special Items	9,182,000	-	-	-	-	3,420	238,600
Total Adopted Budgets	\$ 172,724,000	\$ 5,092,242	\$ 12,348,402	\$ 7,268,013	\$ 6,621,895	\$ 8,632,966	\$ 11,864,160

Normalized Expenditures:

Per Capita	\$ 276	\$ 271	\$ 478	\$ 515	\$ 340	\$ 242	\$ 442
Per Firefighter	\$ 486,546	\$ 339,483	\$ 343,011	\$ 279,539	\$ 367,883	\$ 479,609	\$ 395,472
Per Run	\$ 2,092	\$ 3,136	\$ 4,102	\$ 3,850	\$ 3,579	\$ 2,989	\$ 4,297

Source:

- 1.) United States Census - July 1, 2021 (V2021) Population Estimates as collected by the five-year American Community Survey data. (2016-2020)
- 2.) United States Census - Population per square mile, 2020.
- 3.) Fire department websites, 2021 annual reports, and operational plans where available.
- 4.) Contra Costa, El Cerrito, and Rodeo fire incidents provided by CCCFPD dispatch.

Notes:

Budget Comparison (FY2022 Adopted Budget)

Assumes (2) civilian positions for Mill Valley listing. SMFPD listed 4,720 fire incidents in FY21. Assumes 40% of runs allocated to Mill Valley.

Rodeo Hercules FDP includes Census Designated Place ("CDP") population estimates.

Comparable entities selected by City of Pinole.

Scenarios Overview

For the comparison of current service level (“Scenario One”) and CCCFPD cooperative agreement (“Scenario Two”) we made several significant assumptions. First we calculated the most likely cost projections under the two primary options being considered; 1.) Continuation of “in-house” Pinole Fire Department service to operate one station, and 2.) Contractual Service for Fire Service with CCCFPD to operate two stations. Within each scenario we also calculated the worst case and best case scenarios to illustrate the sensitivity based on different assumptions. (e.g. inflation, Measure X allocations, economic conditions)

Scenario 1 - Continuation of Current Service Level

In this scenario we assumed no transition to CCCFPD and no change in existing level of service. (i.e. stations or staffing) This scenario forecasts operating and capital expenditures for the budget periods FY 2022/23 – 2029/30.

- Budget estimates based on FY 2022-23 Fire Department combined budget of \$5,514,428. (General, Measure S 2006, and Measure S 2014 funds.)
- Assumes no growth in existing staffing or funded staffing levels. (17 current FTEs)
- Assumes six percent (6%) annual increase in salary and wages. (e.g., 3% cost of living increase and 3% market equity increase)
- Assumes employee benefits remain constant as a percentage of gross salaries and wages.
- Assumes a stair-stepped inflation of eight percent to five percent (8% - 5%) annual increase in materials, supplies, and services due to rising prices.
- Assumes an initial \$146,250 capital outlay expenditures. (e.g., equipment replacement, vehicle replacement, and station improvements)
- Assumes a seven-year capital improvement plan of \$2,925,000, average of \$417,286 per year including facility and computer equipment. The average vehicle and apparatus replacement need is estimated at \$292,875 per year. To help with apples-to-apples comparison we have assumed a level sinking fund replacement to smooth out large budget differences in future years.
- Assumes five percent (5%) annual increase in capital expenditures due to rising prices.
- Includes communication and weed abatement.

Expected Costs of Current Service Level (“Most Likely”)

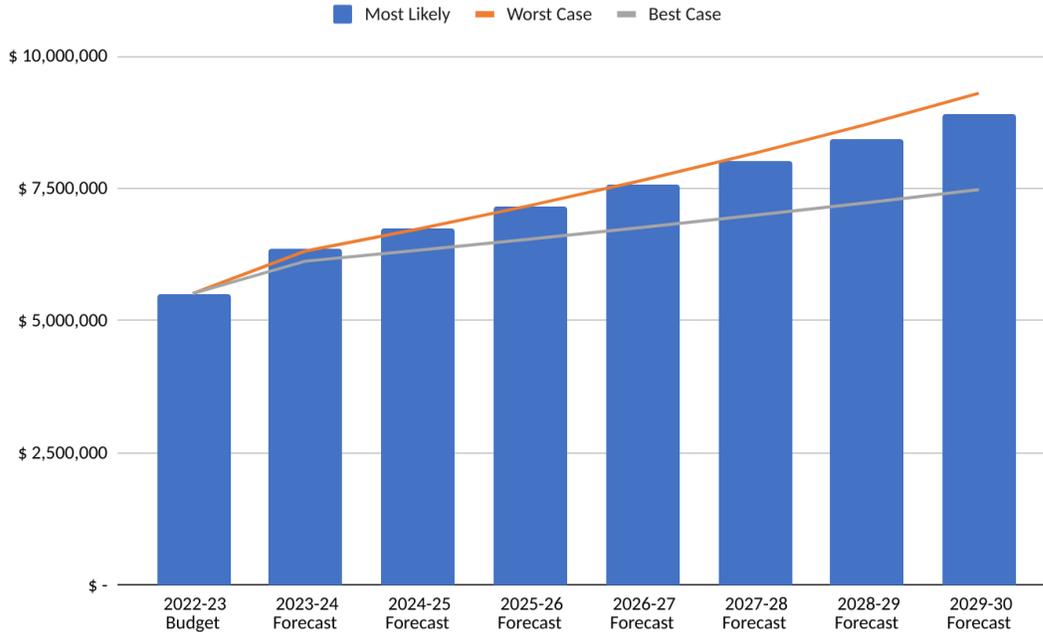
If the City of Pinole chooses to not enter into a cooperative fire agreement with CCCFPD, 100% of current employee salary and employee benefit costs will remain in the City’s budget. The current level of service does not include any of the recommendations outlined in the capital improvement plan.

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Forecast						
Budget Forecast:								
Personnel Cost (Salaries and Wages)	\$ 2,663,740	\$ 2,823,564	\$ 2,992,978	\$ 3,172,557	\$ 3,362,910	\$ 3,564,685	\$ 3,778,566	\$ 4,005,280
Employee Benefits:								
PERS Retirement (~40%)	\$ 1,105,953	\$ 1,129,426	\$ 1,197,191	\$ 1,269,023	\$ 1,345,164	\$ 1,425,874	\$ 1,511,426	\$ 1,602,112
Employee Medical-Active (~15%)	\$ 285,646	\$ 423,535	\$ 448,947	\$ 475,884	\$ 504,437	\$ 534,703	\$ 566,785	\$ 600,792
Workers Compensation (~5%)	\$ 138,122	\$ 141,178	\$ 149,649	\$ 158,628	\$ 168,146	\$ 178,234	\$ 188,928	\$ 200,264
Other Employee Benefits (~3%)	\$ 72,610	\$ 84,707	\$ 89,789	\$ 95,177	\$ 100,887	\$ 106,941	\$ 113,357	\$ 120,158
Other Operating Expenses	\$ 1,244,357	\$ 1,343,906	\$ 1,451,418	\$ 1,567,531	\$ 1,677,259	\$ 1,777,894	\$ 1,866,789	\$ 1,960,128
Capital Outlays	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Improvement Plan	\$ -	\$ 417,000	\$ 417,000	\$ 417,000	\$ 417,000	\$ 417,000	\$ 417,000	\$ 417,000
Operating Expenses before other costs	\$ 5,514,428	\$ 6,363,316	\$ 6,746,973	\$ 7,155,799	\$ 7,575,803	\$ 8,005,331	\$ 8,442,852	\$ 8,905,735

Notes:
Per Capital Improvement Plan v3
Based on adopted FY 2023 City of Pinole Fire Department budget.

Current Service Level Sensitivity Analysis

For scenario one we projected future expected costs using the most likely, worst case, and best case assumptions. Across the different potential outcomes, we assumed different sets of future inflation and economic assumptions.



We calculated the future expected budget outcome and annual budget variance between the CCCFPD scenario two and City provided service scenario one cost forecasts. These are intended to provide the City of Pinole a reasonable range of likely future cost of service as well as the favorable (unfavorable) results of each.

Budget Projections								
	2022-23 Budget	2023-24 Forecast	2024-25 Forecast	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
Most Likely	\$ 5,514,428	\$ 6,363,316	\$ 6,746,973	\$ 7,155,799	\$ 7,575,803	\$ 8,005,331	\$ 8,442,852	\$ 8,905,735
Worst Case	\$ 5,514,428	\$ 6,314,987	\$ 6,730,355	\$ 7,175,564	\$ 7,652,798	\$ 8,164,404	\$ 8,712,902	\$ 9,301,003
Best Case	\$ 5,514,428	\$ 6,124,787	\$ 6,329,670	\$ 6,542,382	\$ 6,763,241	\$ 6,992,581	\$ 7,230,749	\$ 7,478,107

Budget Impact (Favorable) Unfavorable by Outcome								
	2022-23 Budget	2023-24 Forecast	2024-25 Forecast	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
Worst Case	\$ -	\$ (48,328)	\$ (16,617)	\$ 19,765	\$ 76,995	\$ 159,073	\$ 270,051	\$ 395,268
Best Case	\$ -	\$ (238,528)	\$ (417,303)	\$ (613,418)	\$ (812,562)	\$ (1,012,750)	\$ (1,212,103)	\$ (1,427,628)

Budget (Favorable) Unfavorable Change Compared to Scenario 2								
	2022-23 Budget	2023-24 Forecast	2024-25 Forecast	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
Most Likely	\$ -	\$ 255,870	\$ 253,562	\$ 204,976	\$ 142,126	\$ 68,113	\$ (27,382)	\$ (135,665)
Worst Case	\$ -	\$ 207,542	\$ 64,070	\$ (143,346)	\$ (374,885)	\$ (627,482)	\$ (911,733)	\$ (1,231,198)
Best Case	\$ -	\$ 17,342	\$ 18,208	\$ (24,112)	\$ (67,332)	\$ (105,640)	\$ (146,582)	\$ (190,329)

Scenario 2 – Cooperative Fire Service Agreement with CCCFPD

In this scenario we assumed a complete staffing transition to CCCFPD and that the City would effectively outsource 100% of its going forward costs for fire protection staffing to CCCFPD. This scenario forecasts operating and capital expenditure for the budget periods 2022-23 through 2029-30.

- Budget estimates based on FY 2022-23 Fire Department combined budget of \$5,514,428. (General, Measure S 2006, and Measure S 2014 funds.)
- Assumes Pinole Fire would transfer all positions, equipment, and apparatus to CCCFPD at no cost.
- Assumes existing (1) active and (1) inactive Fire Stations would remain as a fixed capital asset of the City of Pinole. Facility repairs and replacement to be the responsibility of City of Pinole
- Assumes (1) inactive station would be activated and staffed by CCCFPD to restore the level of service achieved in the past.
- Assumes Pinole Fire would continue to be responsible for following existing budgetary items moving forward: Fire allocated CalPERS Unfunded Accrued Liability (“UAL”), abatement services, station utilities, station repairs and maintenance, legal charges, and property liability. Total remaining budgetary cost estimated at \$753,489 or 13.66% of current budget.
- Assumes CCCFPD staffing of (3) Captains, (3) Engineers, and (3) Firefighters per station. Pass-through and/or of other CCCFPD related expenditures. (e.g. employee benefits, operating expenses, apparatus replacement)
 - Assumes direct station staffing related costs of \$3,000,786 per station.
 - Operating cost of \$114,436, and equipment replacement of \$125,000 per station.
 - Assumes \$172,498 in allocated communication center dispatch cost. Assumes the communication center allocated cost grows at 4% per year.
 - Assumes a shared services administrative cost of 10% billed to the City of Pinole. The administrative cost will be charged on all budgeted costs minus the communication center charges. The basis for the 10% administrative cost is the annual adopted budget, of which the City of Pinole will be made known of increases or decreases year to year. A list of indirect costs are included in the additional information section of this report.
- Assumes initial gross annual contract amount of \$7,300,987 or \$441,749 per month beginning January 1, 2023 net Measure X. Cost to be billed out monthly based on the annual budget less the two million in Measure X allocation. Future budgets are subject to change and appropriation by the fiscal body.
- Assumes \$2M in Measure X allocated with an annual escalator of 2.30%. While the allocation is not expressly stated in the contract beyond the initial 5-year contract term, we carried forward the assumption throughout the 7-year projection.
- One-time budgetary impact to the City of Pinole Fire Department in the amount of \$52,969.63 to cover the payout of accrued vacation.
- Assumes fiscal impact under full budget year scenario. Contract likely to become effective mid-fiscal year (January 1, 2023) and therefore the initial cost will be based on the remaining six fiscal months of budget year 2023.
- Assumes that from the date CCCFPD hires such staff, CCCFPD will be responsible for all salaries, employee benefits, including contributions for retiree-related benefits, and future accruals of unfunded liability for retiree-related benefits.
- Assumes the City of Pinole will be responsible for 100% of retiree-related and other post-employment benefits, including accrued CalPERS unfunded liability for retiree-related benefits, for such staff for the period during which they were employed by the City of Pinole.

- Assumes personnel costs at the top step for each class of employee.
- Assumes a stair-stepped inflation of eight percent to three percent (8% - 3%) annual increase in materials, supplies, services, and personnel services.

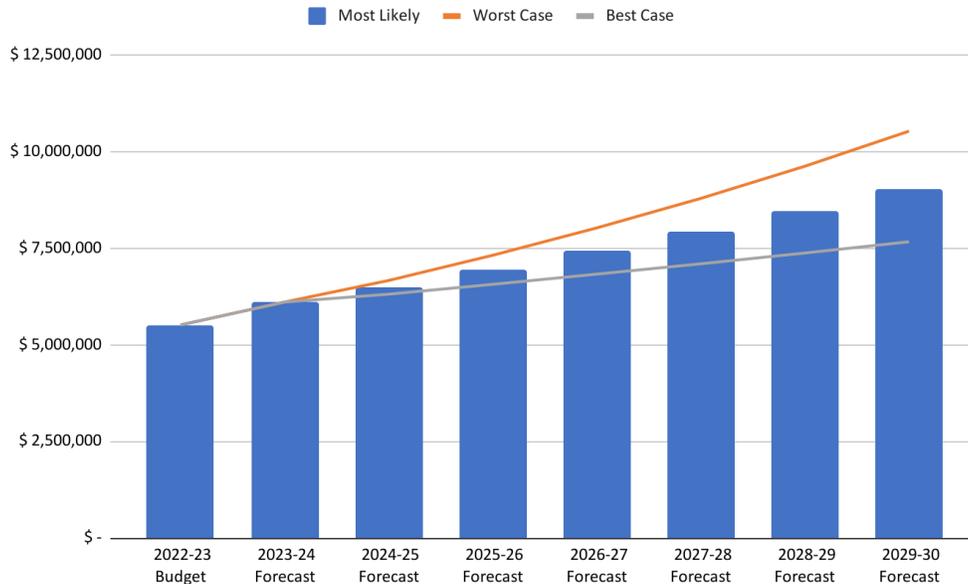
Expected Costs of Cooperative Fire Agreement (“Most Likely”)

If the City of Pinole enters into a cooperative fire agreement with CCCFPD, 100% of current employee salary and employee benefit costs will be converted into a contractual service expenditure. The initial contract value is based on the budgeted cost of the positions and it is expected to increase over the contract period as cost-of-living adjustments are approved. To recover indirect administrative costs, CCCFPD is expected to charge an administrative cost of 10%. This administrative cost is included within the initial proposed two-station budget of \$7,300,987. Adjusted for the Measure X allocation, the initial budget to be billed to the City of Pinole is anticipated to be \$5,300,987, or \$441,749 per month. In addition to the personnel costs, the City of Pinole will continue certain services and supplies costs associated with the department.

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Forecast						
Proposed CCCFPD Contractual Costs:								
Personnel Cost (Pass-Through)	\$ -	\$ 2,540,000	\$ 2,616,200	\$ 2,694,686	\$ 2,775,527	\$ 2,858,792	\$ 2,944,556	\$ 3,032,893
Employee Benefits (Pass-Through)	\$ -	\$ 3,461,572	\$ 3,738,498	\$ 4,037,578	\$ 4,360,584	\$ 4,709,431	\$ 5,086,186	\$ 5,493,080
Direct cost allocations (materials and supplies)	\$ -	\$ 173,872	\$ 187,782	\$ 202,804	\$ 217,001	\$ 230,021	\$ 241,522	\$ 253,598
Direct cost allocations (equipment replacement)	\$ -	\$ 305,000	\$ 320,250	\$ 336,263	\$ 353,076	\$ 370,729	\$ 389,266	\$ 408,729
Communication Center Allocation	\$ -	\$ 172,498	\$ 179,398	\$ 186,574	\$ 194,037	\$ 201,798	\$ 209,870	\$ 218,265
Administration Allocation (10%)	\$ -	\$ 648,044	\$ 686,273	\$ 727,133	\$ 770,619	\$ 816,897	\$ 866,153	\$ 918,830
Operating Expenses before Measure X	\$ -	\$ 7,300,987	\$ 7,728,401	\$ 8,185,038	\$ 8,670,843	\$ 9,187,669	\$ 9,737,552	\$ 10,325,395
Measure X County Allocation	\$0	-\$2,000,000	-\$2,046,000	-\$2,093,058	-\$2,141,198	-\$2,190,446	-\$2,240,826	-\$2,292,365
Net Shared CCCFPD Contractual Cost	\$0	\$5,300,987	\$5,682,401	\$6,091,980	\$6,529,644	\$6,997,223	\$7,496,726	\$8,033,030
Operating Budget Impact:								
Personnel Cost (Salaries and Wages)	\$ 2,663,740	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Benefits	\$ 1,195,404	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Remaining UAL Payment	\$ 406,927	\$ 439,100	\$ 471,470	\$ 492,140	\$ 511,660	\$ 524,080	\$ 536,797	\$ 549,824
Other Operating Expenses	\$ 1,244,357	\$ 314,389	\$ 339,540	\$ 366,703	\$ 392,372	\$ 415,915	\$ 436,710	\$ 458,546
NEW Contractual Service Agreement (From Above)	\$ -	\$ 5,300,987	\$ 5,682,401	\$ 6,091,980	\$ 6,529,644	\$ 6,997,223	\$ 7,496,726	\$ 8,033,030
Capital Outlays	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Improvement Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PLUS: One-Time Transition Cost (Vacation Payout)	\$ -	\$ 52,970	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expected Cost of Contractual Fire Service	\$ 5,514,428	\$ 6,107,445	\$ 6,493,411	\$ 6,950,823	\$ 7,433,677	\$ 7,937,218	\$ 8,470,233	\$ 9,041,400

Cooperative Fire Agreement Sensitivity Analysis

For scenario two we continued with projecting costs using the most likely, worst case, and best case assumptions. In addition to inflation and economic assumptions, we added a worst case scenario where the Measure X income tax allocation increases at a slower rate. (i.e. 2% vs. 2.3%) This change materially affected the future net budget impact to the City of Pinole and is one of the single largest future cost variables. Under the best case scenario, we assumed Measure X would continue for every year services are contracted and would increase annually at a reasonable growth rate.



