City of FRESNO **REPORT TO THE CITYCOUNCIL**

AGENDA ITEM NO. 1B
COUNCIL MEETING 1/29/08
APPROVED BY
DEPARTMENT DIRECTOR
CITY MANAGER

January 29, 2008

FROM: RANDY R. BRUEGMAN, Fire Chief
Fire Department

SUBJECT: RECOMMEND APPROVAL OF RIDER NO. 2 TO FIG GARDEN – CITY OF FRESNO FIRE PROTECTION SERVICES AGREEMENT

KEY RESULT AREA: 0209003000

Public Safety

RECOMMENDATIONS

Staff recommends Council approve Rider No. 2 to the fire service agreement between the Fig Garden Fire Protection District and Fresno Fire Department.

EXECUTIVE SUMMARY

During the course of the annual audit conducted for the Fig Garden Fire Protection District, the certified public accountant suggested additional clarifications to existing provisions in the agreement be made with regard to application of the Consumer Price Index to the District's annual capital allocation, reduction in tax revenue service fees to the City for any tax administrative charges made by the County of Fresno, and clarification of those revenues to be retained by the District from various non-tax revenue sources. Staff concurs with the recommended changes and has worked with District counsel and the City Attorney to draft the appropriate language for City Council consideration and approval.

KEY OBJECTIVE BALANCE

Customer, Employee, and Financial Satisfaction will be enhanced by providing additional clarification to the current contract for services, which benefits the Fig Garden Fire Protection District, the residents of the District, and the City of Fresno, as this contract continues to provide for a consolidated safety response into this area.

Presented to City Council
Date 1/29/08
Disposition rec approved

BACKGROUND

During the course of the annual audit conducted for the Fig Garden Fire Protection District, the certified public accountant suggested additional clarifications to existing provisions in the agreement effective January 1, 2006, be made. These clarifications are as follows:

- Application of the Consumer Price Index to the District's $30,000 annual capital allocation from property tax revenues;

- Reduction in tax revenue service fees to the City for any tax administrative charges made by the County of Fresno; and

- Clarification of those revenues to be retained by the District from various non-tax revenue sources (e.g., sale of District assets, retained earnings balances of District on hand as of June 30, 2005, and all interest earnings on said sums).

Staff concurs with the recommended changes and has worked with District counsel and the City Attorney to draft the appropriate language for City Council consideration and approval.

FISCAL IMPACT

There are no material negative impacts to the General Fund as a result of these language clarifications.

RRB/cc:mc 011608

Attachment:
Rider No. 2

1B
1/29/08

CITY OF FRESNO
City Clerk's Office (Original)

RIDER NO. 2
TO
FIG GARDEN – CITY OF FRESNO FIRE PROTECTION SERVICES AGREEMENT

This Rider No. 2 modifies the Agreement effective January 1, 2006, entered into between the CITY OF FRESNO, a California municipal corporation (City), and FIG GARDEN FIRE PROTECTION DISTRICT, a political subdivision of the State of California ("District").

WHEREAS, the District, following consultation with its auditor and the City, following discussions with the District, have jointly determined to modify the Agreement in certain respects and to do so by this Rider No. 2.

NOW, THEREFORE, BE IT AGREED THAT the Agreement is hereby modified and supplemented as follows:

Paragraph 3 of the Agreement is amended to read as follows:

"3. DISTRICT AGREES TO:

(a) Allow City to have exclusive use and occupancy of the Fig Garden Fire Station in order to provide fire protection services to the Service Area as herein described, and to other territories served by the Fresno Fire Department, provided the Fresno County Sheriff's Office, at its sole cost and risk, may continue it occasional use of an office on the Station property.

(b) Be responsible for the structural condition of the buildings at the Fig Garden Fire Station and agrees that the buildings shall be maintained in as good a condition as they are now. District is responsible for all exterior and interior maintenance of the buildings, including repair of air-conditioning, heating units and roof of the Station, after City has expended a total of $25,000 annually on such repairs, not including cost for grounds maintenance. District is not responsible for maintenance of the grounds, painting or replacement of carpets, furniture, or appliances.

