

MEETING DATE: 10-20-08

ITEM# 08-41



CITY OF SUMNER  
City Council  
AGENDA BILL

**SUBJECT:** Interlocal Agreement with East Pierce Fire and Rescue

**CATEGORY:**

- |  |   |
|--|---|
| <input type="checkbox"/> CONSENT           | <input type="checkbox"/> ORDINANCE      |
| <input type="checkbox"/> RESOLUTION        | <input type="checkbox"/> PUBLIC HEARING |
| <input checked="" type="checkbox"/> MOTION | <input type="checkbox"/> OTHER          |

**BUDGET IMPACT:** \$ See Memo

<b>Amount Budgeted:</b>	\$
<b>Expenditure Amt.:</b>	\$
<b>Contingency Req'd:</b>	\$

**ATTACHMENTS:** Background Memo and Draft Interlocal Agreement

**STAFF CONTACT:** City Administrator John Doan

**SUMMARY/BACKGROUND:** Please see the attached memo which discusses the proposed interlocal agreement with East Pierce Fire and Rescue. A memo regarding the fire pension costs is being provided under separate cover. Language has been added to the agreement to address the 24<sup>th</sup> Street bridge crossing, the condition of the building upon return to the City, and a clarification that EPFR will cover the building insurance.

**COUNCIL COMMITTEE RECOMMENDATION:** October 13, 2008 Study Session

**STAFF RECOMMENDATION:** Authorize the Mayor to execute an interlocal agreement with Pierce County Fire District No. 22 to define the on-going relationship with the City of Sumner.

(BELOW TO BE COMPLETED BY CITY CLERKS OFFICE)

**COUNCIL ACTION:**

- APPROVED
- DENIED
- TABLED/DEFERRED/NO ACTION
- MOVED TO SECOND READING (*ordinances only*)

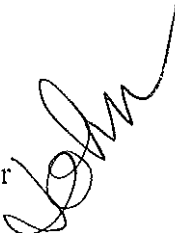
<b>COUNCIL BILL #</b>	08-41
1 <sup>ST</sup> reading	_____
Enactment reading	_____
<b>ORDINANCE #</b>	_____
<b>RESOLUTION #</b>	_____

*We will set the standard of excellence for a progressive small city.*

## MEMORANDUM

October 10, 2008

TO: Mayor Dave Enslow  
Members of the City Council

FROM: John Doan, City Administrator 

RE: Proposed Interlocal Agreement with East Pierce Fire and Rescue

### Requested Action

At the October 13<sup>th</sup> study session, we will review a proposed interlocal agreement with East Pierce Fire and Rescue. This is the final step in the changing of our relationship for fire service (see below for more details). Our goal is to have the Council adopt an agreement on the following Monday. This memo provides background information to further explain the attached draft agreement.

### Background

In April of this year, the Sumner and East Pierce Fire and Rescue (East Pierce) voters approved an annexation of Sumner into the Fire District. That annexation brought the citizens of Sumner significantly improved fire services for less cost than the City could have provided. The annexation also removed the long-term City obligation for existing employees and the costs associated with increasing capital equipment demands.

An interlocal agreement is necessary because of the need to exchange resources and to clarify our on-going relationship. Chief McDonald and I believe that it is in the best interests of both organizations to ensure we continue our productive and collaborative relationship into the future. It is important to recognize that this is a proposed agreement between two independent organizations. It is, in fact, this same independence that defines the need for a formal agreement and says what services and resources will be exchanged. It is in that context that we developed the attached proposal for consideration by both the City Council and the Board of the Fire District.

This memo explains the key elements of the agreement.

- A. The proposed term of the agreement is 15 years, after which time it could be either extended or replaced by another agreement. We believe it would be

valuable for the two governments to revisit the agreement after this period in order to address changing needs, conditions, expenses, funding, etc.