We calculated the future expected budget outcome and annual budget variance between the CCCFPD scenario two and City provided scenario one cost forecasts. These are intended to provide the City of Pinole a reasonable range of likely future cost of service as well as the favorable (unfavorable) results of each.

		Budget Projections							
		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
		Budget	Forecast						
Most Likely	\$	5,514,428	6,107,445	6,493,411	6,950,823	7,433,677	7,937,218	8,470,233	9,041,600
Worst Case	\$	5,514,428	6,107,445	6,666,285	7,318,910	8,027,683	8,791,886	9,624,636	10,532,201
Best Case	\$	5,514,428	6,107,445	6,311,462	6,566,494	6,830,573	7,098,221	7,377,331	7,668,436

		Budget Impact (Favorable) Unfavorable by Outcome							
		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
		Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Worst Case	\$	-	-	172,875	368,087	594,006	854,668	1,154,402	1,490,802
Best Case	\$	-	-	(181,949)	(384,329)	(603,104)	(838,997)	(1,092,902)	(1,372,964)

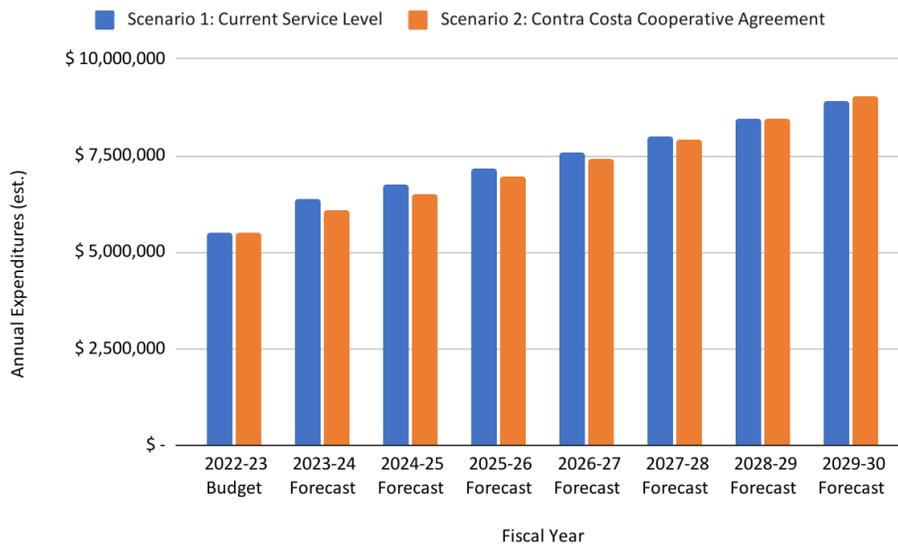
		Budget (Favorable) Unfavorable Change Compared to Scenario 1							
		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
		Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Most Likely	\$	-	(255,870)	(253,562)	(204,976)	(142,126)	(68,113)	27,382	135,665
Worst Case	\$	-	(207,542)	(64,070)	143,346	374,885	627,482	911,733	1,231,198
Best Case	\$	-	(17,342)	(18,208)	24,112	67,332	105,640	146,582	190,329

Additional Information & Analysis

Cost Comparison of Scenarios

	City of Pinole	CCCFPD Contract
Scenario Reference	001	002
Active Stations	1	2
Full Time Firefighters	15	18
Expected Annual Cost - Yr 1 of Contract (Gross)	\$6,363,316	\$7,300,987
Measure X Allocation	\$0	\$2,000,000
Expected Annual Cost - Yr 1 of Contract (Net)	\$6,363,316	\$5,300,987
City Annual Cost (On-going)	\$0	\$753,489
City Cost (one-time)	\$0	\$52,970
Total Cost - Yr 1	\$6,363,316	\$6,107,445
Expected Monthly Cost - Yr 1 of Contract	\$530,276	\$508,954
Expected Cost - 7-Yr Plan Average	\$7,599,401	\$7,490,601
Expected Monthly Cost - 7-Yr Plan Average	\$633,283	\$624,217

Based on the most likely assumptions and the annual sinking fund for capital outlays, the CCCFPD (“scenario two”) option provides the lowest net budget impact to the City of Pinole in FY 2023-24 (“Yr 1”) . Over time, the CCCFPD contract is expected to cost less than the current operations by \$108,800 per year on average. This amount assumes the Measure X allocation grows at 2.3% for all years a contract for service is in place. Note the City’s current staffing of fifteen full time equivalents (15 firefighters) supplies one station currently, whereas CCCFPD staffs two stations.



Contra Costa County Fire Protection District Administrative Cost

Below is a list of indirect costs that together represent the rationale behind the 10% proposed administrative cost.

- Administration - Fire Chief, Deputy Fire Chief, Fire Marshal
- Public Information Officer
- General and automobile liability
- Information Technology Support and Infrastructure
- Payroll, Accounting, Fire District Human Resources
- Fire Investigation Services
- Training Administration, Vector Solutions
- EMS Training and Quality Improvement
- County General (legal, County Administration, Auditor) Charges

Contra Costa County Fire Protection District Revenue Sufficiency

For this report, we assume year one (“Yr 1”) for scenario two is FY 2023-24. Based on the assumptions, the anticipated monthly CCCFPD cost of service incurred and billed to Pinole Fire Department during the first three years would be as follows:

	Yr 1	Yr 2	Yr 3
Estimated Annual Cost of Service, gross	\$ 7,300,987	\$ 7,728,401	\$ 8,185,038
Less: Measure X Allocation	\$ (2,000,000)	\$ (2,046,000)	\$ (2,093,058)
Net Cost of Service Billable to Pinole	\$ 5,300,987	\$ 5,682,401	\$ 6,091,980
Percentage of FY 2023 Budget	96%	103%	110%
Percentage of Scenario One Expected Cost	83%	84%	85%
Percentage of FY 2023 Measure S Sources	16%	17%	18%
Estimated Monthly Charge for Service	\$441,749	\$473,533	\$507,665

City of Pinole Financial Feasibility & Sustainability

The City of Pinole maintains five separate funds which have supported the Fire Department over the past few fiscal years. Two of those funds relate to the City of Pinole's Measure S funds. (i.e. 2006 & 2014) For the 2023 fiscal year budget, the total Measure S funds are estimated at \$4,902,000. Historically, the Fire Department has received approximately 25%, or \$1,039,873, of the total Measure S funding. The City of Pinole's Measure S funds do not currently have a predetermined sunset or expiration date. As of the FY 2023 budget, there were \$4.9M of Measure S funds appropriated, which represented 13% budget growth year over year.

Funding Sources	FY 2021/22 Budget	FY 2022/23 Budget	% Change
General Fund Revenues (all sources)	\$21,627,288	\$28,111,479	30%
2014 Measure S	\$2,173,000	\$2,451,000	13%
2006 Measure S	\$2,163,746	\$2,451,000	13%
	\$25,964,034	\$33,013,479	27%
Fire Department Expenditure Budget	\$5,092,242	\$5,514,428	8%
Fire Department Utilization - Measure S (in dollars)	\$1,124,737	\$1,301,724	16%
Fire Department Utilization - Measure S (in percent)	\$0	\$0	
Measure S as Percent of General Fund Revenues	20%	17%	-13%
Fire Department Budget as Percent of General Fund Revenues	24%	20%	-17%
Fire Department Funding Sources by Fund:			
General Fund	\$3,967,505	\$4,212,704	6%
Measure S 2006	\$679,488	\$727,182	7%
Measure S 2014	\$445,249	\$574,542	29%
Governmental Reserves	6/30/2020	6/30/2021	% Change
General Fund Balance	\$38,763,912	\$41,473,658	7%
Cash and investments	\$17,713,884	\$19,457,868	10%
Unassigned General Fund Balance	\$10,828,937	\$12,488,562	15%

Source: City of Pinole Budget (FY 2021-22, FY 2022-23, & ACFR 06/30/2020 & 06/30/2021)

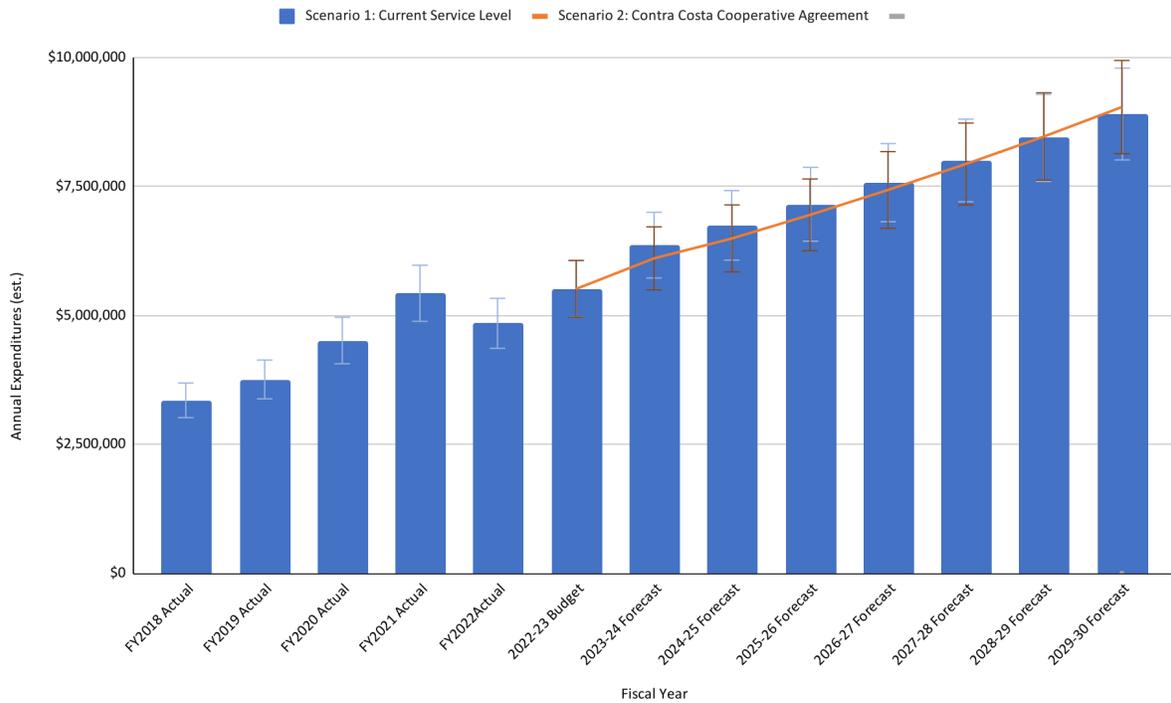
Looking beyond the Measure S funds, the Fire Department has averaged \$187,748 in department specific revenues that are expected to remain as a local funding source.

Additionally each year the City Finance Department prepares a detailed budget and annual report that has certain financial policies to drive decisions. One such policy is a general reserve policy of 50%. That reserve level is currently met and the last audited financial statement reflects a General Fund Unassigned balance of \$12,488,526. This amount is up 15% year over year and creates an unrestricted funding source to help stabilize operations in a period of budget contraction.

Based on the anticipated lower cost of scenario two, Measure S revenues, Measure X allocation, and the annual appropriation process, it appears that the City of Pinole has the financial means to enter into an agreement if their fiscal body finds that appropriate.

City of Pinole Financial Feasibility & Sustainability

The City of Pinole Fire Department’s actual expenditures have increased an average of 10% per year between FY 2018 and FY 2022. Based on the current assumptions, the annual cost escalation under scenario one is 7.09%. Comparatively, scenario two is expected to grow by 7.32% per year based on the current assumptions. Below is a comparison of actuals versus projected future cost under both scenarios. To be conservative with forward estimates, the forecast for both scenarios include a plus or minus 10% margin of safety.



CalPERS Fire Department Unfunded Accrued Liability

Using the most recent June 30, 2020 valuation report the cumulative unfunded accrued liability (UAL) is \$22,253,952 across the PERS-PEPRA Safety Fire and PERS-Safety plan. In order to allocate the amount retained by the City of Pinole, the percentage of full-time Fire Department employees vs total safety related positions could be used. At the time of this report, the pro rata portion of total CalPERS unfunded liability and amortization payments was allocated to the Fire Department was 23%. Therefore, for the 2022-23 budget cycle the remaining UAL budget impact that would remain with the City of Pinole is estimated to be \$406,927.

PERS-PEPRA Safety Fire:

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio
06/30/2014	\$12,401	\$12,927	(\$526)	104.2%
06/30/2015	70,859	66,043	4,816	93.2%
06/30/2016	95,388	81,870	13,518	85.8%
06/30/2017	95,847	83,023	12,824	86.6%
06/30/2018	113,140	97,740	15,400	86.4%
06/30/2019	194,870	174,467	20,403	89.5%
06/30/2020	241,958	212,197	29,761	87.7%

PERS-Safety:

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio
06/30/2011	\$46,103,119	\$36,824,707	\$9,278,412	79.9%
06/30/2012	47,888,593	36,109,991	11,778,602	75.4%
06/30/2013	51,681,999	41,436,450	10,245,549	80.2%
06/30/2014	56,111,018	46,686,286	9,424,732	83.2%
06/30/2015	57,996,772	45,575,302	12,421,470	78.6%
06/30/2016	60,809,793	44,325,488	16,484,305	72.9%
06/30/2017	64,072,583	47,307,038	16,765,545	73.8%
06/30/2018	70,371,785	50,957,506	19,414,279	72.4%
06/30/2019	72,486,976	52,024,491	20,462,485	71.8%
06/30/2020	74,783,071	52,558,880	22,224,191	70.3%

UAL Cost Projection:

	Year 0 2022-23 Budget	Year 1 2023-24 Forecast	Year 2 2024-25 Forecast	Year 3 2025-26 Forecast	Year 4 2026-27 Forecast	Year 5 2027-28 Forecast	Year 6 2028-29 Forecast	Year 7 2029-30 Forecast
Projected UAL Payment (PERS Safety)	\$1,762,095	\$1,900,000	\$2,039,000	\$2,128,000	\$2,212,000	\$2,266,000	\$2,321,290	\$2,377,930
Future Projected Growth		8%	7%	4%	4%	2%	2%	2%
Fire Department Allocation	23%	23%	23%	23%	23%	23%	23%	23%
Allocated UAL (est.)	\$405,282	\$437,000	\$468,970	\$489,440	\$508,760	\$521,180	\$533,897	\$546,924
Projected UAL Payment (PERS PEPRA Fire)	\$1,645	\$2,100	\$2,500	\$2,700	\$2,900	\$2,900	\$2,900	\$2,900
Future Projected Growth		28%	19%	8%	7%	0%	0%	0%
Fire Department Allocation	100%	100%	100%	100%	100%	100%	100%	100%
Allocated UAL (est.)	\$1,645	\$2,100	\$2,500	\$2,700	\$2,900	\$2,900	\$2,900	\$2,900
Total Remaining UAL	\$406,927	\$439,100	\$471,470	\$492,140	\$511,660	\$524,080	\$536,797	\$549,824

Budget Impacts - Remaining Items

Below is the current budget for the Pinole Fire Department itemized by expenditure account. Were the City to enter a contract for service with CCCFPD, certain expenditure amounts would remain the responsibility of the City of Pinole and be incurred above and beyond the contractual services agreement cost. The current 2022-23 budget includes \$1,105,953 for 41004 - Employee Benefits PERS Retirement. This amount includes the CalPERS Unfunded Accrued Liability (“UAL”) related to the Fire Department. Under scenario two, a portion of that budget expense would become the responsibility of Contra Costa County. However, the UAL portion would remain the financial responsibility of the City of Pinole. Therefore, we have estimated the allocation and incorporated the remaining UAL component within the retained budgetary expenditures.

Remains in City of Pinole Budget

Account	2022-2023 Budget Estimate
41004 - Emp Benefits/PERS Retirement ("UAL")	\$406,927
42108 - Prof Svcs/Building-Structure Maintenance	\$14,370
42512 - Admin Exp/Abatement	\$120,000
43101 - Utilities/Telephone	\$100
43102 - Utilities/Water	\$10,000
43103 - Utilities/Electricity & Power	\$40,000
43105 - Utilities/Cable	\$500
46126 - Legal Charges	\$10,000
46201 - Insurance/General Liability	\$151,592
Sub-Total	<u>\$753,489</u>

Budget Impacts - Transitioning Items

Below is the current budget itemized by the expenditure account. The expenditure accounts are anticipated to be included within the cost of contractual services agreement cost.

Transitions to Contractual Service			
Account	2022-2023 Budget Estimate	Account	2022-2023 Budget Estimate
40101 - Salary & Wages/Full Time	\$2,080,171	42201 - Office Expense	\$4,000
40102 - Salary & Wages/Part Time	\$0	42202 - Office Exp/Printing & Binding	\$0
40103 - Salary & Wages/Vacation Leave	\$5,262	42203 - Office Exp/Shipping & Mailing	\$0
40105 - Salary & Wages/Floating Holiday Leave	\$123,893	42301 - Travel & Training/Conf-Registration	\$98,845
40106 - Salary & Wages/Admin Leave	\$0	42302 - Travel & Training/Mileage	\$500
40201 - Overtime	\$250,000	42303 - Travel & Training/Meal Allowance	\$0
40202 - FLSA Overtime	\$59,936	42401 - Dues & Pub/Memberships	\$1,175
40303 - Other Pay/Acting	\$43,861	42506 - Admin Exp/Bonds	\$0
40305 - Other Pay/Uniform Allowance	\$13,200	42508 - Admin Exp/Settlement	\$0
40306 - Other Pay/Medical In Lieu	\$14,400	42509 - Admin Exp/Misc Expense	\$0
40307 - Other Pay/Education Incentive	\$6,570	42510 - Admin Exp/Software Purch	\$15,000
40311 - Other Pay/Cell Phone	\$0	42514 - Admin Exp/Special Depart	\$58,000
40314 - Other Pay/Paramedic	\$66,447	43201 - Taxes/Property Tax	\$3,000
41001 - Emp Benefits/Medical-Active	\$285,646	44301 - Other Mat & Sup/Fuel	\$25,000
41002 - Emp Benefits/Dental	\$18,893	44304 - Other Materials Supp/Permit Fee	\$0
41003 - Emp Benefits/Vision Care	\$3,796	44306 - Other Materials Supp/Maintenance Supplies	\$0
41004 - Emp Benefits/PERS Retirement, net UAL	\$699,026	44410 - Safety Clothing	\$41,000
41005 - Emp Benefits/Employee Assistance Prg	\$794	46121 - Admin Credits	\$0
41007 - Emp Benefits/Life-ADD	\$1,679	46122 - Admin Debits	\$0
41008 - Emp Benefits/Long Term Disability	\$5,667	46124 - IS Charges	\$119,465
41009 - Emp Benefits/Workers Comp	\$138,122	47101 - FF&E/Equipment	\$4,000
41010 - Emp Benefits/FICA - Medicare	\$38,625	47102 - FF&E/Computer Equipment	\$0
41012 - Emp Benefits/Unemployment Insurance	\$3,156	47103 - FF&E/Furniture	\$0
42101 - Prof Svcs/Professional Service	\$386,110	47104 - FF&E/Vehicles	\$0
42104 - Prof Svcs/Paramedic Service	\$53,600	47105 - FF&E/Equipment (not-capitalized)	\$0
42105 - Prof Svcs/Network Maintenance	\$0	47106 - FF&E/Computer Equipment (not-capitalized)	\$0
42106 - Prof Svcs/Software Maintenance	\$15,000	47201 - Improvements/Building	\$0
42107 - Prof Svcs/Equipment Maintenance	\$77,100	48101 - Debt Principal	\$0
		48102 - Debt Interest	\$0

END OF REPORT

AGREEMENT
between the
CONTRA COSTA COUNTY FIRE PROTECTION DISTRICT
and the
CITY OF PINOLE
for Fire Protection Services

THIS FIRE PROTECTION AGREEMENT (“Agreement”) is dated January 1, 2023 (the “Effective Date”) and is between the CONTRA COSTA COUNTY FIRE PROTECTION DISTRICT, a fire protection district formed under the Fire Protection District Law of 1987 (Health and Safety Code Sections 13801 et seq.) and governed by the Board of Supervisors of the County of Contra Costa as its Board of Directors (“District”), and the CITY OF PINOLE (“City”), a municipal corporation, referred to herein collectively as the “Parties.”