(c) To compensate City for providing fire protection services to the District, District shall pay to City all property tax and other revenues, including but not limited to state, federal and county payments actually received by District for fire protection service, exclusive of the special assessment, save and except the sum of $20,000 per year and those sums described in subsection (h), which shall be retained by District. Beginning January 1, 2007, and annually on each January 1, thereafter, said amount retained by the District shall be increased by the percentage change in the U.S. Bureau of Labor Statistics Consumer Price Index (Urban Wage Earners and Clerical Workers for the Los-Angeles-Anaheim-Riverside area) for the period from April 1, of the preceding calendar year, to March 31 of the current calendar year. This provision shall be effective in this manner, as long as the index mentioned above is published by government authorities in the same form

and based on the same type data being used on the effective date of the Agreement, and shall be redefined by the parties in the event of any change in form and/or basis of indices, to a reasonably comparable standard. Each annual adjustment computation by City is hereby incorporated by reference herein. It is estimated the net (of the retained $20,000) compensation provided under this paragraph in year one will be $463,400.

(d) To compensate City for occupying and using the Fig Garden Fire Station as a City fire station, in addition to the compensation listed in paragraph (c) above, District shall pay City the revenue actually received from the special assessment approved by the District's electors, which assessment shall be levied in an amount not less than $529.88 per year, per single family residence in the District. It is estimated the special assessment will generate in year one net (of the $30,000 referenced below) revenues of $386,100. Such amount shall be paid to City during and for periods that City occupies and uses the Fig Garden Fire Station as a City fire station. The sum of $30,000 from the assessment shall be retained by District annually in a special account to be used for major repairs and/or replacement of the structures on the site of the Fig Garden Fire Station, as requested by City and agreed to by the District. Beginning January 1, 2007, and annually on each January 1, thereafter, said amount retained by the District shall be increased by the percentage change in the U.S. Bureau of Labor Statistics Consumer Price Index (Urban Wage Earners and Clerical Workers for the Los-Angeles-Anaheim-Riverside area) for the period from April 1, of the preceding calendar year, to March 31 of the current calendar year. This provision shall be effective in this manner, as long as the index mentioned above is published by government authorities in the same form and based on the same type data being used on the effective date of the Agreement, and shall be redefined by the parties in the event of any change in form and/or basis of indices, to a reasonably comparable standard. Each annual adjustment computation by City is hereby incorporated by reference herein.

(e) Payment to the City shall be made, subject to receipt of revenues from the County Auditor, in two installments, April 30th and December 31st of each calendar year.

(f) The amount to be paid for the initial period (less than one year) shall be prorated.

(g) Beginning on the effective date of this Agreement, the amounts to be paid to the City pursuant to subsection (c), annually, shall be reduced by the tax collection and property tax administration charges of the County of Fresno.

(h) Beginning on the effective date of this Agreement, the District shall also retain all those sums: (1) shown as retained earnings, as reflected in the District's annual audit report for the period ending June 30, 2005, and the retained earnings reflected in such audit reports in all subsequent years, including all interest earned on said sums and (2) the proceeds resulting from the sale of the fixed assets of the District."

Except as otherwise provided herein, and in Rider No. 1, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, THE PARTIES' AUTHORIZED AGENTS HAVE EXECUTED THIS RIDER NO. 2.

FIG GARDEN FIRE PROTECTION DISTRICT

By: _____

Title: President of the Board

APPROVED AS TO FORM:
Dale E. Bacigalupi
District Legal Counsel

CITY OF FRESNO

By: _____

Title: Assistant City Manager

APPROVED AS TO FORM:
James Sanchez
City Attorney

Kathryn Phelan

ATTEST:
Rebecca E. Klisch
City Clerk

Rebecca E. Klisch

2-15-08