- B. This proposal authorizes the City Administrator of Sumner and the Chief of the Fire District to develop letters of understanding to address the details of the joint operation and allow flexibility for them to change as time goes on without an amendment to the interlocal agreement. At this point, we have discussed the idea that the agreement would address an ex-officio board member at East Pierce, an on-going meeting schedule, participation in the Council Public Safety Committee meetings, fire station naming, and East Pierce's involvement in community events and public information.
- C. The proposal would deed the fire station to East Pierce at no cost provided it stays in use as a fire station. Should it stop being used for this purpose, it would return to the City in good condition. The transfer relieves the City of the maintenance of the building. The prior agreement kept ownership with the City but had the City responsible for major maintenance of the asset, which was to include new exterior paint at an estimated cost of \$30,000 this year. This project would become the responsibility of East Pierce. Also waiting in the wings are major improvements to the HVAC system. The fire station was paid for by residents of the City of Sumner with an excess property tax assessment. It is now fully paid off. There was no "out of pocket" cost for the City of Sumner as the residents paid the additional amount. We estimate that this transfer will save the City about \$30,000 each year in maintenance, saves the City about \$8,000 a year in insurance, and helps to retain the building in fire service use.
- D. The agreement clarifies that the memorabilia remain property of the City.
- E. The old Kenworth remains with the City, who will retain responsibility for its storage and maintenance. The other apparatus that was given to East Pierce will be returned to the City upon its surplus by East Pierce. The City would be responsible for disposal of those assets and would retain any salvage value.
- F. The City has the legal responsibility to provide fire code compliance services to its citizens and businesses. This agreement continues to have East Pierce providing that service for us. While there is some revenue associated with the fire code review, it probably only pays about 25% of the cost of the employees. East Pierce would also assume the staffing costs associated with providing emergency management and fire investigation service in the city.
- G. The City currently retains 15% of the fire permit fees to cover the cost of routing permits and forwards the remainder to East Pierce. This agreement proposes the City retention be increased to 30% to off-set the costs associated with the agreement.

- H. The prior agreement had operation requirements for the Fire District relative to the Sumner station and their command structure. Having implemented a five-person staffing structure in Sumner and almost completed implementation of the battalion chief system, there is no need to retain those provisions.
- I. The bridge over the Stuck River at 24<sup>th</sup> is in Sumner's Transportation Plan and is also an important road connection for East Pierce. It would allow them to quickly provide secondary response to the industrial area from the existing station at the top of the hill. Should the City pursue such a bridge in the future, their support would be valuable in grant requests.
- J. The City has been unsuccessful with the sale of two surplus houses. East Pierce would use the houses for training burns, which saves the City about \$10,000 each in demolition costs. The City would have some costs for preparation and disposal.
- K. The City retains obligations for two types of public safety retirees, LEOFF 1 and pre-LEOFF<sup>1</sup>. For LEOFF 1 employees (there are seven participants, three of which were firefighters), the City's obligation is medical coverage for the former employee only, not the spouse. The City pays a medical premium along with certain out-of-pocket costs. The City does not have a pension responsibility for those LEOFF 1 employees as they are part of a State retirement system.

The City also has two pre-LEOFF firefighters and one eligible widow. The City's obligation to these individuals is medical coverage for the employee only and a portion of the pension obligation for the retiree and their eligible spouse. The pension rate is set as a percentage of the salary had the employee remained in this organization<sup>2</sup>. The pension obligation for these specific employees is shared with the State of Washington because of their retirement date.

The City's total cost exposure is limited to these ten LEOFF 1 and pre-LEOFF employees because the subsequent LEOFF 2 employees are fully covered by the State from premiums already paid by the City and employee.

The costs for the medical coverage per these obligations are budgeted primarily out of the General Fund and were \$140,000 in 2008. In addition, pursuant to State law, the City has a Fireman's Pension Fund that is a trust account to be used to pay the on-going pension obligation for pre-LEOFF retirees. It can also be used to pay certain medical obligations for those same

---

<sup>1</sup> The Law Enforcement Officers and FireFighters Retirement System is open to police and firefighters who were hired after July 1, 1979, and have vested to the system.