RECITALS

- A. The City desires to expand and supplement the current fire protection services provided within the City. Currently only one of the City’s two fire stations (Fire Station 73) is operational. Fire Station 74 has been closed since 2011.
- B. The District is willing and able to provide a level of fire protection services within the City that would exceed current service levels. The Parties intend that the District will be paid for all direct and indirect costs incurred in the performance of services under this Agreement.
- C. The Parties intend to leverage those Measure X funds that are available for increasing the level of fire protection services in the City to facilitate this partnership for services between the District and the City. The Parties acknowledge that pursuant to Resolution No. 2022/332, the Contra Costa County Board of Supervisors has allocated from Measure X funds \$2,000,000 annually, adjusted annually as provided in the resolution, through Fiscal Year 2027/28 for this purpose.
- D. Because the City is not within the District service boundary, the Parties propose to enter into this fire protection agreement pursuant to Government Code section 56134. The Parties acknowledge that the services provided for in this Agreement may not commence unless and until the Contra Costa County Local Agency Formation Commission authorizes the District to provide the services contemplated herein.
- E. Simultaneous with the execution of this Agreement, the City and the District are entering into two leases, one for Fire Station 73 and one for Fire Station 74 (each a “Lease” and together, the “Leases”) that set forth the terms under which the District will occupy the two stations during the term of this Agreement. The Leases and any amendments thereto are incorporated into this Agreement by reference.

AGREEMENT

In consideration of the mutual promises contained herein, the Parties agree as follows:

Section 1. Recitals.

The foregoing recitals are true and correct.

Section 2. Definitions.

As used in this Agreement:

- a. "Board of Directors" means the Contra Costa County Board of Supervisors acting as the Board of Directors of the Contra Costa County Fire Protection District and governing body of the District.
- b. "Board of Supervisors" means the Contra Costa County Board of Supervisors acting as the governing body of the County of Contra Costa.
- c. "District" means the Contra Costa County Fire Protection District or any successor organization or successor governmental entity.
- d. "City" means the City of Pinole.
- e. "City Council" means the City Council of the City of Pinole.
- f. "City Manager" means the City Manager of the City of Pinole.
- g. "County" means the County of Contra Costa.
- h. "Fire Chief" means the fire chief of the District.
- i. "Fiscal Year" means the annual period commencing on July 1 and ending June 30.
- j. Fire specific terminology used in this agreement (e.g. Shift, Company, Quint, Engine, etc.) shall be used in a manner consistent with the definitions published by the National Fire Protection Agency (NFPA) on its website at <https://www.nfpa.org/Codes-and-Standards/Resources/Glossary-of-Terms>, as revised from time to time.

Section 3. Scope of Services.

Within the boundaries of the City, the District will provide and be fully responsible for the following services.

- a. Incident Response.
 1. General Service Criteria.

A. Response Area.

The District will provide the services identified below to the areas within the incorporated limits of the City, as shown on Exhibit 1.

B. Station Location/Staffing.

There are two fire stations located in the City. The stations will be staffed at a minimum as described below.

Response Configuration

Fire Station 73 880 Tennent Avenue Pinole, CA 94564	1 Engine Company	3 Personnel
Fire Station 74 3700 Pinole Valley Road Pinole, CA 94564	1 Engine Company	3 Personnel

Within the City boundaries, the District will maintain a minimum staffing level of six (6) personnel, consisting of two three-person companies per shift. Each company will consist of one Captain, one Engineer, and one Firefighter. Each company will be staffed at a minimum with one paramedic and two EMT-I trained personnel. In the absence of ranked positions, personnel working "out-of-class" (acting) will be used. A Type 1 Fire Engine shall be located at each of the two fire stations within the City's boundaries throughout the year. In addition, from June through October, a Type VI Wildland Unit shall be located at each of the two fire stations within the City's boundaries, except that a Type III Wildland Unit may be located at one of the fire stations in lieu of a Type VI Wildland Unit. The Fire Chief may substitute the required apparatus for other apparatus on a limited, temporary basis when necessary for maintenance or other operational needs.

If engine companies stationed in the City leave the City for automatic aid within the District's Battalion 7 area (Pinole, El Sobrante, San Pablo, Hercules, and Rodeo), the District will arrange for appropriate back-up coverage to ensure that the City has adequate response capability. When companies stationed in the City leave the City for any planned (e.g., administrative or training) needs, the District will arrange for appropriate back-up coverage to ensure that the City has adequate response capability, with a minimum of one (1) Advanced Life Support ("ALS") company.

The response configuration above will only be changed upon mutual agreement between the Fire Chief and City Manager.

C. Response Levels.

The District will respond to incidents consistent with the District standard alarm assignments with the same level of response it provides to other areas served by the District and in a manner consistent with approved Contra Costa Operational Area policies.

D. Response Time.

On a single fire unit Priority 1 or Priority 2 emergency medical response, the District will endeavor to arrive at the scene within eight minutes and 30 seconds or less from the time that the company is first dispatched for 90% of all incidents. In multiple unit fire incidents, the District will endeavor to have the first due company arrive at the scene of an emergency incident within eight minutes and 30 seconds or less from the time that the company is first dispatched for 90% of all such incidents. The District will endeavor to have the remaining District first alarm units arrive at the scene of the incident within 18 minutes or less from the time that the first due company is dispatched for 90% of all such incidents.

In the event that the District is unable to meet the above response times, the Fire Chief and the City Manager will confer regarding the District's ability to meet the above response times. The Fire Chief and

the City Manager will discuss strategies to ensure such response times are met in the future.

Data on response times will be provided to the City Manager within 30 days of the end of the calendar quarter in which the responses occur. Data on response times will be reviewed on a quarterly basis as part of the scheduled meetings between the Parties.

E. Chief Officer Coverage.

The District will provide a Battalion Chief response for all first alarm fire and multiple apparatus incidents. For incidents of three alarms or greater, the District will also provide an Assistant Fire Chief (or greater rank) response and sufficient management staff to ensure appropriate management of the emergency.

F. Mutual Aid.

The District will continue to meet the District's pre-existing obligations with respect to mutual aid in accordance with but not limited to the Contra Costa County Fire Mutual Aid Plan, and all appropriate State of California interagency service agreements. The parties anticipate that the resulting mutual aid provided within the City will be equivalent to, or greater than, mutual aid provided to the City immediately prior to the Commencement Date. The District will work to develop expanded mutual aid, automatic aid, and mutual response areas with other fire departments adjacent to the City. The Parties acknowledge that the District has no obligation to independently meet the City's mutual aid obligations, if any, while performing services under this Agreement. The City shall notify its mutual aid partners that the City will not directly provide mutual aid during the term of this Agreement.

2. Fire Suppression.

Fire Suppression services will be provided in accordance with Section 3(a)(1) above, as applicable.

3. Emergency Medical Response.

Emergency Medical Response Service will be provided in accordance with Section 3(a)(1) above, as applicable and except as otherwise provided in this Section 3(a)(3).

The District will fulfill and does hereby assume the City's obligations under the City's First Responder Agreements with the Contra Costa County Emergency Medical Services ("EMS") Agency, with the exception of response times which the District will make every reasonable effort to fulfill, which are hereby assigned to the District. The District's duty to fulfill the City's obligations under the First Responder Agreements with the EMS Agency will not affect any rights the City may have to receive revenues from the EMS Agency due to the City under the above agreements, as they may be amended from time to time, which revenues may be used by the City to pay the District for services performed under this Agreement. However, if the Contra Costa County EMS Agency pays any such revenues directly to the District due to the District's fulfillment of the City's obligations, those revenues paid directly to the District will be credited to the City as if payment had been made by the City to the District for the performance of services under this Agreement.

4. Hazardous Materials Response.

Response to Hazardous Material incidents will be in accordance with the provisions of Section 3(a)(1) above, as applicable and except as otherwise provided in this Section 3(a)(4).

The District will provide a Type II (as defined by FIRESCOPE) Hazardous Materials Team level of service to the City.

The District will provide trained personnel to perform hazardous materials operations when required in the City. These positions are staffed and equipped each day. Response time to the City will be the time necessary for notification and travel of the closest available District resource that meets the needs of the emergency incident.

5. Rescue Services.

The District will provide the City with rescue services in accordance with the provisions of Section 3(a)(1) above, as applicable and except as otherwise provided in this Section 3(a)(5).

The District will provide Type II (as defined by FIRESCOPE) rescue services to the City. This service is available as needed.

The District will provide trained Urban Search and Rescue Team (USAR) personnel to perform confined space and trench rescue operation when required in the City. These positions are staffed and equipped each day. Response time to the City will be the time necessary for notification and travel of the closest available District resource that meets the needs of the emergency incident.

6. Response to Mass Casualty Incidents.

The District will respond to mass casualty incidents in the City with the same level of response it provides to other areas served by the District.

7. Other Calls for Service.

The District will respond to all other calls for services, including, but not limited to fire alarms, hazardous conditions, flooding conditions, smoke investigations, and public service calls, in accordance with the provisions of Section 3(a)(1) above, as applicable.

8. Homeland Security.

The District will represent the City, and proactively participate on its behalf, in the planning, coordination, and development of programs to address homeland security threats. The District will maintain a state of awareness and readiness to respond to incidents related to homeland security within the City.

9. Major Disaster Response.

In the event of a major disaster, the District will supplement the fire personnel assigned to the City by providing additional resources for direct response to an incident or move-up coverage from District stations outside of the City provided that supplemental resources are available.

Upon activation of the City's Emergency Operations Center ("EOC"), the District will provide sufficient staff to operate assigned functions in the EOC. Release of personnel and resources may occur after evaluation of local conditions and upon mutual agreement by the City Manager and the Fire Chief.

The District will work cooperatively with the City to participate in the development and

implementation of the Emergency Operations Plan (“EOP”) by ensuring that it is reviewed, revised and updated as necessary, and exercised regularly. The District will recommend to the City plan updates to the EOP pertaining to fire, rescue, and emergency medical services issues.

The District will continue to participate in local or regional organizations necessary to ensure the City is represented in disaster preparedness and response.

10. Evacuation Coordination.

The District will coordinate with the Pinole Police Department for all evacuations in a manner consistent with standardized and unified incident command principles and procedures.

b. Dispatch Service.

The District manages the Contra Costa Regional Fire Communication Center which supplies fire and ambulance dispatch services to various areas in the County, including to the City, on a cost reimbursement basis. The City will continue to pay its proportionate share of annual dispatch-related fees and charges (“Communication Center Allocation”), which is billed annually and will be included as part of the annual fiscal year budget proposal pursuant to Section 5(a)(1). The City’s obligation to pay its proportionate share of annual dispatch-related fees and charges is not co-terminus with this Agreement and survives termination of this Agreement.

c. Community Education.

1. Fire Safety Programs.

To help preserve life and property, the District will coordinate the planning, development, and implementation of fire prevention and safety education training programs, which will be tailored to educate City residents and other members of the Pinole community, such as schools, businesses, community associations, and childcare providers. Fire prevention and safety training programs to be provided by the District will include the following programs, with such changes and adjustments as mutually agreed to by the Fire Chief and the City Manager.

- Carbon Monoxide Alarm installations
- CERT Fire training
- CPR courses, BP checks
- Eldercare and safety
- Elementary School Fire Safety Programs
- Exit Drills in the Home (EDITH)
- Fire extinguisher use
- Fire safety
- Firewise Communities
- Injury and fall prevention
- Juvenile fire-starter program
- Smoke alarm installations
- Wildland fire and evacuation preparedness

2. CPR Training.

The District will provide opportunities for CPR training to members of the Pinole community at no

charge to the participant. This training will be provided within the boundaries of the City.

3. Community Emergency Response Team (CERT) Training.

The District will work with City departments to offer fire-based Community Emergency Response Team training to members of the Pinole community. The District and the City will work together to ensure the training complements the City's current disaster preparedness programs.

4. Miscellaneous.

The District will respond to specific requests from the Pinole community including but not limited to fire station tours and ride-alongs.

d. Fire Prevention.

1. General.

The District, through its Fire Prevention Bureau, will provide fire prevention services consistent with the level of prevention services provided to other areas served by the District.

2. Fire Prevention Staffing.

The District will provide Fire Prevention Bureau staff to conduct annual state-mandated occupancy inspections and Fire Code enforcement. The City and District will coordinate the District's Fire Code enforcement activities with the City's code enforcement activities, subject to any procedures mutually agreed upon by the City and District. Additional staff may be provided as necessary as determined by the District to review plans for new construction and inspect new construction.

3. Pre-development/Preliminary Planning.

The Fire Prevention Bureau will provide pre-development planning services. Pre-development planning will include but not be limited to the following activities:

- A. Adherence to the pre-development/preliminary planning project review process established by the City's Community Development Department and as may be modified at the City's discretion.
- B. Preparation of written comments based upon development/construction submittals made to the City.
- C. Attendance (in person or virtually) at scheduled meetings with applicants as reasonably requested by the City.
- D. Participation (in person or virtually) in requested modifications to the City's pre-development/preliminary planning process as reasonably requested by the City.
- E. Attendance (in person or virtually) at development review meetings as reasonably requested by the City.

4. Plan Submittal Review.

The District will review and provide comments on proposed construction plans and fire protection system plans to ensure compliance with the City's adopted codes and applicable standards. Applications and plans shall be submitted by the applicant directly to the Fire District's Fire Prevention Bureau at 4005 Port Chicago Highway, Suite 250, Concord. Written comments, in a format consistent with District policies and procedures, will be attached to approved plans to inform applicants of District requirements. District review of submitted plans will be completed within the timelines established by the City and the District, provided the review can be performed with the staffing levels provided by this Agreement.

The City and District will establish mutually agreed upon procedures for accepting and reviewing plan submittals. In establishing such procedures, the Parties will determine timelines for review and strive to make the process as easy as possible for applicants, including by providing an option for applicants to submit applications and plans at City Hall (in which case the City and District will determine how to transfer such application and plans to the District for review). The Parties agree that, initially, the City will require applicants to submit one full set of plans in hard-copy for the District's review. The Parties agree to cooperate on fully accepting the electronic submission of plans as well as the use of electronic review and commenting platforms, but acknowledge that a transition period will be necessary before this will be feasible. The City and District share the common goal of full integration of District and City plan review and permitting processes.

The City's current practice is to meet with applicant when plan check process extends beyond three reviews. As reasonably requested by the City, the District will attend (virtually or in person) meetings with applicants to discuss plan check comments when the plan check process extends beyond three revisions.

5. Fire Inspections.

The District will provide inspection and permit issuance services in accordance with the City's adopted Fire Code. All inspections will be conducted by qualified personnel. The City and District will agree upon policies and procedures for the conduct and tracking of inspections and permits, with the goal of eventually transitioning to the use of an electronic permitting and tracking system, consistent with the parties' goals of making the process as streamlined as possible for applicants.

- A. General Inspections. In accordance with the City's adopted Fire Code, the District personnel will perform fire inspections relating to each of the following:
 - i. The hazard of fire and explosion arising from the storage, handling, or use of structures, materials, or devices.
 - ii. Conditions hazardous to life, property, or public welfare in the occupancy of structures or premises.
 - iii. Fire hazards in the structure or on the premises from occupancy or operation.
 - iv. Matters related to the construction, extension, repair, alteration, or removal of fire suppression or alarm systems.
- B. Fire Protection System Inspections. As part of the City's permitting process,

District personnel will inspect fire protection system installations approved for permit by the District to verify compliance with the approved plans and applicable codes and standards.

- C. Mandated Inspections. District personnel will conduct inspections of those occupancies mandated by the California Office of the State Fire Marshal.
- D. Construction Permit Inspections. District personnel will perform fire inspections for any required construction permit issued in accordance with the City's adopted Fire Code.
- E. Operational Permit Inspections. District personnel will perform fire inspections for any required operational permit prior to initial issuance in accordance with the City's adopted Fire Code. Operational permit inspections will be completed based on the current District inspection schedule for non-State mandated occupancies.
- F. Business License Fire Inspection Program. Following a request by the City, the District will conduct business inspections for fire code compliance.

6. Pre-fire Plan Inspections for Target Hazard Occupancies.

The District will perform pre-fire plan inspections for relevant target hazard occupancies. Results of the inspections will be shared with other City departments as requested.

7. Fire Code Administration.

- A. The District will administer and enforce City's adopted Fire Code, and applicable ordinances, and applicable state and federal codes and regulations.
- B. The District will monitor changes to fire codes and provide the City with recommendations regarding proposed changes. The District's Fire Marshal will work with City Staff to complete the code adoption process.

8. Weed Abatement and Wildfire Management.

- A. Weed Abatement Enforcement. The City will continue to provide weed abatement through its Code Enforcement Division. The District will assist in administering fire prevention related aspects of the City's weed abatement program including inspection of those parcels potentially needing abatement, but the District is not responsible for conducting abatement of hazard parcels. The District will provide the City with information and supporting documentation, as requested and necessary, relating to any parcels that require additional enforcement and abatement. All work and abatement orders will be initiated and completed by the City for weed abatement issues.
- B. Wildfire Mitigation Project. The City and the District will coordinate regarding wildfire mitigation projects that are not directly related to weed abatement issues, but the District is not responsible for conducting abatement of hazard parcels. Additionally, when applicable, the City and the District will coordinate in the preparation and submittal of grant funding applications relating to wildfire

mitigation and in developing processes to prioritize and initiate wildfire mitigation projects.

9. Fire Investigation Service.

District fire investigators will be assigned to determine the cause of every major fire (2nd or 3rd Alarm), or where an injury or fire fatality occurs as a result of a fire incident within the City, and will conduct an investigation of every incident in which there is knowledge or suspicion that the crime of arson may have been committed. The District will attempt to determine the cause of all fires within the City as required by the Fire Code. District fire investigators will work with the Pinole Police Department and any other appropriate law enforcement agencies in the investigation process, as needed.

e. Administration.

1. Contract Administration.

The District designates the Fire Chief, or the Fire Chief's designated representative, to represent the District in all matters pertaining to the administration of this Agreement.

The City designates the City Manager, or the City Manager's designated representative, to represent the City in all matters pertaining to the administration of this Agreement.

The Parties desire to work cooperatively to ensure that the City receives cost effective services. Accordingly, the Parties desire to set forth a process for reaching agreement on mutually acceptable alterations to service delivery standards and material changes to the budget.

The District will formally notify the City prior to a service delivery change. The notification will provide adequate time for the City to provide comment, express concerns, and to allow for agreement on the aforementioned changes and modifications. Except for temporary changes lasting fewer than ten (10) days, the District will obtain written approval from the City prior to making a service delivery change. Any changes to the staffing levels per company or fire stations identified in Section 3(a)(1)(B) are modifications to the Agreement subject to Section 9(j).

2. Fire Chief Designation.

The Fire Chief is hereby designated by the City as the City of Pinole Fire Chief and will have and possess such authority as the City Municipal Code and general laws provide for the City's Fire Chief.

3. Liaison to City.

A. The District designates the Fire Chief or designee (at no time below the rank of Assistant Fire Chief) as the direct liaison to the City Manager. Liaison responsibilities will include but are not limited to:

- i. Attendance by the Fire Chief or designee at City Council meetings when requested by the City Manager upon reasonable advance notice; and
- ii. Meetings with the City Manager as requested by either the Fire Chief or City Manager to discuss budget, operational, or other issues which may arise.

- B. The District will promptly notify the City Manager when any of the following significant incidents occur within the City.
- i. Incidents involving deaths or serious injuries to citizens or first responders.
 - ii. Mass casualty incidents involving more than six patients.
 - iii. Second-alarm, and better, structure fires.
 - iv. Structure fires resulting in displacement of multiple residents.
 - v. Third-alarm wildland fires, or any wildland fires utilizing air support resources.
 - vi. Hazardous materials incidents requiring entry.
 - vii. Incidents with significant impacts on residents based on size, scope, or duration.
 - viii. Any incident that has attracted, or is expected to attract, significant media attention.

4. Community Events.

As reasonably requested by the City Manager, the District will participate in the planning and implementation of community activities, such as local fireworks celebration, tree lighting ceremonies, Chamber of Commerce functions, and similar events, to address fire safety issues.

5. Reports and Records.

- A. The District will maintain sufficient records to enable the City to meet its reporting obligations and needs as they relate to the provision of services as provided for in this Agreement, including but not limited to the District's obligation to provide quarterly reports on response times. The records maintained by the District will also include: (i) the total number of calls for service responded to by each of Fire Station 73 and 74; (ii) the number of calls for service responded to by each of Fire Station 73 and 74 for incidents occurring outside of the City; and (iii) the number of calls for service responded to by the District from locations other than Fire Stations 73 or 74 for incidents occurring within the City.
- B. The District will maintain financial records related to the performance of services under this contract.
- C. The District will provide the City Manager with financial reports reasonably requested by the City Manager.
- D. Upon request by the City Manager, the District will make available its records related to services performed under this Agreement for audit and inspection by the

City Manager, or the City Manager's designated representative.

- E. Upon request, the District shall provide the City with copies of any records related to this Agreement that are subject to disclosure pursuant to the California Public Records Act.
- F. The District will conduct or have conducted a yearly independent audit of the District's overall financial performance. The District will provide the audit reports to the City Manager within 30 days of publication. The District will provide any financial information required by the Governmental Accounting Standards Board for the City's financial reporting that is in the District's possession or control.

6. Fire Complaints and Requests for Service.

- A. The District will inform the City Manager of any and all complaints received by the District regarding the services provided to the City by the District.
- B. The District will strive to provide a high level of customer service to the City in accordance with the District and the City's customer service philosophies.

7. Fire System Planning.

- A. The Fire Chief will assist the City in planning the extension of fire services and facilities as the City grows.
- B. If, as a result of annexation of territory, the City requires additional contract services to provide fire and emergency services to areas not currently served by the City through its contract with the District, the Fire Chief and the City Manager may negotiate a mutually acceptable amendment to this Agreement to provide such services. Any amendment to this Agreement will become effective upon its approval by the governing bodies of the District and the City.
- C. This paragraph does not apply to those services provided under mutual aid, automatic, and/or other interagency response agreements.

8. Fees.

- A. The District will assist the City in the development of an appropriate fee schedule for fire services rendered in the City by the District. The District will provide the documentation necessary to support the imposition of fees by the City.
- B. All fees attributable to the services provided by the District under this Agreement shall accrue to and are the property of the District. Nothing herein shall limit the City's ability to charge fees attributable to services provided by the City.
- C. Any fees collected by the City for services performed by the District will be accounted for by the City and remitted to the District.

9. Miscellaneous Revenue Collection.

- A. The District will endeavor to implement a program consistent with District policy for seeking reimbursement for the cost of the District's response to accidents or other events. Any cost reimbursements received by the District for incidents occurring within the City will be credited to the City as if payment had been made by the City to the District for the performance of services under this Agreement.
- B. The District will use reasonable efforts to obtain grants for one-time and ongoing capital and operational expenditures.

Section 4. Facilities, Apparatus, and Equipment.

a. Buildings and Real Property.

1. Use of Pinole Fire Station Nos. 73 and 74.

The City will provide the District use of the City-owned fire stations described as Fire Station 73, 880 Tennent Avenue, Pinole, CA 94564, and Fire Station 74, 3700 Pinole Valley Road, Pinole, CA 94564, for performance of services under this Agreement. The City will provide the District use of these facilities at no cost to the District. Responsibility for maintenance of the buildings and grounds are as set forth in the Leases.

To the extent there is a conflict between this Agreement and the Leases concerning the use and maintenance of Fire Stations Nos. 73 and 74, the terms of the Leases shall control. In all other respects, the terms of this Agreement shall control.

2. Office Space.

Fire Station 73 includes office space for use by District fire inspectors. In accordance with the Lease for Fire Station 73, the City will provide the District use of these facilities at no cost to the District.

3. Return Upon Termination.

Upon termination of this Agreement, the District will vacate Fire Station Nos. 73 and 74, and will remove any and all materials, equipment, and improvements that are not to remain on the premises as set forth in the Leases.

b. Apparatus/Equipment.

1. Transfer of Apparatus and Equipment.

The City will transfer to the District ownership of the apparatus and equipment identified in Exhibit 2 (City Fire Apparatus/Equipment Inventory) in consideration of the District's performance of services under the terms of this Agreement. The District will be responsible for maintaining registration and licensing of all transferred apparatus and equipment.

2. Maintenance.

The District will be responsible for maintenance and repair of all apparatus and equipment. The

City will pay the District a fee, fixed annually and specified in the budget approved pursuant to Section 5 (Cost of Services), for the costs of maintenance and repair of apparatus and equipment utilized in the performance of services under this Agreement.

3. Reserve Apparatus.

The District will provide a reserve apparatus that will be placed in service as soon as possible if a frontline apparatus is to be out of service for an extended period of time.

4. Apparatus and Equipment Replacement.

The timing of apparatus and equipment replacement shall be determined by the District, consistent with the District's standard equipment and apparatus replacement practices and schedules. The District will submit a proposed apparatus replacement schedule to the City indicating the anticipated dates for replacement of major pieces of apparatus. The District will provide the City with advanced notice regarding the need to replace apparatus and equipment.

The City will pay the District a fee, fixed annually and specified in the budget approved pursuant to Section 5 (Cost of Services), for the costs to replace apparatus and equipment utilized in the performance of services under this Agreement. The District will use reasonable, good faith efforts to submit applications on behalf of the City for grants to defray the replacement cost for apparatus and major equipment utilized in the performance of services under this Agreement.

5. Return Upon Termination.

Upon termination of this Agreement, the District will return to the City the apparatus and equipment identified in Exhibit 2 (City Fire Apparatus/Equipment Inventory) that was transferred to the District pursuant to Section 4(b)(1) if the apparatus and equipment are fit for service. The Parties acknowledge their mutual intent that the District return to the City, if necessary, the same equipment and apparatus that was transferred to the District pursuant to Section 4(b)(1), and that some or all of the equipment or apparatus may no longer be fit for service at the time of return. If some or all of the equipment or apparatus are no longer fit for service or are otherwise not able to be returned to the City, the District will endeavor to lease to the City such apparatus and equipment necessary for the City to conduct fire protection activities within the City, for a reasonable period of time and upon terms agreeable to both parties, until the City has procured replacement apparatus and equipment. The Parties will identify the specific apparatus and equipment to be returned or leased to the City in the transition plan to be developed pursuant to Section 9(b).

6. New Equipment.

The District may purchase new equipment as necessary in order to maintain adequate service levels and to ensure safe working conditions. The City will pay the District a fee, fixed annually and specified in the budget adopted pursuant to Section 5 (Cost of Services), for the costs to purchase new equipment related to the performance of services under this Agreement

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Section 5. Cost of Services.

a. Fire Budget.

1. Operating Budget.

For purposes of budgeting and billing for both the direct and indirect cost of services to be provided under this Agreement, the Fire Chief will annually prepare and submit a proposed budget for the succeeding fiscal year, as well as an updated 5-year cost projection, to the City Manager by January 15th. Prior to preparation of the proposed budget, the Fire Chief and City Manager, or their designees, shall meet to discuss factors potentially affecting the budget necessary to cover costs for the upcoming fiscal year.

Budgeted costs include but are not limited to those costs listed in Exhibit 3. Excluding labor-related costs (for example, employee salaries and benefits), if a proposed budget exceeds the approved budget from the immediately preceding fiscal year by more than 5%, the Fire Chief and City Manager will meet and confer in an attempt to identify potential cost savings and/or increases in revenue. The Fire Chief and City Manager will use their best efforts to, by March 1 of the same year, agree on a recommended budget that will be recommended for approval by their respective governing bodies.

If the City Manager and Fire Chief are unable to reach agreement concerning a recommended budget or the recommended budget is reduced to provide specified cost savings or the City does not approve the budget jointly recommended by the Fire Chief and the City Manager, the Parties acknowledge that services provided under this Agreement may be reduced accordingly.

For the term of this Agreement, the District has provided a 5-year cost projection as shown in Exhibit 4 (5-Year Cost Projection Provided by the District). The City acknowledges that Exhibit 4 contains projected costs, and that while the District will make good faith efforts to provide annual budgets in accordance with these projections, the amounts set forth in the annual budgets will differ from the 5-year cost projection.

The annual fire budget for Fiscal Year 2022/23, the first fiscal year during which services are provided under this Agreement, is attached as Exhibit 5. The Parties approve the attached Fiscal Year 2022/23 budget upon approval of this Agreement. Payments by the City pursuant to the Fiscal Year 2022/23 budget, and any Offsetting Revenues (as defined below) for Fiscal Year 2022/23, will be appropriately prorated based on the Commencement Date.

2. Offsetting Revenues.

- A. The budget will reflect known revenues, other than those due and payable by City, that will be paid directly to the District and credited to the City as if payment had been made by the City to the District for the performance of services under this Agreement (each an "Offsetting Revenue" and together, "Offsetting Revenues"). Offsetting Revenues may include but are not limited to grant funds obtained by the District on behalf of the City, revenues paid by the EMS Agency directly to the District due to the District's fulfillment of the City's obligations under the First Responder Agreements, and Measure X funds allocated by the Board of Supervisors.
- B. The Parties acknowledge that by Resolution No. 2022/332, attached as Exhibit 7, the Board of Supervisors has allocated from Measure X funds \$2,000,000 annually

through Fiscal Year 2027/28 to increase the level of fire protection services in the City. As provided in Resolution No. 2022/332, the Measure X allocation will be adjusted annually beginning in Fiscal Year 2023/24 by the percentage change in the Consumer Price Index-All Urban Consumers for the San Francisco-Oakland-Hayward Area for the twelve-month period ending with the February index of the calendar year in which the adjustment is made, but not to exceed 4 percent per year. The Parties also acknowledge that the continued allocation of funds by the Board of Supervisors is critical to the maintenance of service levels provided for in this Agreement. The Parties will utilize each annual allocation of \$2,000,000, as adjusted, as an Offsetting Revenue under this Agreement.

3. Capital Requirements.

The Fire Chief will recommend any capital needs for Fire Station 73 or 74, as well as modifications to services that the City provides to directly support the provision of the District's contractual services. These recommendations will be submitted along with the annual fire budget and will be reflected in the recommended budget, as necessary.

4. Management of Budget.

- A. If during the fiscal year, the Fire Chief believes in good faith that due to unanticipated circumstances the approved fire budget is insufficient in any respect to ensure the provision of service at the service levels required by this Agreement, the Fire Chief will immediately notify the City Manager in writing specifying the budgetary deficiency, along with a request for a budget modification that identifies all reasons for the proposed modification. "Unanticipated circumstances" means circumstances that the Fire Chief was not aware of prior to the District's approval of the fire budget; it does not include cost overruns that could reasonably have been anticipated or planned for.
- B. The District will obtain written approval from the City, which will require authorization from the City Council, prior to making a modification to the budget approved by the City. If the budget modification is not approved by City, then the Parties acknowledge that there may be a decrease in service levels commensurate with the deficiency identified in the budget modification request.
- C. Notwithstanding Sections 5(a)(4)(A) and (B) above, where new labor agreements are approved by the District Board of Directors that result in an increase to labor-related costs under this Agreement, the budget shall be deemed modified to account for such cost increases upon 5 days' written notice from the District to the City of such new labor agreements and associated budget modification, and without further approval by the City.
- D. The Fire Chief shall notify the City Manager of matters pertaining to labor relations between the District and its recognized employee organizations, when the matters and the resolution of them will affect the service levels to the City or the City's costs pursuant to this Agreement.

b. Payment for Services.

1. City Payment.

A. The City will pay to the District the approved budget amount in consideration for the District providing any and all services to the City under this Agreement. Budget modifications are subject to Section 5(a)(4).

2. Method of Billing and Payment.

A. The City will pay the District monthly in advance within 30 calendar days of receipt of the monthly invoice. The monthly invoice amount will be equal to the difference of the annual fire budget and the sum of Offsetting Revenues and the Communication Center Allocation, divided by 12, plus any Budget Modification Prorations. A "Budget Modification Proration" is calculated by dividing a budget modification made pursuant to Section 5(a)(4) by the number of months remaining in a fiscal year at the time the budget modification is made. Budget modifications that occur mid-fiscal year will result in post-modification monthly invoice amounts that differ from pre-modification monthly invoice amounts.

B. In the event that an invoice is not paid (partially or in full) by the due date, a late fee of 1% simple interest of the unpaid balance will be assessed for each month or portion thereof that the invoice remains unpaid. The late fee will be assessed on the 1st day of each month following the due date.

c. Costs Associated with Development within the City.

The Parties acknowledge that development within the City may necessitate new or additional apparatus and equipment to enable the District to provide the fire protection services under this Agreement. The Parties also acknowledge that the City and developers, but not the District, should bear the costs of new or additional apparatus and equipment required due to development within the City. In the event that the Fire Chief determines that development within the City is likely to require new or additional apparatus or equipment, including, for example, a ladder truck, the Fire Chief shall notify the City Manager. The Parties will meet and confer as provided for in Sections 3(e)(1) and 5(a)(3) to discuss planned and prospective development within the City, the associated impacts to the services provided under this Agreement, and the options for funding of any changes to services or the need for new or additional equipment or apparatus. The City currently collects Fire Development Impact Fees on new development in the City, and will make such fees available to address capital improvement and apparatus needs as development within the City occurs. Regardless of the availability of Fire Development Impact Fees, the City will remain responsible for paying the above-described costs associated with development within the City.

Section 6. Personnel.

a. The Parties anticipate that as a result of this Agreement and the District's provision of fire protection services to the City, some or all of the persons identified in Exhibit 6 (City of Pinole List of Fire Department Employees) may elect to leave City employment to become District employees.

b. Except through payments made pursuant to Section 5 (Cost of Services), the City is not responsible for paying salaries, wages, or other compensation to District personnel performing services under this

Agreement for the City, nor is the City liable for any District retirement obligation or other post-employment benefit to any District employee arising out of their employment with the District. The City is not liable for compensation or indemnity to any District employee for injury or sickness arising out of their employment with the District, except as part of the City's payment of indirect expenditures and Risk Management costs to the District and as otherwise provided in this Agreement. This Section does not negate any of the City's obligations pursuant to Section 5 (Cost of Services) above.

c. The District is not liable for compensation or indemnity to any District employee for injury or sickness arising out of their employment with the City. The District is not liable for any City retirement obligation or other post-employment benefit to any District employee arising out of their employment with the City.

Section 7. Indemnification.

a. Indemnification by the City.

The City shall defend, indemnify, and hold harmless the District, its governing body, officers, employees, representative, and agents from any and all demands, losses, claims, costs, suits, liabilities, and expenses for any damage, death, or injury to persons or property from any cause whatsoever arising directly or indirectly from or connected with any act or omission of or purported act or omission of the City, its governing body, officers, employees, representative, or agents in connection with or arising out of the performance by the City, its governing body, officers, employees, representative, or agents of this Agreement, and with regard to any alleged illegality or unconstitutionality of a City ordinance. The City shall reimburse the District for any expenditures, including reasonable attorney's fees and costs, the District may make by reason of such matters and, if requested by the District, shall defend any such suit at the sole cost and expense of the City. The City's obligations under this subsection shall exist regardless of concurrent negligence or willful misconduct on the part of the District or any other person; provided, however, that the City shall not be required to indemnify the District for the proportion of liability a court determines is attributable to the negligence or willful misconduct of the District, its governing body, officers, employees, representative, or agents.

The District agrees to give the City prompt written notice of any claims or other matter as to which the District believes this indemnification provision is applicable. The City will, at its sole cost and expense, provide counsel reasonably acceptable to the District, to contest or defend any such claim. Neither party, nor their successors or assigns, shall admit any liability to any matter for which indemnification is sought, or settle, compromise, pay, or discharge the same without the prior written consent of the other party, which shall not be unreasonably withheld or delayed, and the District shall reasonably cooperate with the City in the contest and defense thereof.

b. Indemnification by the District.