<sup>2</sup> The final authority on the pension amount would be determined by a pension board which would be appointed by the Council and is empowered by State law to decide the issue.

employees. The actuarial study for that fund indicates there are insufficient monies to support it into the future, and we are planning additional contributions to it in the next biennium. Obviously, the ability of that fund to support its obligations depends on the actual needs and expenditures for the five participants (firefighters and spouses).

Now, this takes us back to the East Pierce issue. This agreement is built upon the City retaining the obligation for those existing pre-LEOFF and LEOFF 1 retirees as we have in the past. This is consistent with all other communities we can find, including Bonney Lake and the proposed annexation of Puyallup into Central Pierce. The other issue that arises with East Pierce has to do with pensions for the three pre-LEOFF participants. Because the East Pierce salaries are higher than what was paid by the City of Sumner, the retirement benefits for those participants could potentially increase at an estimated additional cost of about \$35,000 per year. This is still an outstanding legal issue. This agreement attempts to address that issue along with other costs that the City has with the long-term execution of a partnership with East Pierce.

In conclusion, we look forward to a successful and collaborative relationship with East Pierce and believe this agreement fairly positions the City and East Pierce to do that.

**CITY OF SUMNER  
AND  
PIERCE COUNTY FIRE PROTECTION DISTRICT NO. 22  
(DBA EAST PIERCE FIRE AND RESCUE)  
INTERLOCAL AGREEMENT**

**THIS INTERLOCAL COOPERATION AGREEMENT** is entered into by and between the CITY OF SUMNER, a Washington State municipal corporation (hereinafter referred to as “the City”) and PIERCE COUNTY FIRE PROTECTION DISTRICT NO. 22, a Washington State municipal corporation (hereinafter referred to as “EPFR”), and in conformity with Chapter 39.34 RCW.

**WHEREAS**, the City petitioned to annex into EPFR and an annexation election before the voters of EPFR and the City was ratified by the voters on April 22, 2008; and

**WHEREAS**, it is in the best interests of the parties to resolve certain issues regarding the on-going post-annexation relationship between the two organizations and that the parties agree to maintain systems to continue to communicate;

**NOW THEREFORE**, in consideration of the foregoing recitals, and the mutual promises and covenants contained herein, it is agreed as follows:

**I. GENERAL PROVISIONS**

**A. Term**

This agreement shall have a term of fifteen (15) years after the effective date hereof, provided that this agreement shall be automatically renewed from year to year unless terminated or modified in accordance with the provisions hereof. The participants agree to review the program shortly before the end of the annual term to determine if changes need to be made. Either participant may terminate their participation during the term of this agreement, or any renewal term, by providing 90 days written notice to the other parties

**B. Additional Agreements**

The City Administrator and EPFR Fire Chief shall periodically execute additional agreements to implement this Interlocal Agreement consistent with the spirit and purpose of collaborative inter-governmental efficiency and sharing of resources.

**II. BUILDINGS AND EQUIPMENT**

**A. Fire Station**

The City will transfer title for the real property at 800 Harrison St., Sumner, at no cost to EPFR for as long as it is being used to deliver fire and medical services to the City. Said deed shall include a reversionary clause providing that if the Sumner Fire Station is no longer being used by EPFR to deliver fire

and medical services to the City, the land and building will revert to the City at no cost and in good working order. The City and EPFR will jointly develop a building condition survey to be kept on record to determine “good working order.” EPFR will have sole responsibility for the maintenance and operation of the building and grounds. EPFR will maintain the building and grounds in good working order. The memorabilia and the display cabinet located in the lobby of the Fire Station shall remain property of the City but shall be maintained and displayed by EPFR at the station. After communicating their intent to EPFR, the City may permanently or temporarily relocate said items to another location at their discretion. EPFR will maintain insurance on the building and grounds.