The District shall defend, indemnify, and hold harmless the City, its governing body, officers, employees, representative, and agents from any and all demands, losses, claims, costs, suits, liabilities, and expenses for any damage, death, or injury to persons or property from any cause whatsoever arising directly or indirectly from or connected with any act or omission of or purported act or omission of the District, its governing body, officers, employees, representative, or agents in connection with or arising out of the performance by the District, its governing body, officers, employees, representative, or agents of this Agreement. The District shall reimburse the City for any expenditures, including reasonable attorney's fees and costs, the City may make by reason of such matters and, if requested by the City, shall defend any such suit at the sole cost and expense of the District. the District's obligations under this subsection shall

exist regardless of concurrent negligence or willful misconduct on the part of the City or any other person; provided, however, that the District shall not be required to indemnify the City for the proportion of liability a court determines is attributable to the negligence or willful misconduct of the City, its governing body, officers, employees, representative, or agents.

The City agrees to give the District prompt written notice of any claims or other matter as to which the City believes this indemnification provision is applicable. The District will, at its sole cost and expense, provide counsel reasonably acceptable to the City, to contest or defend any such claim. Neither party, nor their successors or assigns, shall admit any liability to any matter for which indemnification is sought, or settle, compromise, pay, or discharge the same without the prior written consent of the other party, which shall not be unreasonably withheld or delayed, and the City shall reasonably cooperate with the District in the contest and defense thereof.

c. Indemnification Obligations Survive Termination.

The obligations created by this Section 7 shall survive the expiration or termination of this Agreement as to activities occurring or being carried out during the term of this Agreement in the performance of this Agreement.

Section 8. Insurance.

a. General and Auto Liability.

The District will maintain general and auto liability insurance, including bodily injury and property damage, with a single combined liability limit of not less than \$10 million insuring all liability of the District and its authorized representatives arising out of and in connection with the provision of service by the District under this Agreement, including the use and/or occupancy of City-owned real property and premises.

The City will be named as an additional insured and the policy must contain cross liability endorsements. An endorsement must be provided which states that the District's insurance coverage shall be primary. The District may self-insure to these limits of coverage. The District will furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. The District will provide complete certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications, to the City upon request.

b. Property Insurance.

The District will not maintain any insurance for City-owned real property and buildings, including but not limited to City-owned fire stations, or the contents of the City-owned buildings, except as otherwise specified in this Agreement or in the Leases. The District will maintain a standard All Risk policy to ensure its own personal property.

c. Workers' Compensation Insurance.

The District will maintain Workers' Compensation Insurance as required by the State of California in Employers Liability Insurance. Employers Liability Insurance shall have limits of no less than \$1 million per accident for bodily injury or disease. The District may self-insure to the limits of coverage. The District will provide the City with a waiver of subrogation against the City, its officers, officials, employees, and volunteers for all claims on or after the Commencement Date arising during the term of this Agreement.

d. Workers' Compensation Claims for Employees in Exhibit 6.

1. The City is fully responsible for all Workers' Compensation claims with date of injury prior to the Commencement Date, with respect to the persons identified in Exhibit 6 (City of Pinole List of Fire Department Employees). The City will administer the claims and is solely liable for all administration and settlement costs. The City is also responsible for claims that are incurred prior to the Commencement Date AND that are:
 - A. Reopened;
 - B. Incurred but not reported;
 - C. Submitted for new and further disability; or
 - D. Incurred subsequently and consequently to the original claim
2. The District is responsible for Workers Compensation claims of District employees that are not the responsibility of the City pursuant to paragraph 1 above or another entity. The District will administer the claims and is solely liable for all administration and settlement costs.
3. The District will administer cumulative trauma claims that span the City and the District; however, the District will, immediately upon receipt of a cumulative trauma claim, send a copy of said claim to the City. The Parties will meet and confer prior to the District taking any action on the claim, unless the District is required to take immediate action or circumstances do not allow adequate time to meet and confer, in which case the District will notify the City as soon as possible. The cost of administration and settlement shall be pro-rated between the District and the City based on the length of services for each employer. Should the claim involve prior employers, the City will be responsible for the service time. The City and the District agree to cooperate with each other in the administration of the claims that involve both Parties, including any decisions or determinations regarding industrial disability retirement. This includes, but is not limited to, the sharing of notes, reports, and other documents. The City will have the right to review and contest any determination of a recurrence of a prior injury. In the event that an agreement cannot be reached, the City and the District will accept the Worker's Compensation Appeals Board decision as the final decision and without further appeal rights on this limited issue.

e. Industrial Disability Retirement.

The City will be solely responsible for making the determination of industrial disability retirement for CalPERS retirement application for the employees listed in Exhibit 6.

Section 9. Miscellaneous.

a. Term and Extension by Mutual Agreement: Commencement of Services.

This Agreement will commence at 12:01 a.m. on the Effective Date, and will continue until 11:59 p.m. on June 30, 2028, unless extended as mutually agreed upon in writing by both Parties in accordance with the provisions herein. The District will commence services provided for under this Agreement on a date ("Commencement Date") mutually agreed upon and authorized in writing by the Parties, which authorization may be given by the Fire Chief for the District and the City Manager for the City. In order to provide notice to the affected employee organization, the Parties will endeavor to mutually agree upon

and authorize a Commencement Date at least 30 days prior to the Commencement Date. Prior to the Commencement Date, the District and City will jointly participate in a mutually agreed upon communications effort to educate the public about the transition of fire services.

The term of this Agreement and the term of the Leases may be extended for one 5-year term by mutual written agreement of the Parties executed by the Fire Chief and by the City Manager for City. Unless otherwise agreed by the Parties, the extension agreement must be fully executed at least 12 months prior to the then-effective termination date.

The City and the District agree to jointly prepare a review and analysis of services provided to the City by March 31, 2027. The District will prepare an updated 5-year cost projection, for the purpose of inclusion in an extension agreement, if any such extension agreement is agreed to and executed by the Parties.

b. Termination.

Notwithstanding Section 9(a) above, this Agreement may be unilaterally terminated by either party by giving 12 months' written notice of termination to the other party. The contract termination date specified in the notice of termination may be extended by mutual agreement. The Parties acknowledge that the termination of this Agreement would require extensive operational adjustments for both Parties. The Parties further acknowledge that any fire service interruption would result in risks to public welfare. Within 60 days of a notice of termination by either party, the Parties will coordinate to develop a transition plan. The transition plan will include specific implementation deadlines, including any modification to the contract termination date, and will address matters including but not limited to service levels during the transition period and the return or lease of apparatus and equipment by the District to the City.

The Parties will meet and confer in good faith regarding any dispute between the Parties over the implementation of any provisions in this Section 9(b). Any dispute that is not resolved by meeting and conferring will be submitted to non-binding mediation conducted by a JAMS mediator. The Parties agree to meet and confer as soon as practically possible regarding the selection of the mediator and, if possible, agree to mediate the dispute within 45 calendar days. However, nothing in this provision shall be construed so as to delay any of the time periods above, including the development of a transition plan and implementation thereof.

c. Notices.

All notices required or permitted hereunder will be deemed sufficiently given if delivered by hand or mailed, by United States mail, postage prepaid, certified or registered mail, addressed to the Parties at the addresses set forth below or to such other address as may from time to time be designated in writing.

To DISTRICT:
Contra Costa County Fire Protection District
Attn: Fire Chief
4005 Port Chicago Highway, Suite 250,
Concord, CA 94520

With a copy to:
Contra Costa County
Public Works Department
Attn: Principal Real Property Agent

40 Muir Road
Martinez, CA 94553

To CITY:
City of Pinole
Attn: City Manager
2131 Pear Street
Pinole, CA 94564

d. Further Obligations.

The Parties recognize that this Agreement cannot represent a complete expression of all issues that may arise during the performance of the Agreement. Accordingly, the District and City agree to meet and confer in good faith over any issue not expressly described herein.

e. No Assignment.

Neither party may assign, delegate, sell, mortgage, hypothecate, or otherwise transfer their respective interests or obligations in this Agreement without the express prior written consent of the non-transferring party.

f. Exhibits.

All exhibits referred to herein are attached hereto and are, by this reference, incorporated herein. Exhibits to this Agreement include:

- Exhibit 1: Service Area Map
- Exhibit 2: City Fire Apparatus/Equipment Inventory
- Exhibit 3: List of Budgeted Costs
- Exhibit 4: 5-Year Cost Projection Provided by the District
- Exhibit 5: Fiscal Year 2022/23 Fire Budget
- Exhibit 6: City of Pinole List of Fire Department Employees
- Exhibit 7: Contra Costa County Board of Supervisors Resolution No. 2022/332

g. Severability.

If any provision of this Agreement (including without limitation any phrase, provision, covenant, or condition) is found to be invalid or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall continue in full force and effect.

h. Governing Law, Jurisdiction, and Venue.

The interpretation, validity, and enforcement of this Agreement is governed by and interpreted in accordance with the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement is to be filed and heard in a court of competent jurisdiction in the County of Contra Costa.

i. Alternative Dispute Resolution.

Except as otherwise provided for in this Agreement, all claims, disputes, and controversies arising out of or in relation to the performance, interpretation, application, or enforcement of this Agreement, including, but not limited to, breach thereof, shall be referred to non-binding mediation before, and as a

condition precedent to, the initiation of any legal proceeding. The Parties will jointly select a qualified professional with expertise in the subject matter of the dispute. In order to commence the mediation process, a party must notify the other party in writing of its intent to commence mediation. Each party will propose one or more mediators within 14 days of the date notice is sent. The proposed mediators must be available to conduct the mediation within the following 60 days. The Parties will make a good faith effort to agree to a mediator within 30 days of the date the notice is sent. If the Parties cannot agree to a mediator, then each party shall select one mediator, and the two mediators selected by the Parties shall meet to jointly select the mediator to conduct the mediation. The cost of mediation shall be divided equally between the Parties.

j. Amendment of Agreement.

This Agreement may be amended or modified only by the mutual agreement of the Parties. No amendment or modification of this Agreement shall be binding unless it is in writing and signed by authorized representatives of both Parties.

k. Authority.

Each party, or the representative(s) signing this Agreement on behalf of a party, represents and warrants that it has full power and authority to enter into this Agreement and to perform the obligations set forth herein.

[SIGNATURES ON FOLLOWING PAGE]

CONTRA COSTA COUNTY FIRE
PROTECTION DISTRICT


Lewis T. Broschard III, Fire Chief

Attest:
Clerk of the Board

By: 
Deputy Clerk

Approved by County Administrator:
MONICA NINO

By: 
County Administrator/Designee

Approved as to form:
MARY ANN McNETT MASON,
County Counsel

By: 
County Counsel/Designee

CITY OF PINOLE


Andrew Murray, City Manager

Attest:

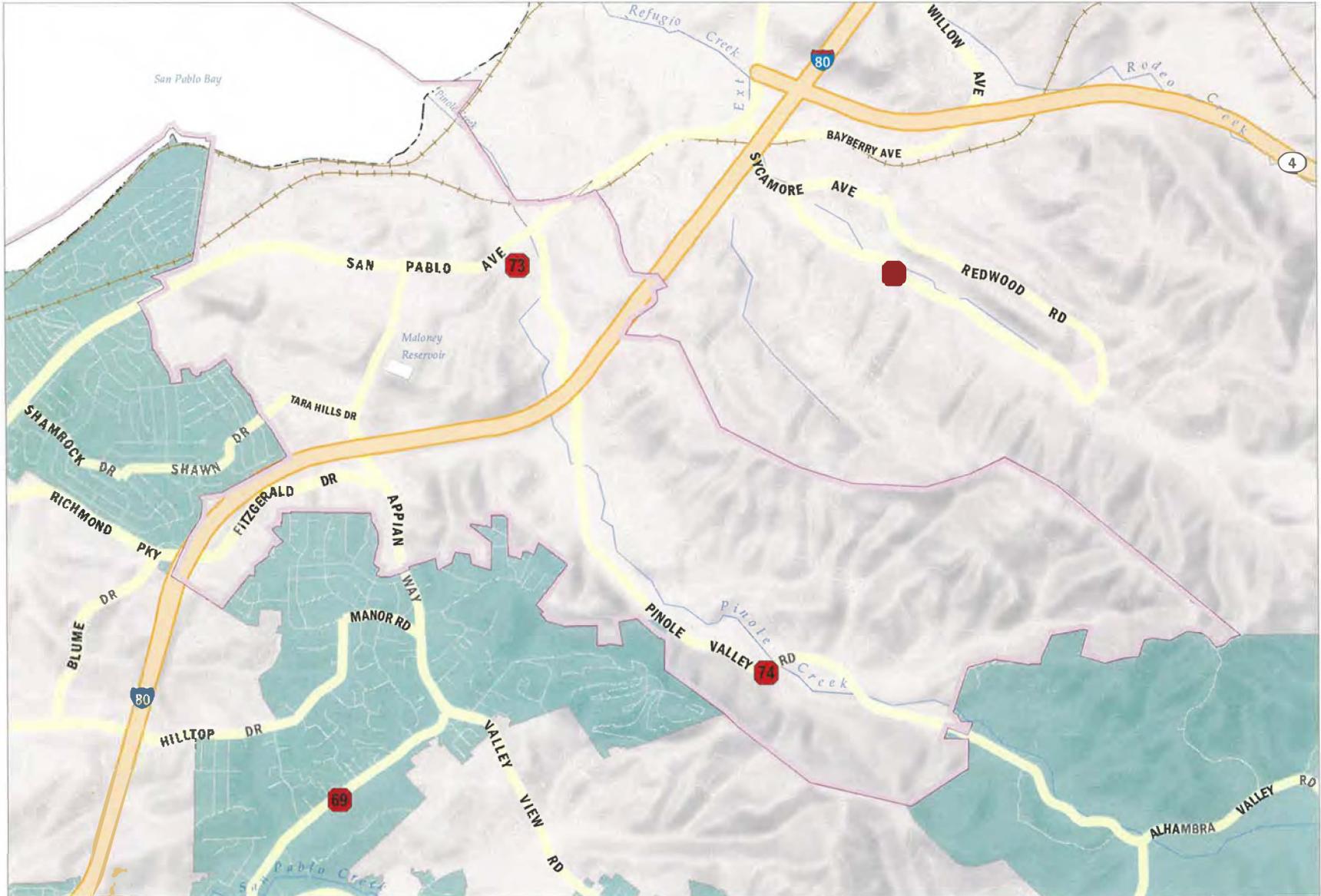
 for
Heather Bell, City Clerk

Approved as to form:


Eric Casher, City Attorney

Exhibit 1
Service Area Map

EXHIBIT 1



-  Fire Station
-  CCC Fire Protection District

Source: CCCFPD 2022;



PINOLE CITY LIMITS

Exhibit 2
City Fire Apparatus/Equipment Inventory

EXHIBIT 2

City of Pinole Apparatus and Capital Equipment Inventory

APPARATUS

qty	Description	Manufacturer	Model	VIN	Year of Manufacture
1	Type I Fire Engine	Seagrave	Capitol	1F9EN28TOLCST2024	2020
1	Type I Fire Engine	Spartan	Metro Star	4S7CT2D96EC078960	2014
1	Type VI Fire Engine	Ford	F-550	1FDAF57F51ED01440	2001
1	Type III Fire Engine	International/Rosenbauer	7400	1HTWEAZR58J674916	2008
1	Chief Officer Car	Ford	Interceptor	1FM5K8ATXFGA70298	2015
1	Chief Officer Car	Ford	Expedition	1FMJU1GT0KEA29207	2019
1	Chief Officer Car	Ford	Expedition	1FMFU16578LA84072	2008
1	Utility Pickup	Ford	F-250	1FTSW21P86EB84873	2006
1	UTV	Polaris	Ranger Crew 1000	4XAT6E991L8877944	2020

EQUIPMENT (Replacement Cost exceeding \$5,000 per item)

qty	Description	Manufacturer	Model	City Asset Number (if any)	Year of Purchase
1	Monitor/Defibrillator	Physio Control	LP15	N/A	2019
1	Monitor/Defibrillator	Physio Control	LP15	N/A	2012
1	Monitor/Defibrillator	Physio Control	LP15	N/A	2012
17	Motorola Portable Radio	Motorola	APX 7000 XE	N/A	2011
7	Motorola Mobile Radio	Motorola	APX 7500	N/A	2011
1	Motorola Mobile Radio	Motorola	APX 7500	N/A	2015
2	Motorola Mobile Radio	Motorola	APX 7500	N/A	2020
2	Motorola Base Radio	Motorola	APX 7500	N/A	2011
1	Motorola Base Radio	Motorola	APX 7500	N/A	2020
1	Extrication Equipment Spr	Hurst	e-draulic	N/A	2015
1	Extrication Equipment Cut	Hurst	e-draulic	N/A	2015
1	Extrication Equipment Ram	Hurst	e-draulic	N/A	2015
1	Extrication Equipment Spr	Amkus	lon	N/A	2020
1	Extrication Equipment Cut	Amkus	lon	N/A	2020
1	Extrication Equipment Ram	Amkus	lon	N/A	2020

Exhibit 3
List of Budgeted Costs

Permanent Salaries – 18 positions
Holiday Pay
Scheduled FLSA Overtime
Uniform Allowance
Retirement
Health Insurance
Workers' Compensation Insurance
FICA
Fuel
Apparatus Replacement
Firefighting and EMS Supplies and Equipment
Apparatus Maintenance and Repair
Overtime and Backfill Compensation
Training and Classes
Misc. Household Expenses
Personal Protective Equipment
Battalion Chief Allocation
Shift Training Captain Allocation
Administration Allocation
Communication Center Allocation

Exhibit 4
5-Year Cost Projection Provided by the District

EXHIBIT 4

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	Budget	Forecast	Forecast	Forecast	Forecast	Forecast
Personnel Costs	\$2,540,000	\$2,616,200	\$2,694,686	\$2,775,527	\$2,858,792	\$2,944,556
Employee Benefits	\$3,461,572	\$3,738,498	\$4,037,578	\$4,360,584	\$4,709,430	\$5,086,185
Materials and Supplies	\$173,872	\$187,782	\$202,804	\$219,029	\$236,551	\$255,475
Equipment Replacement	\$305,000	\$320,250	\$336,263	\$353,076	\$370,729	\$389,266
Communication Center Allocatic	\$172,498	\$179,398	\$186,574	\$194,037	\$201,798	\$209,870
Administration Allocation	\$648,044	\$686,927	\$728,142	\$771,831	\$818,141	\$867,229
Total Operating Costs	\$7,300,986	\$7,729,054	\$8,186,046	\$8,674,082	\$9,195,442	\$9,752,581
Measure X Allocation*	-\$2,000,000	-\$2,080,000	-\$2,163,200	-\$2,249,728	-\$2,339,717	-\$2,433,306
Net Costs of CCCFPD Contract	\$5,300,986	\$5,649,054	\$6,022,846	\$6,424,354	\$6,855,725	\$7,319,275