**B. Kenworth Fire Engine**

The City of Sumner Kenworth Fire Engine (Serial No. 331135581, license plate 2386MX) shall remain the property of the City of Sumner who shall be responsible for housing and maintaining it. The City and EPFR will coordinate use of the Engine for community events.

**C. Other Apparatus**

Prior to surplusing of any of the fire apparatus that were provided to EPFR (Interlocal Agreement adopted by Resolution #1206), EPFR will provide title to the City for said vehicles (2000 Chevy Blazer #4WDGND13W3Y2381705, 2001 Silverado Chevy Pick Up #1GCHK29G11E315516, Simon Ladderfire Aerial Truck #4S7AW4298XC029453, 2006 Ford E-450 Medic Unit #1FDXE45PX6DA19374, Pierce Dash Fire Engine #4P1CDO1H27A006870) at no cost. The City will have sole discretion to surplus or dispose of the vehicles with no compensation to EPFR, consistent with State law.

**III. SERVICES**

The following terms of the prior agreement are incorporated herein and shall remain in full force and effect after annexation.

**A. Fire Related Services**

1. EPFR agrees to provide to the City the following:
  - Emergency Management Director responsibilities
  - Fire cause and origin investigation
  - Fire prevention services including inspection, plan review, and code enforcement shall be provided utilizing a minimum of two DFM's or other qualified fire prevention staff members.
  - A minimum of one DFM or other qualified fire prevention staff member will be permanently placed in the City.

The City will provide office space and permit routing services for the DFM. The two parties agree to work together on permit

procedure, coordination, fee, staffing, and turn-around times for permits.

**B. Collection of Fees and Charges**

1. The City will continue to assess and collect impact fees and may pass them along to EPFR upon request to the extent allowed by law. EPFR will be responsible for maintaining the necessary capital facility plan to support the imposition of impact fees.
2. The City will continue to assess reasonable Fire Permit fees. The City and EPFR will cooperate to regularly update the fees to remain reasonable. The City will retain 30% of said fees to off-set the costs of office space and permit tracking/routing services.

**C. Emergency Management Services**

The EPFR chief or designee shall serve as the Emergency Management Director for the City. The City will provide staff support to the EPFR employee serving in that capacity. The City will maintain a Comprehensive Emergency Management Plan and will pay the costs associated with the Pierce County contract. The City will participate with EPFR in the planning of a joint Emergency Operations Center.

**IV. EFFECTIVE DATE**

This agreement shall become effective upon the adoption by both parties and remain in effect until renewed or terminated pursuant to the provisions herein.

**V. SUCCESSORS AND ASSIGNS**

The City shall allow the assignment or succession of this Agreement without approval of the Sumner City Council so long as that does not significantly change the delivery of services or the management of those services.

**VI. DISPUTES**

This Agreement shall allow for either party to reopen specific contract provisions for re-negotiation by giving the other party ninety (90) days written notice. The written notice shall specify the provision to be negotiated and the requested change. If the parties cannot come to resolution through this dispute resolution process then the parties may proceed to the binding arbitration provision as set out in Section VIII of this Agreement.

**VII. BINDING ARBITRATION**

In the event of any dispute arising out of this Agreement, the parties hereto agree to submit such dispute to binding arbitration by one arbitrator in accordance with the rules then pertaining to Superior Court Rules of Mandatory Arbitration (or its equivalent), except that the arbitration shall be conducted under the auspices of

the arbitrator rather than the Superior Court and shall not be subject to the monetary limitations or restrictions on issues dealing with equitable, rather than legal considerations. The arbitration shall be commenced by delivery to the party of a written demand for arbitration which shall include a statement of the basis of the dispute. Within five (5) business days of the delivery of such demand each party shall designate a representative who is not an officer, employee or commissioner of the parties. Those two representatives shall attempt to agree on the arbitrator. If, within ten (10) business days of the designation of the two representatives (or expiration of the time for designation of representatives, whichever occurs first), the two representatives have not reached agreement on the arbitrator, then either party may, on five (5) business days written notice, request the presiding department of Pierce County Superior Court to designate the arbitrator. The arbitrator's fees shall be borne equally by the parties during the course of the arbitration. However, the substantially prevailing party, if any in the arbitrator's opinion, shall be entitled to reimbursement of such fees paid, as well as reasonable attorney fees incurred, as part of the arbitration award. The award rendered by the arbitrator shall be final and binding, and judgment may be entered upon it in accordance with applicable law in Pierce County Superior Court.

## **VIII. Miscellaneous Provisions**

### **A. No Waivers**

This Agreement does not create any agency or similar relationship among the Parties. No Party shall have authority to waive any applicable privilege or doctrine on behalf of any other Party; nor shall any waiver of an applicable privilege or doctrine by the conduct of any Party be construed to apply to any other Party.

### **B. Modification**

This Agreement may be modified only with the written consent of all of the Parties.

### **C. Governing Law**

This Agreement is entered into under the laws of the State of Washington. If it becomes necessary to interpret any of the Agreement's terms, it is the intent of the Parties that the laws of the State of Washington shall apply.

### **D. Binding Effect**

This Agreement is binding upon and inures to the benefit of the Parties and their respective heirs, legatees, representatives, attorneys, successors, transferees, and assigns.

### **E. Severability**

If any provision of this Agreement is deemed by law to be void, invalid or inoperative for any reason, that provision will be deemed modified to the

extent necessary to make it valid and operative or, if it cannot be so modified, then such provision will be deemed severed from this Agreement, with the remaining Agreement continuing in full force and effect as if the Agreement had been signed with the void, invalid or inoperative provision eliminated.

**F. Entire Agreement/Counterparts**

This Agreement contains the entire agreement between the Parties as to its subject matter. There are no third-party beneficiaries to this Agreement. This Agreement may be signed in any number of multiple counterparts, through original and/or facsimile signature, each of which will be considered to be a duplicate original, and will be considered to be one and the same instrument.

**G. 24<sup>th</sup> Street Bridge**

~~Because it would improve secondary access for emergency services from the Lake Tapps area, EPFR supports a bridge across the White River in the vicinity of 24<sup>th</sup> Street should it be proposed by the City in the future. Both parties agree that a bridge across the White River at 24<sup>th</sup> Street is desirable and would improve secondary access for emergency services from the Lake Tapps area. Both parties agree to support proposals for such a bridge and access across the valley.~~ The term support does not include any financial obligation on the part of EPFR.

**H. Training Burns**

The City will make available two surplus houses (60<sup>th</sup> Street E. and Valley Ave. E.) to use in training burns. The City will pay the costs associated with preparation for training along with final clearing of the site. EPFR will pay costs associated with the staffing and equipment for the training. The training burns must be completed by July 1, 2009.

**I. Pre-existing Pension and Medical Obligations**

The City shall retain responsibility for any and all costs and liabilities related to pre-LEOFF and LEOFF I retirees including, the pension and medical costs of all pre-LEOFF and the medical costs of all LEOFF I retirees. Any trust revenues will remain property of the City.

**CITY OF SUMNER**

**PIERCE COUNTY FIRE  
PROTECTION DISTRICT  
NO. 22 (EPFR)**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
John Doan, City Administrator

\_\_\_\_\_  
Commissioner

Approved as to form

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Brett C. Vinson City Attorney

\_\_\_\_\_  
Commissioner

Attest:

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

Attest:

\_\_\_\_\_  
Nancy Keck – EPFR District Secretary

L:\Fire\EPFR PREANNEXATION\Pre-Annexation AgreementJan08.doc

October 15, 2008