*Includes maximum 4% escalator for Measure X contributions

Exhibit 5
Fiscal Year 2022/23 Fire Budget

EXHIBIT 5

Fiscal Year 2022/23 Fire Budget (Prorated 1/1/23-6/30/23)

Amount	Description
\$635,000	Permanent Salaries - 9 positions
\$51,054	Holiday Pay
\$16,574	Scheduled FLSA Overtime
\$2,943	Uniform Allowance
\$439,365	Retirement
\$109,544	Health Insurance
\$28,575	Worker's Compensation Insurance
\$9,208	FICA
\$11,000	Fire Station Utilities
\$15,525	Fuel
\$62,500	Apparatus Replacement
\$13,750	Firefighting & EMS Supplies and Equipment
\$12,500	Apparatus Maintenance and Repair
\$114,300	Overtime & Backfill Compensation
\$5,000	Training & Classes
\$2,500	Misc. Household Expenses
\$5,000	Personal Protective Equipment
\$77,000	Battalion Chief Allocation
\$19,775	Shift Training Captain Allocation
\$163,111	Administration Allocation
\$1,794,222	Total Single Fire Station Operating Costs
\$3,588,444	Two Fire Stations - staffing and total costs
\$172,498	Communication Center Allocation*
(\$1,000,000)	Prorated Measure X Contribution
\$2,760,942	Total Contract Costs

*Communication Center Allocation is not prorated - this is an annual set cost

Exhibit 6
City of Pinole List of Fire Department Employees

EXHIBIT 6

Name	Pinole FD Classification	Hire Date
Dale Blume	Fire Engineer	10/23/2017
Seaborn Chiles	Firefighter/Paramedic	02/07/2022
Andrew Corwin	Firefighter/Paramedic	05/17/2021
Michael Crooks	Fire Captain	10/05/1998
Steven Dorsey	Fire Captain (Admin)	04/10/2001
Cory Higgins	Fire Engineer	10/18/2019
Eric Holt	Fire Engineer	10/23/2017
Daniel Houts	Firefighter/Paramedic	05/17/2021
Javier Lopez	Fire Captain	01/13/2014
Matthew Ludwig	Fire Captain	07/01/2013
Kyle Metzler	Firefighter/Paramedic	05/17/2021
Gregory Sekera	Fire Captain (Admin)	06/01/2004
Charles Trester	Firefighter/Paramedic	02/07/2022
Clint Ballard	Firefighter/Paramedic	06/01/2022
James Brooks	Fire Battalion Chief	01/02/1999

Exhibit 7

Contra Costa County Board of Supervisors Resolution No. 2022/332

EXHIBIT 7

THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA

and for Special Districts, Agencies and Authorities Governed by the Board

Adopted this Resolution on 09/20/2022 by the following vote:

		John Gioia
AYE:	<input type="checkbox"/> 4	Candace Andersen
		Karen Mitchoff
		Federal D. Glover
NO:	<input checked="" type="checkbox"/>	
ABSENT:	<input type="checkbox"/> 1	Diane Burgis
ABSTAIN:	<input checked="" type="checkbox"/>	
RECUSE:	<input checked="" type="checkbox"/>	



Resolution No. 2022/332

In the Matter of: Allocating Measure X Funds for Ongoing Fire Protection Services

WHEREAS on November 3, 2020, voters in Contra Costa County approved Measure X, a Countywide, 20-year, half-cent sales tax with the intent “to keep Contra Costa’s regional hospital open and staffed; fund community health centers, emergency response; support crucial safety-net services; invest in early childhood services; protect vulnerable populations; and for other essential county services.”;

WHEREAS on November 16, 2021, the Board of Supervisors adopted a Measure X expenditure allocation plan that included annual funding of \$9.0 million through June 30, 2024, for the provision of fire protection services in the service area of the former East Contra Costa Fire Protection District and in the cities of Antioch and Pinole;

WHEREAS the Contra Costa County Fire Protection District (District) and the City of Pinole intend to leverage Measure X funds for an increased level of fire protection services in the City of Pinole;

WHEREAS the Board of Supervisors acknowledge the ongoing funding needs of the Contra Costa County Fire Protection District beyond the initial allocation through June 30, 2024, to support the provision of fire protection services by the District in the service area of the former East Contra Costa Fire Protection District and in the cities of Antioch and Pinole; and

WHEREAS the Board of Supervisors acknowledge that increased funding allocations are necessary to maintain service levels and to offset annual increases in the operating costs of funded programs.

NOW THEREFORE, the Contra Costa County Board of Supervisors resolves as follows:

1. The Board of Supervisors makes the following annual allocations of Measure X funds to the District through June 30, 2028:
 - a. \$2.0 million to support the provision of fire protection services, subject to the execution of a fire protection service agreement between the District and the City of Pinole.
 - b. \$3.5 million to support the provision of fire protection services in the service area of the former East Contra Costa Fire Protection District and the reopening of Fire Station 54 in the City of Brentwood.
 - c. \$3.5 million to support the provision of fire protection services in the District through the reopening of Fire Station 81 in the City of Antioch.
2. Beginning with Fiscal Year 2023/24, each of the above funding allocations will be adjusted annually by the percentage change in the Consumer Price Index-All Urban Consumers for the San Francisco-Oakland-Hayward Area for the twelve-month period ending with the February index of the calendar year in which the adjustment is made, but not to exceed 4 percent per year.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: September 20, 2022

Monica Ninyo, County Administrator and Clerk of the Board of Supervisors

Contact: Paul Reyes 925.655.2049


 Diane McHuen, Deputy

cc:

Contra Costa County Fire Protection District
Contracted Fire Services to City of Pinole
Plan for Services

September 2022

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Executive Summary

In November 2021, the Contra Costa County Board of Supervisors approved certain expenditures of Measure X funds. Included in this decision was an intent to provide \$2 Million in funding from Measure X to assist in providing full funding, when combined with City of Pinole ("PFD") funds, to reopen Fire Station 74 in Pinole Valley as part of a contract for fire services to be provided by Contra Costa County Fire Protection District ("CCCFPD") for the full operation of fire, rescue, emergency medical, fire prevention, training, and administration to the City of Pinole.

In May 2022, a consultant was contracted to conduct a fiscal analysis and review of the service plan in accordance with LAFCO requirements for a fire protection contract (CA Government Code 53164). This analysis was completed in July 2022.

Background information related to the contract for service:

- PFD has previously experienced a significant reduction in staffing as a result of the great recession. Fire Station 74 in Pinole Valley was closed in 2011.
- PFD and CCCFPD represent two of the three agencies in the Battalion 7 automatic aid response area. The Rodeo-Hercules Fire Protection District is the other agency included in the current Battalion 7 agreement.
- The contract will provide for the reopening and staffing of Fire Station 74 in Pinole Valley.

The proposal for an out-of-area fire protection contract, with services to be provided by CCCFPD, will reopen a closed fire station and provide staffing, as described in this service plan, to improve fire, rescue, and emergency medical services in the areas served by the contract. Additionally, fire prevention, public education programs, and administrative support functions will be improved and delivered in a consistent manner throughout the proposed service area.

Background and Setting

Legal Context

Applicable Law

This application is being submitted pursuant to the Cortese-Knox-Hertzberg Act, Government Code section 56000 et seq. This application is submitted by the Contra Costa County Board of Supervisors, as the governing board of the Contra Costa County Fire Protection District (CCCFPD), under Government Code section 56134. CCCFPD is enabled under the Fire Protection District Law of 1987 (Health & Safety Code 13800, et seq.).

Environmental Documentation

The proposed contract is Categorically Exempt from CEQA pursuant to 14 CCR 15320. Class 20 consists of changes in the organization or reorganization of local governmental agencies where the changes do not change the geographical area in which previously existing powers are exercised.

Summary of Proposed Contract

As agreed by the two agencies and indicated in the Resolution of Application, the Contra Costa County Fire Protection District proposes to provide fire protection services to the City of Pinole, to include all areas of the City of Pinole, through a contract for services, following which, the City of Pinole Fire Department would be dissolved.

Proposed Contract Conditions

1. Provider Agency. Upon and after the Commencement Date of the contract and LAFCO's approval, Contra Costa County Fire Protection District will be the provider of all fire, rescue, emergency medical responses, as well as all fire prevention and fire administration for the City of Pinole.
2. Employees. From and after the Commencement Date of the contract, all employees of the dissolved Pinole Fire Department at the Battalion Chief, Fire Captain, Fire Engineer, and Firefighter rank shall become employees CCCFPD.
3. Duties. CCCFPD, under contract with the City of Pinole, shall function under and carry out all authorized duties and responsibilities assigned to a Fire Protection District as outlined in Division 12, Part 2.7, Chapter 1, Health & Safety Code, Fire Protection District Law of 1987 (commencing with Section 13800) and other applicable laws within the City of Pinole.
4. Service Demand. CCCFPD will continue to staff Fire Station 73 (downtown Pinole) and will reopen and staff Fire Station 74 (Pinole Valley).

History of the Affected Agencies

Contra Costa County Fire Protection District

The Contra Costa County Fire Protection District (CCCFPD) was originally formed in 1964 as a result of the Central Fire Protection District and Mt. Diablo Fire Protection District consolidation. Since then, ten other fire protection districts in the region have merged with CCCFPD.

On July 1, 2022, CCCFPD completed the annexation of the East Contra Costa Fire Protection District.

As of July 1, 2022, CCCFPD's primary service area comprises approximately 555 square miles. More than 150 additional square miles comprise the response area for ambulance service and transport. Data from the U.S. Census Bureau indicates a 2020 resident population of 750,000. About half CCCFPD's jurisdiction is considered "urban," 25% "suburban," and the remaining 25% "rural" or "remote."

Governance

The five-member elected Contra Costa County Board of Supervisors serves as CCCFPD's Board of Directors. The Board oversees the Fire Chief, sets general policies, and approves the budget. The Fire Chief is responsible for the administrative functions and daily operations of CCCFPD.

District Services

CCCFPD is an all-hazards fire district providing traditional fire protection, wildland firefighting, emergency medical services, Advanced Life Support (ALS), ambulance transport, various special operations (e.g., water rescue, hazardous materials response, marine firefighting, technical rescue, etc.), and a comprehensive life-safety and prevention program that includes inspections, a dedicated fire investigation unit, code enforcement, plan reviews, and public education. In 2005, CCCFPD was given an Insurance Services Office (ISO) Public Protection Classification (PPC[®]) score of 3/3Y. The ISO PPC is a standardized fire department classification and ranking system established by the ISO and used by many insurance companies for determining capability of the fire department serving the insured property. CCCFPD is accredited through the Commission on Accreditation of Ambulance Services (CAAS).

Effective with the annexation of the East Contra Costa Fire Protection District in July 2022, and the reopening of Fire Station 4 in July 2022, CCCFPD deploys 34 staffed apparatus from 31 staffed fire stations located throughout the District. An additional three-person company is anticipated to be placed in service in Antioch and another in Brentwood in March 2023. An additional station is utilized for CCCFPD's reserve firefighters and staffed on a rotational basis. CCCFPD operates a wide variety of fire apparatus and ambulances (more detail provided under "Capital Facilities & Apparatus").

CCCFPD follows the National Fire Protection Association (NFPA) Standard 1710 for providing an effective firefighting force of at least 17 personnel on the initial response to a single family

residential structure fire. Across CCCFPD's jurisdiction, the travel time for the full first alarm contingent of 17 personnel is achieved at the NFPA 1710 standard of 12 minutes, 90% of the time, for suburban areas.

Ambulance Transport

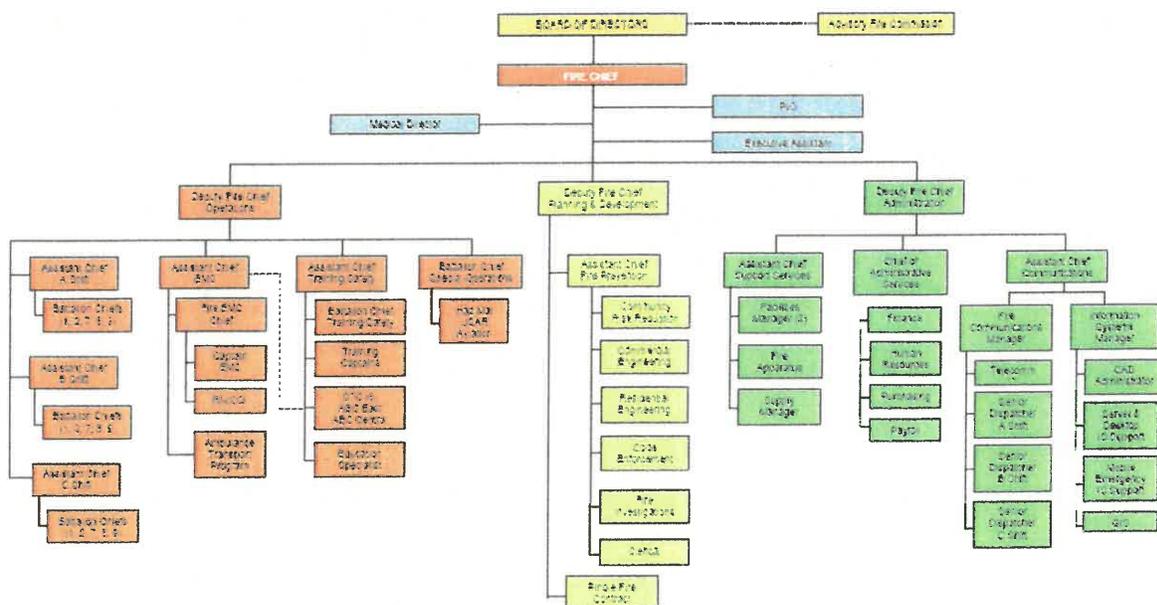
In 2016, CCCFPD developed a unique arrangement with American Medical Response, Inc. (AMR) that they refer to as the "Alliance." The program utilizes AMR EMS personnel to staff CCCFPD's ALS ambulances, assisted by district firefighters certified as EMTs or Paramedics and functioning in a first-responder capacity.

Regional Fire Communications

CCCFPD operates the Contra Costa Regional Fire Communications Center (CCR FCC), which serves as a secondary Public Safety Answering Point (PSAP) for most fire and EMS 911 calls in the County. CCR FCC provides dispatch to its own district, RHFPD, and four other fire agencies. The Center dispatches more than 140,000 emergency and non-emergency fire and EMS incidents annually. CCR FCC's 911 Call-Takers are all certified in Emergency Medical Dispatch through the *International Academies of Emergency Dispatch (IAED)* and provide pre-arrival instructions to callers reporting medical emergencies. In mid-2022 the center will be accredited by the IAED.

CCCFPD Organizational Structure

CCCFPD currently maintains approximately almost 500 funded positions, including staff in the dispatch center. Sixteen of these positions are financed via the District's EMS Transport Fund. The figure below shows the 2022 organizational structure of CCCFPD. As shown, the Fire Chief and Deputy Fire Chiefs supervise seven divisions, each of six managed by an Assistant Fire Chief and one by the Chief of Administrative Services.



Pinole Fire Department

The Pinole Fire Department (PFD) is an all-hazards municipal fire department providing traditional structural fire suppression, wildland firefighting, Advanced Life Support (ALS) level emergency medical services (EMS), rescue, and hazardous materials response. PFD deploys its apparatus and personnel out of Station 73 located in downtown Pinole. It is a partner agency, with the Contra Costa County Fire Protection District (CCCYPD) and the Rodeo-Hercules Fire Protection District (RHFPD), in the Battalion 7 agreement, which enables automatic aid among the three agencies. The department normally operates one fire engine, staffed by a captain, engineer, and firefighter, at least one of which is a certified paramedic. The FY 2022/23 budget for the department is anticipated to be \$5.5 Million.

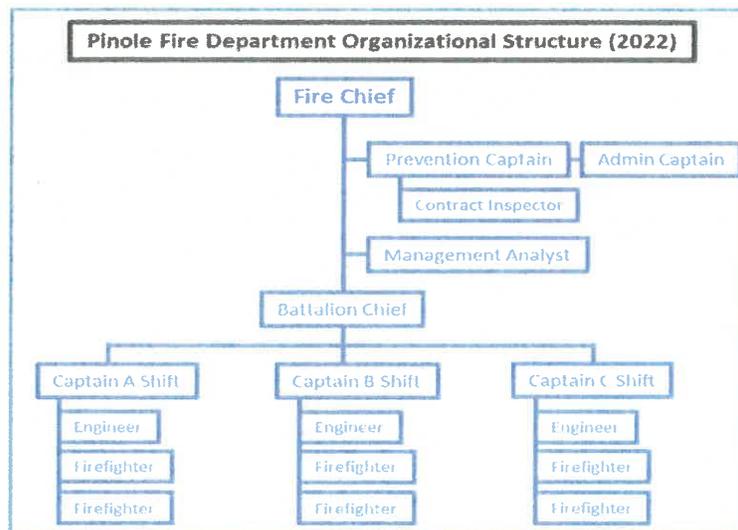
PFD's Fire Prevention Bureau provides inspections, code enforcement, plan reviews, fire investigations, and various public education programs. In addition, the Bureau conducts inspections of public and private properties for compliance with its weed abatement ordinance.

In 2003, Pinole opened a second fire station, Station 74, which was shuttered in 2011 due to unsustainable municipal funding sources.

PFD's Organizational Structure

The Pinole Fire Department employs 17 uniformed and non-uniformed personnel, which includes six Firefighters, three Engineers, five Captains, and one Battalion Chief. The Fire Chief supervises the Battalion Chief, an Administrative Captain, a Prevention Captain, and a Management Analyst. The Battalion Chief is responsible for the B shift operationally, and all three shifts (A, B, and C) administratively (A Shift and C shift operations are overseen by RHFPD and CCCYPD Battalion Chiefs, respectively, under the Battalion 7 agreement). The Prevention Captain supervises a contracted fire inspector.

The following figure illustrates the current 2022 organizational structure of the Pinole Fire Department.

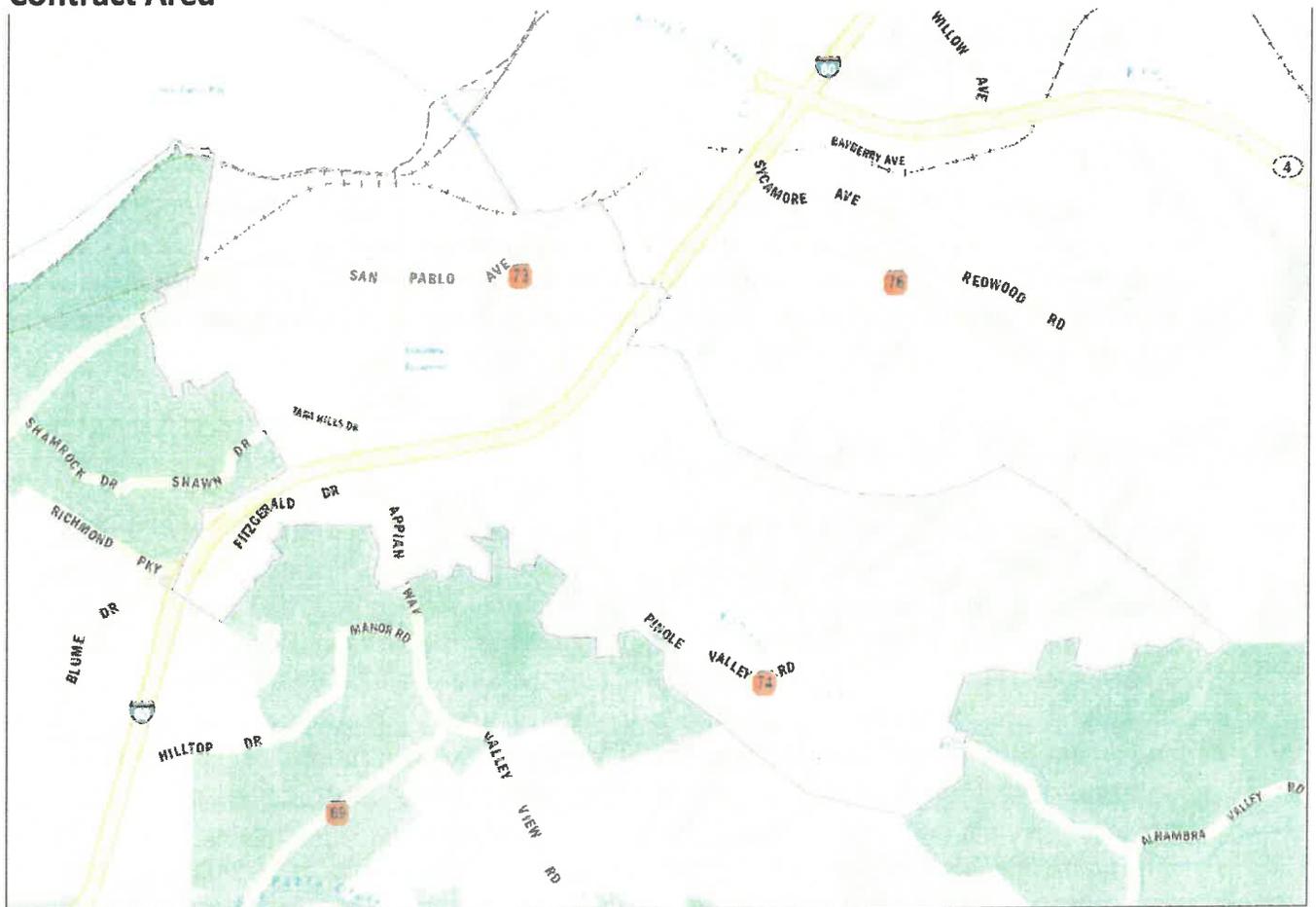


Proposed Contract Territory Description

Boundaries

The image below shows the proposed contract area which consists of the boundaries of the City of Pinole. Upon the effective date of the contract for services, CCCFPD's coverage area will increase by approximately five square miles.

Contract Area



Topography

The contract area contains waterfront, suburban, urban, and rural service areas. The topography spectrum includes flat urban environments as well as wildland-urban interface (WUI) areas in the Pinole Valley hills. The topography is typical of that found throughout the County.

Population

The population of Pinole is approximately 20,000 residents.

Justification

Augmented Service Levels

Within the areas currently served by the Pinole Fire Department there will be increases in total operational resources available by opening and staffing Fire Station 74. This will increase the total available fire companies from one to two within the first months of the contract effective date.

For the Pinole service area, additional enhancements will include access to specialized rescue and firefighting resources not currently provided directly by that city. These include water rescue teams, heavy fire equipment resources such as fire bulldozers, as well as technical rescue apparatus, equipment, and personnel for confined space, trench, and building collapse. Fire and arson investigation services will be enhanced through use of Contra Costa County Fire Protection District's dedicated Fire Investigation Unit.

Fire prevention service will be standardized and, in some cases, augmented beyond the current level of service being provided by the city. Comprehensive community risk reduction, code enforcement, plan review and new construction inspections, and development planning will be provided by full-time personnel. Public education and outreach efforts will be augmented through dedicated CCCFPD staff to perform this important service.

Enhanced Standardization

The combined organization will standardize training delivery of recruit firefighters through the Contra Costa County Fire Protection District's academy. Continued training of firefighters will occur through one Training Division under a consistent, well-staffed, and properly supported system. Operational policies and procedures will become consistent and standardized under one organization. Fire prevention and code enforcement services will be based on one fire code and supporting ordinances throughout the new service area. Procurement of apparatus and equipment will be contained under one standard within the organization, reducing training issues and increasing flexibility in deployment and fleet sustainability. Operational and large incident management will be standardized under the single organization's leadership and emergency management goals and objectives. Responses to incidents, currently at varying levels based on each agency's own service policies, as described above, will become standardized to meet a single standard for deployment.

Standardization of responses across the expanded service area will ensure consistent response levels of equipment and personnel to structure fires, technical rescues, and vegetation or wildland fires matching with the current response matrix for CCCFPD.

Service Efficiency

This contract will increase both the effectiveness and efficiency of the service delivery system and the efficiency of the administrative functions. A challenge often faced by smaller fire service agencies is the necessity of individuals to serve in multiple capacities. An advantage to this contract will be increased administrative and support services available to the contract area (e.g., information technology, human resources, finance, contracts management, fleet maintenance, logistics and supply, etc.).

Operationally, the City and CCCFPD work together with an existing automatic aid agreement. Emergency operations will be further enhanced and efficiencies gained beyond the current automatic aid agreement as one fully functional organization.

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Plan and Description of Services

Services to be Extended

Fire, rescue, and emergency medical services are currently provided by both the City of Pinole and CCCFPD. Fire prevention, community risk reduction, and fire investigation services are provided at different levels in either full-time or contractual arrangements. Administrative and support services are also provided in different formats amongst the agencies. All services would be provided consistent with the current configuration and delivery models within Contra Costa County Fire Protection District. The method to finance the services provided would be through the combined revenue streams of the City of Pinole supplemented by a contribution of Measure X funds through the Board of Supervisors.

The contract would only affect the provision of fire, rescue and emergency medical services within the current boundaries of areas proposed for annexation. The reorganization will not alter or affect other municipal services provided by the City of Pinole.

Current Service Delivery Levels

Service and Staffing Overview

An overview of services provided and description of staffing levels for each of the subject districts was previously discussed in the *History of the Reorganizing Districts* section.

Dispatch/Communications

CCCFPD operates the Contra Costa Regional Fire Communications Center (CCRFCC), which serves as a secondary Public Safety Answering Point (PSAP) for most fire and EMS 911 calls in the County. CCRFCC provides dispatch to its district, plus PFD, and four other fire agencies (Moraga-Orinda FPD, El Cerrito FD, Crockett-Carquinez FPD, and the Rodeo-Hercules FPD). The Center dispatches more than 140,000 emergency and non-emergency fire and EMS incidents annually.

In 2018, the Center made substantial improvements to the system by adding more staff and upgrading radio, telephone, and information technology services.

CCRFCC's 911 Dispatchers and Senior Dispatchers are all certified in Emergency Medical Dispatch through the *International Academies of Emergency Dispatch* (IAED) and provide pre-arrival instructions to callers reporting medical emergencies. In mid-2022 the center will be accredited by the IAED.

Along with CCCFPD staff, CCRFCC houses 13 System Status Management Dispatchers employed by American Medical Response.

Level of Demand

Total 911 Call Volume – City of Pinole

The PFD responded to 1,112 incidents within the City limits in 2021, and had a total of 1,479 responses in 2021. Responses outside the city limits for automatic or mutual aid accounts for the difference in totals.

PINOLE FD RESPONSES

Year	Pinole FD Responses within City limits	Total Pinole FD Responses
2018	1360	1815
2019	1510	1991
2020	1260	1579
2021	1112	1479

The City of Pinole received automatic or mutual aid to 382 incidents in 2021, where there was no PFD response, either due to Engine 73 being already committed to a call or otherwise unavailable for response.

Aid Provided to Pinole with no PFD response

Year	Total
2018	247
2019	293
2020	199
2021	382

The data provided above excludes ambulance-only responses where there was no PFD response.

Response Times

The PFD had an average response time, as calculated from the time of notification at the fire station to arrival at scene, of 7 minutes, 33 seconds in 2021 for all calls within the city limits.

Pinole FD Response Times

Year	Average	90%
2018	7:09	9:57
2019	7:26	10:54
2020	7:29	10:52
2021	7:33	10:50

Response times will be reduced within the city by reopening Fire Station 74 and providing a closer fire unit to the Pinole Valley area of the city. Further, in those instances where a second incident occurs and Engine 73 is already committed, the response time from Fire Station 74 will be less than the current response time of automatic aid resources from other jurisdictions.

The total time for an effective firefighting force to arrive at a structure fire will be reduced with the addition of Fire Station 74, reducing the dependence on a response from an automatic aid engine from farther away.

Pinole FD Facilities

The PFD currently owns two fire stations, of which one is staffed with personnel and apparatus and the other is used to house the Battalion Chief, but has been closed since 2011. Both facilities are in good condition and serviceable and fully capable of supporting their intended use.

Fire Station 73, located in the downtown area, is attached to the City Public Safety Building while Fire Station 74, located in the Pinole Valley area, is a separate detached fire station. It is anticipated there are no significant infrastructure needs for either station. Fire Station 74 is anticipated to need new carpet, flooring, and interior paint with some minor maintenance and repair work.

Fire Department Apparatus

Contra Costa County Fire Protection District

The CCCFPD has a large fleet of frontline engines, aerial apparatus, and support vehicles. Additionally, CCCFPD has a fleet of reserve, or spare, apparatus and additional engines assigned to the Training Division.

Along with its substantial fleet of engines, ambulances, aerials, and other apparatus, CCCFPD maintains a range of special operations vehicles (e.g., hazmat unit, UTVs, command units, fire

boat, rescue boat, etc.) and other equipment utilized for wildland and other operations (e.g., bulldozer, backhoe, dump truck, etc.).

CCCFPD owns multiple pickup trucks, SUVs, and other vehicles but has access to nearly 75 other pickup trucks, staff cars, cargo vans, and assorted miscellaneous vehicles from the “Enterprise Fleet.”

CCCFPD maintains an adequate inventory of reserve engines, aerial apparatus, rescue squads, and other vehicles. The Training Division has been assigned five Type 1 engines along with two aerial apparatus (one being a Quint and the other a tiller), and several other apparatus.

Pinole Fire Department

The following figure lists the current inventory of PFD’s frontline fleet. The City’s apparatus fleet comprises Type 1 (structural) and Type 2 or Type 6 (wildland) engines. The City formerly provided a ladder truck from Fire Station 73, but it was not replaced when taken out of service several years ago.

Pinole FD Frontline Apparatus Inventory (2022)

Unit	Type	Manufacturer	Year	Condition	Features
Engines (Type 1)					
Engine 73	Type 1	Seagrave	2020	Excellent	1500 gpm, 500 gal.
Engine 73A	Type 1	Spartan	2014	Good	1500 gpm, 500 gal.
Engines (Type 3 or Type 6)					
Engine 273	Type 2	Rosenbauer	2008	Good	750 gpm, 500 gal.
Engine 673	Type 6	Ford	2001	Fair	120 gpm, 500 gal.

Collective Apparatus Inventories

The following figure lists the frontline fleet inventories of the two agencies combined.

Collective Inventory of the Fire Districts’ Frontline Fleets (2022)

Fire District	Engines ^A	Aerials	Ambulances	Tenders	Wildland ^B	Others
CCCFPD	49	11	50	3	23	24 ^C
Pinole	2	—	—	-	2	—
Totals:	51	11	50	3	25	24

^AIncludes Type 1 only. ^BIncludes Type 2, 3 & Type 6. ^CApproximate.

In the preceding figure, the “Wildland” category represents Type 2, 3, and 6 apparatus. The “Others” category represents a broad range of vehicles from bulldozers to water craft.

Automatic and Mutual Aid

All agencies participate in local automatic aid agreements. Current automatic aid agreements with the Battalion 7 agencies and Richmond Fire Department will continue, and service will be provided by CCCFPD to those partner agencies. Additionally, local and statewide mutual aid is provided under local agreement or under the California Master Mutual Aid Agreement and will continue to be provided by CCCFPD under this contract.

Public Education Programs

CCCFPD provides a staffed Public Education Unit within the Fire Prevention Bureau. The unit provides the following programs which would be extended to the City of Pinole.

- Carbon Monoxide Alarm installations
- CPR courses
- Elementary School Fire Safety Programs
- Exit Drills in the Home (EDITH)
- Eldercare and safety
- Fire extinguisher use
- Fire safety programs
- Injury and fall prevention
- Juvenile fire-starter program
- Smoke alarm installations
- CERT Fire training
- Firewise Communities
- Wildland fire and evacuation preparedness

Support Services

Apparatus & Vehicle Maintenance

Contra Costa County Fire Protection District

The majority of Contra Costa County FPD’s fleet maintenance is performed internally by the District’s Apparatus Shop. The Fire Apparatus Manager supervises a Fire Service Coordinator, Driver/Clerk, and six Fire Equipment Mechanics (FEM). The FEMs are certified by the *National Institute for Automotive Service Excellence* (ASE) in vehicle repair and the *California Fire Mechanics Academy* (CFMA) to maintain fire apparatus.

Fire Prevention

CCCFPD has a fully staffed prevention bureau (“FPB”). The FPB provides annual inspections in compliance with state mandated inspection programs, high hazard occupancy inspections, fire code operational permit inspections, new construction plan review and inspections, fire sprinkler and fire alarm plan review and inspections, and specialized code enforcement inspections.

New construction plan submittals and plan review services will be provided at the District's main administrative offices in Concord. As with all other cities, FPB staff will coordinate with City Building Department staff for plan reviews, issuance of fire district permits, and field inspections related to new construction.

Annual occupancy inspections for compliance with state mandated programs will be performed by FPB Fire Inspectors. Non-mandated occupancy inspections will be performed in accordance with current FPB practices on a multi-year cycle. Additional inspections, such as those that may be required for issuance of city business license permits, will be coordinated with the city as needed.

Exterior hazard and weed abatement processes will remain with the City. FPB Inspectors will assist with inspections and recommendations for hazard reduction, hazard abatement, and wildfire mitigation. Abatement processes and implementation will remain with the City. The District will coordinate with the City on potential wildland fire mitigation grants that may be available to areas of the City.

Fire-Cause Determination & Investigation

CCCYPD has full-time staff who are certified peace officers with arresting powers and the capacity to perform all functions of a fire-cause investigation. The fire investigation team for CCCYPD conducted almost 900 investigations in 2020. Significant fires, those that include 2nd alarm or greater, fires that involve an injury or fatality, or those that are intentionally set will be investigated by the District's Fire Investigation Unit. The Fire Investigation Unit will coordinate with the City Police Department on all investigations.

Proposed Service Delivery Plan

Service Overview

The District will provide fire, rescue, and first responder emergency medical services, including special operations capabilities, to the City of Pinole in a manner consistent with services provided in the existing Contra Costa County Fire Protection District. Full-time and full-service fire prevention and fire investigation services, along with internal apparatus and fleet maintenance programs, administrative and support services will be provided. An increase in service level due to the reopening of Fire Station 74 is anticipated within the first 90 days of the effective date of the contract.

Staffing

Additional firefighters and fire, rescue, and emergency medical services response capacity will be deployed as a result of this contract from Fire Station 74. This will double the 24-hour staffing of firefighters within the City. Existing fire prevention and administrative capacity in the District will be used to carry out related activities within the City under the scope of services outlined in the contract.

Dispatch/Communications

There would be no changes to dispatch and emergency communications. There would be increased support provided by Contra Costa County Fire Protection District staff for radio and communication servicing, repairs, and radio programming under the contract.

Level of Demand

It is anticipated that immediately following the effective date of the contract demand for services, as defined by calls for service, would total the sum of the existing demand in the two service areas (City and District). In subsequent years, demand would likely increase within the city in conjunction with anticipated population increases, new development and infrastructure, and other factors influencing need for fire protection, rescue, and EMS services.

Response Times

Current response times would be significantly improved in the areas served by the PFD with the opening of Fire Station 74. As a result of this, the reliance on units from Rodeo-Hercules should be reduced, increasing response reliability and availability of those units. Response times within the surrounding areas of CCCFPD would also be improved by the reopening of Fire Station 74. Instances where CCCFPD or Rodeo-Hercules FPD stations are uncovered due to responses into Pinole will be reduced proportionally.

Automatic and Mutual Aid

CCCFPD will continue to support automatic and mutual aid commitments at the local level. The ability to respond to regional and statewide mutual aid would be enhanced by additional capacity and personnel.

Public Outreach/Education

Public education and public information services would be provided with dedicated staff of the already existing Contra Costa County Fire Protection District.

Fire Prevention

Fire prevention will be provided through the District's Fire Prevention Bureau with its 22 Fire Inspectors and Fire Prevention Captains. Fire investigations will be provided through the full-time dedicated staff of the District's Fire Investigation Unit consisting of four uniformed Fire Investigators and one Captain. CCCFPD will conduct annual occupancy inspections of all state-mandated facilities within the city and provide new construction plan review and related inspections for all new construction projects within the city.

Fire Code Adoption

The City already adopts a fire code with amendments that are identical to CCCFPD. CCCFPD will work with city staff to effect the adoption of the fire code for the triennial period with an effective date of January, 2023.

Administration

CCCFPD would provide a 13% administrative/support staffing to line staffing based on current staffing levels. This is consistent with similarly sized organizations.

Maintenance

Vehicle maintenance would be performed by the Contra Costa County Fire Protection District apparatus shop. This will increase consistency and uniformity in quality by ASE certified fire mechanics.

Training

Training of recruit firefighters will be conducted through the Contra Costa County Fire Protection District academy. This state Accredited Local Academy will increase consistency in the training provided and the quality and capability of the recruits who will become firefighters serving the various communities of the combined organization upon graduation.

Continuing training will be delivered using the systems developed under the Contra Costa County Fire Protection District's Training Division.

In 2021 the Training Division increased staffing by adding one 40-hour Training Captain and one training specialist. In mid-2022, the Training Division will increase the deployment of Shift Training Captains, who also provide incident based safety officer response, from one to two per 24-hour shift.

Personnel/Recruitment

Recruitment processes will be standardized under the current practices of the Contra Costa County Fire Protection District based on existing district practices and policies

Level and Range of Proposed Services

Capacity Availability

Current capacity will be increased in the areas served by the contract. The previously closed fire station will be reopened serving the City of Pinole and adjoining communities under automatic aid agreement. Capacity within the fire prevention bureau will be evaluated on an ongoing basis, as is the current practice, to match staffing with service demand, particularly given potential development and new construction trends.

Willingness to Serve

Contra Costa County Fire Protection District is prepared to serve the areas under the proposed contract. The ability to serve the new areas is complemented by additional personnel and the reopening of Fire Station 74 through dedicated Measure X funding.

Service Adequacy

The level of service provided in the City of Pinole will be consistent with current CCCFPD practices, policies, and standards for fire, rescue, and emergency medical services, as well as fire prevention, fire investigation, and training.

Infrastructure Needs/Planned Improvements

There are no significant infrastructure needs.

Facilities

The City will retain ownership of all facilities (Fire Station 73 & Fire Station 74) with the District leasing those facilities for \$1 per year. The City will be responsible for utilities, maintenance, and repair costs of the facilities. The Fire District Facilities Manager will work closely with city staff regarding necessary repairs, ongoing maintenance, and other facility related issues. There are no significant upgrades anticipated for either facility.

Apparatus

The District will provide one Type 1 engine and one wildland engine (Type 3 or Type 6) at each fire station. An appropriate vehicle for the Battalion Chief will be provided. Reserve apparatus will be provided, as necessary, due to maintenance or out-of-service issues through the existing District fleet.

The City will transfer ownership of the apparatus and vehicles to the District. The District will be responsible for all maintenance, repair, and scheduled replacement of the apparatus in a manner consistent with District standards. Replacement costs of apparatus are factored into the annual contract amount and it is anticipated the District will need to replace one Type 6 engine within the next 24 months, one Type 3 engine within the next five years, and one Type 1 engine within five to seven years. The total anticipated cost of replacing this apparatus is approximately \$1,650,000.

Equipment

The City will transfer ownership of all fire, rescue, and emergency medical equipment to the District. The District will be responsible for all maintenance, repair, and scheduled replacement of the equipment in a manner consistent with District standards.

Transition Plan

Apparatus and Equipment Transfer

All PFD equipment and apparatus existing as of the contract commencement date which are owned by the City of Pinole shall be transferred to the Contra Costa County Fire Protection District under the conditions outlined in the contract for service.

Fire Station 74 Staffing

It is anticipated Fire Station 74 will be reopened on March 1, 2023 to coincide with the addition of personnel through the CCCFPD Academy 58 which graduates in mid-February, 2023.

Personnel and Employment Agreements

All personnel from PFD at the Battalion Chief, Captain, Engineer, and Firefighter rank are planned to be absorbed into CCCFPD as of the effective date of the contract. Personnel will be transitioned into positions matched with their current job descriptions. CCCFPD will work with impacted labor groups and County HR representatives to determine appropriate salary steps, actions, and processes to perform a smooth transition of all impacted personnel.

Information Required Pursuant to Government Code Section 56134(e)

1) The total estimated cost to provide the new or extended fire protection services in the affected territory.

The total costs are estimated at \$7.5 million annually based on FY 2022-23 budget.

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	Budget	Forecast	Forecast	Forecast	Forecast	Forecast
Personnel Costs	\$2,540,000	\$2,616,200	\$2,694,686	\$2,775,527	\$2,858,792	\$2,944,556
Employee Benefits	\$3,461,572	\$3,738,498	\$4,037,578	\$4,360,584	\$4,709,430	\$5,086,185
Materials and Supplies	\$173,872	\$187,782	\$202,804	\$219,029	\$236,551	\$255,475
Equipment Replacement	\$305,000	\$320,250	\$336,263	\$353,076	\$370,729	\$389,266
Communication Center Allocation	\$172,498	\$179,398	\$186,574	\$194,037	\$201,798	\$209,870
Administration Allocation	\$648,044	\$686,927	\$728,142	\$771,831	\$818,141	\$867,229
Total Operating Costs	\$7,300,986	\$7,729,054	\$8,186,046	\$8,674,082	\$9,195,442	\$9,752,581
Measure X Allocation*	\$2,000,000	\$2,080,000	\$2,163,200	\$2,249,728	\$2,339,717	\$2,433,306
Net Costs of CCCFPD Contract	\$5,300,986	\$5,649,054	\$6,022,846	\$6,424,354	\$6,855,725	\$7,319,275

*Includes maximum 4% escalator for Measure X contributions

2) The estimated cost of the new or extended fire protection services to customers in the affected territory.

It is estimated that extending fire protection services would increase current costs by \$0 - \$250,000. The current Pinole fire budget of approximately \$5.5M annually, augmented by the annual \$2M County Measure X allocation, would fund \$7.5M annually for extended services under the proposed contract. Approximately \$250,000 of costs related to building maintenance, utilities, and fire fuel (vegetation) management will remain with the City; however, these costs are balanced by terms in the contract that benefit the City (such as vehicle replacement), which are not currently included in the City's annual fire budget forecasts. There are no new costs anticipated to be borne by the residents of the City of Pinole under the conditions contained in the contract. Existing revenue sources of the City combined with an annual Measure X contribution are estimated to cover the costs of services.

3) An identification of existing service providers, if any, of the new or extended services proposed to be provided and the potential fiscal impact to the customers of those existing providers.

The City of Pinole, through its fire department, provide existing fire protection services except that Fire Station 74 has been closed since 2011. There are no new costs anticipated to be borne by the residents of the City of Pinole under the conditions contained in the contract. Existing revenue sources of the City combined with an annual Measure X contribution are estimated to cover the costs of services.

4) A plan for financing the exercise of the new or extended fire protection services in the affected territory.

The extended fire services under the proposed contract will be funded by the City's payment of the anticipated direct and indirect costs incurred by the District for providing fire protection services in the City (which is anticipated to be similar to the approximate \$5.5M spent annually by the City on fire protection services), augmented by a \$2M allocation of Measure X funds from the County, adjusted annually to offset cost increases.

5) Alternatives for the exercises of the new or extended fire protection services in the affected territory.

None – extended services and Measure X funding to support the same are contingent upon the contract agreement.

6) An enumeration and description of the new or extended fire protection services proposed to be extended to the affected territory.

Under the proposed contract for out-of-area fire protection services provided by the District, the District would provide fire, rescue, and emergency medical services (EMS) response services, fire prevention and fire investigation services, training, and typical fire department administrative services within the City limits. The District would continue operating the currently operational City Fire Station 73 and would reopen the currently closed City Fire Station 74. The District would staff each station as described in the service plan to improve fire, rescue, and emergency medical services in the areas served by the contract.

7) The level and range of new or extended fire protection services.

Under the proposed contract, the District would provide the extended services (i.e., fire, rescue, and emergency medical services (EMS) response services, fire prevention and fire investigation services, training, and typical fire department administrative services within the City limits) at the same levels of service as provided by the District within its own service area. The District would continue operations at the one fire station that is currently open within the City, Fire Station 73, and reopen and staff the currently closed second fire station, Fire Station 74, in the City. This level of service would represent an increase in fire, rescue, and emergency medical services in the City (and the immediately surrounding unincorporated areas) due to the reopening of station 74 and increased staffing.

8) An indication of when the new or extended fire protection services can feasibly be extended to the affected territory.

Projected implementation of extended services to the affected territory is March 1, 2023 (the “operational date”).

9) An indication of any improvements or upgrades to structures, roads, sewer or water facilities, or other conditions the public agency would impose or require within the affected territory if the fire protection contract is approved.

None.

10) Determination supported by documentation that the proposed fire protection contract meets either of the 25% thresholds.

It is anticipated that the current City employees with the Fire Department, with the exception of the Fire Chief (who will retire) and one administrative support position (who will remain with the City), will become District employees upon the operational date of the proposed contract and the reopening of Pinole Station 74, thus exceeding the 25% threshold for affected employees. Additionally, under the proposed contract, responsibility for providing fire protection services will be transferred from the City to the District in 100% of the area within City boundaries, which exceeds the 25% threshold for providing fire protection services within the jurisdictional boundaries of the City.

RESOLUTION NO. 2022-83

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PINOLE APPROVING AN AGREEMENT FOR FIRE PROTECTION SERVICES WITH THE CONTRA COSTA COUNTY FIRE PROTECTION DISTRICT (CCCFPD), AUTHORIZING THE CCCFPD TO SUBMIT AN APPLICATION TO THE CONTRA COSTA COUNTY LOCAL AGENCY FORMATION COMMISSION TO PROVIDE FIRE PROTECTION SERVICES IN PINOLE, AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE OTHER RELATED DOCUMENTS NECESSARY TO IMPLEMENT THE CONTRACT FOR SERVICES

WHEREAS, the City Council previously directed staff to engage in dialogue with the Contra Costa County Fire Protection District (“CCCFPD”) regarding closer cooperation and partnership; and

WHEREAS, the City has two fire stations, Station 74 and Station 73, but Station 74 has been closed since 2011 due to lack of funding; and

WHEREAS, CCCFPD is an all-hazards fire district providing traditional fire protection, wildland firefighting, emergency medical services, Advanced Life Support (ALS), ambulance transport, various special operations, and a comprehensive life-safety and prevention program; and

WHEREAS, CCCFPD currently maintains approximately 500 funded positions, and deploys 34 staffed apparatuses from 31 staffed fire stations located throughout its service area; and

WHEREAS, voters in Contra Costa County passed Measure X in November 2020, which adopted a 20 year sales tax increase, the proceeds of which could be used to fund expanded fire protection, health, and other services; and

WHEREAS, the County Measure X Advisory Board recommended \$2 million dollars be allocated toward reopening Pinole Station 74 through an integrative agreement with CCCFPD; and

WHEREAS, the City and CCCFPD have undertaken a multi-month long process to identify an arrangement through which CCCFPD could provide fire protection services in Pinole, and determined that CCCFPD operating both Station 73 and 74 was the best and most feasible approach; and

WHEREAS, the City and CCCFPD have negotiated an Agreement for Fire Protection Services (the “Proposed Agreement”) whereby CCCFPD will operate both Station 73 and 74, and all current uniform Pinole Fire Fighters, except for the Fire Chief, will become employees of CCCFPD; and

WHEREAS, the cost for CCCFPD to operate both stations, plus related City expenses, will be roughly equal to the amount of City funds normally allocated to the Fire Department plus the \$2 million from Measure X; and

WHEREAS, the Contra Costa County Board of Supervisors has adopted Resolution No. 2022/332, whereby it allocated \$2 million of Measure X funding for the reopening of Station 74 for each fiscal year through FY 2027/28, with the Measure X allocation to be adjusted annually beginning in Fiscal Year 2023/24 by the percentage change in the Consumer Price Index-All Urban Consumers for the San Francisco-Oakland-Hayward Area for the twelve-month period ending with the February index of the calendar year in which the adjustment is made, but not to exceed 4 percent per year; and

WHEREAS, in order for CCCFPD to provide fire protection services within the City of Pinole, State law requires that the Contra Costa County Local Agency Formation Commission ("LAFCo") approve the proposal; and

WHEREAS, in order for an application to be approved by LAFCo, the City must first authorize CCCFPD to submit the application; and

WHEREAS, the application also requires the City and CCCFPD to both execute a side letter with Local 1230, the bargaining unit representing the firefighters impacted by the Proposed Agreement; and

WHEREAS, the Stone Municipal Group has undertaken an independent fiscal analysis to analyze the impacts of the proposed contract, and that analysis has concluded that the City has the fiscal ability to enter into and sustain an agreement with CCCFPD to provide fire and emergency response services; and

WHEREAS, the financial analysis showed that the City will pay only modestly more, when accounting for the allocation of Measure X funding, for CCCFPD to operate both Stations 73 and 74 compared to the City's current cost to operate only one station because CCCFPD achieves economies of scale and scope, while reducing administrative overhead; and

WHEREAS, the Proposed Agreement is for an initial term of five years, which may be extended for an additional five year term by mutual written agreement of the City Manager and the CCCFPD Fire Chief, with each party retaining the authority to terminate the agreement with 1 year's notice; and

WHEREAS, the City will retain ownership of Station 73 and 74, but the stations will be leased to CCCFPD for a nominal amount and the City responsible for ongoing maintenance, with such lease agreements to be negotiated by the City Manager; and

WHEREAS, under the Proposed Agreement, the City will transfer ownership of its existing apparatus and equipment to CCCFPD, and CCCFPD will be responsible for

all maintenance, repair, and scheduled replacement of the apparatus in a manner consistent with CCCFPD standards; and

WHEREAS, the Proposed Agreement would provide increased service to Pinole residents, by improving response times, and significantly increasing the percentage of calls which meet the City's target response time; and

WHEREAS, the Proposed Agreement will provide the City access to CCCFPD's greater operational resources, including specialized rescue and firefighting personnel and equipment; and

WHEREAS, greater fire protection services in Pinole would also help accommodate for the scarcity of West County hospital emergency room services since the closure of Doctor's Medical Center in Pinole, which has increased the reliance on firefighters as first-line medical assistance; and

WHEREAS, the City Council considered a draft proposed agreement at a special City Council meeting held in workshop format on September 13, 2022; and

WHEREAS, the City Council has determined that entering into the proposed Agreement with CCCFPD will improve the public health, safety, and welfare of the residents of Pinole and surrounding areas; and

WHEREAS, the City Council desires to approve the Proposed Agreement and authorize the City Manager to take other related actions.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Pinole hereby declares as follows:

1. The above recitals are true and correct, and incorporated into this Resolution.

2. The Agreement for Fire Protection Services with the Contra Costa County Fire Protection District is approved. The City Manager is authorized to execute the Agreement with such minor changes as approved by the City Attorney.

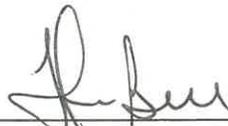
3. The Contra Costa County Fire Protection District is authorized to submit an application to Contra Costa Local Agency Formation Commission to provide fire protection services in Pinole.

4. The City Manager is authorized to negotiate and execute such other agreements and documents necessary to implement the contract for services, in a form approved by the City Attorney, including but not limited to lease agreements for Stations 73 and 74 as well as a Side Letter with Local 1230.

PASSED AND ADOPTED at a special meeting of the Pinole City Council held on the 10th day of October, 2022, by the following vote:

AYES: COUNCILMEMBERS: **Martínez-Rubin, Murphy, Salimi, Tave, Toms**
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:

I hereby certify that the foregoing Resolution was introduced, passed, and adopted on the 10th day of October, 2022.



Heather Bell, CMC
City Clerk

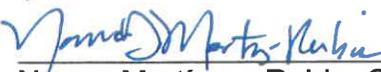
Pinole City Council:



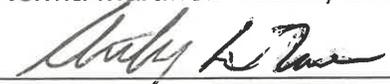
Vincent Salimi, Mayor



Devin Murphy, Mayor Pro Tem



Norma Martínez -Rubin, Council Member



Anthony Tave, Council Member



Maureen Toms, Council Member

THE BOARD OF DIRECTORS OF THE CONTRA COSTA COUNTY FIRE PROTECTION DISTRICT

Adopted this Resolution on 10/11/2022 by the following vote:

		John Gioia
		Candace Andersen
AYE:	<input type="text" value="5"/>	Diane Burgis
		Karen Mitchoff
		Federal D. Glover
NO:	<input type="text" value="0"/>	
ABSENT:	<input type="text" value="0"/>	
ABSTAIN:	<input type="text" value="0"/>	
RECUSE:	<input type="text" value="0"/>	



Resolution No. 2022/13

In the Matter of Application by the Board of Directors of the Contra Costa County Fire Protection District to the Contra Costa Local Agency Formation Commission Requesting Approval to Provide Fire Protection Services Within the City of Pinole.

WHEREAS, the City of Pinole (“City”) desires to expand and supplement the current fire protection services provided within the City;

WHEREAS, only one of the City’s two fire stations is currently operational;

WHEREAS, the Contra Costa County Fire Protection District (“District”) is able to provide a level of fire protection services within the City that would exceed current service levels, while reopening and staffing the fire station that is currently non-operational;

WHEREAS, the District and City have negotiated terms of a proposed fire protection services agreement (“Agreement”), attached to this Resolution and incorporated by reference as Exhibit A;

WHEREAS, the parties have also negotiated two leases for the two fire stations located within the City that set forth the terms under which the District would occupy the two stations during the term of the Agreement;

WHEREAS, the District would be paid by the City for budgeted direct and indirect costs incurred in the performance of services under this Agreement;

WHEREAS, the County of Contra Costa by Resolution No. 2022/332, has allocated from Measure X funds the amount of \$2,000,000 annually, adjusted annually by the percentage change in the Consumer Price Index- All Urban Consumers for the San Francisco-Oakland-Hayward Area for the twelve-month period ending with the February index of the calendar year in which the adjustment is made, but not to exceed four percent per year, through fiscal year 2027/28 to facilitate this partnership for services between the District and the City;

WHEREAS, because the City is not within the District’s service boundary, services under the Agreement may not commence until the Agreement is submitted to and approved by the Contra Costa Local Agency Formation Commission (“LAFCO”) pursuant to Government Code section 56134, which provides that a “public agency may provide new or extended services pursuant to a fire protection contract only if it first requests and receives written approval from the [local agency formation] commission in the affected county pursuant to the requirements of this section” (Gov. Code, § 56134, subd. (b));

WHEREAS, the District has prepared an application for a fire protection service contract, as required by LAFCO, and a service plan (“Service Plan”), in accordance with Government Code section 56134, subdivision (e), that details the cost of the new or extended fire protection services, the plan for financing these services and the services to be provided under the Agreement, among other provisions, which are attached to this Resolution and incorporated by reference as Exhibits B and C, respectively;

WHEREAS, the City, in coordination with the District, has had an independent fiscal analysis prepared in accordance with Government Code section 56134, subdivision (f), which shows that the financial terms of the contract are feasible and sustainable. This analysis is attached to this Resolution and incorporated by reference as Exhibit D, and;

WHEREAS, in accordance with Government Code section 56134, subdivision (d)(1)(A), the District has prepared a written agreement with the City of Pinole, Local 1230 and UCOA, whereby each entity consents to the Agreement, which is attached to

this Resolution and incorporated by reference as Exhibit E.

NOW, THEREFORE, IT IS RESOLVED by the Board of Directors of the District as follows:

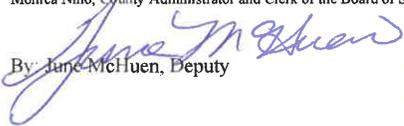
1. This Resolution of Application is hereby adopted and approved by the District's Board of Directors. LAFCO is hereby requested to approve new or extended fire protection services to be provided by the District within the jurisdictional boundaries of the City as set forth in the Agreement and further described in the Service Plan.
2. The officers and staff of the District are hereby authorized and directed, jointly and severally, to do any and all things, to execute and deliver any and all documents, which, in consultation with District counsel, they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and any and all such actions previously taken by such officers or staff members are hereby ratified and confirmed.

**Contact: Lewis T. Broschard III, Fire Chief (925)
941-3300**

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: October 11, 2022

Monica Nino, County Administrator and Clerk of the Board of Supervisors

By:  June McHuen, Deputy



cc: