

FIVE CITIES FIRE AUTHORITY



Lan George, Board Member
Caren Ray-Russom, Board Member
Daniel Rushing, Board Member
Clint Weirick, Board Member

Matthew Bronson, Management Committee
Whitney McDonald, Management Committee
Stephen C. Lieberman, Fire Chief
Tricia Meyers, Clerk to the Board
Isaac Rosen, Interim General Counsel

AGENDA REGULAR BOARD MEETING THURSDAY, JUNE 22, 2023–1:00 P.M. City of Grover Beach Council Chambers 154 South Eighth Street, Grover Beach, CA

CALL TO ORDER

FLAG SALUTE

DESIGNATION OF OFFICERS (BRONSON/MCDONALD)

Recommended Action: Staff recommends that the Board appoint a Chair and Vice Chair per terms of the Restated and Amended Joint Powers Agreement, and Chief Executive Officer.

ROLL CALL

AGENDA REVIEW:

At this time the Board will review the order of business to be conducted and receive requests for, or make announcements regarding any change(s) in the order of the day. The Board should, by motion, approve the agenda as presented or as revised.

COMMUNITY COMMENTS AND SUGGESTIONS:

This public comment period is an invitation to members of the community to present issues, thoughts, or suggestions on matters not scheduled on this agenda. Comments should be limited to those matters that are within the jurisdiction of the Board. The Brown Act restricts the Board from taking formal action on matters not published on the agenda. In response to your comments, the Chair or Vice Chair may:

- Direct Authority staff to assist or coordinate with you.
- A Board Member may state a desire to meet with you.
- It may be the desire of the Board to place your issue or matter on a future Board agenda.

BOARD MEETING AGENDA – JUNE 22, 2023

PAGE 2

ESTABLISHMENT OF REGULAR BOARD MEETING FREQUENCY, DATES, TIME, AND LOCATION (BRONSON/MCDONALD)

Recommended Action: Staff recommends that the Board establish a specific frequency, day, time, and place for regular meetings of the Board.

CONSENT AGENDA:

The following routine items listed below are scheduled for consideration as a group. The recommendations for each item are noted. Any member of the public who wishes to comment on any Consent Agenda item may do so at this time. Any Board Member, the Fire Chief or General Counsel may request that any item be pulled from the Consent Agenda to permit discussion or change the recommended course of action. The Board may approve the remainder of the Consent Agenda on one motion.

1. **Consideration of Approval of Minutes**(MEYERS)
Recommended Action: Approve the minutes of the Board Meeting of May 24, 2023.
2. **Consideration of Cash Disbursement Activity**(LIEBERMAN)
Recommended Action: Receive and file the listing of cash disbursements for the period of May 1 to May 31, 2023.
3. **Management Resolution – Battalion Chief** (VALENTINE)
Recommended Action: Approve the Management Resolution reflecting the transition to shift-based Battalion Chief position.
4. **Consideration of Authorization to Purchase a Replacement Station Alerting System for Arroyo Grande and Grover Beach Fire Stations** (LIEBERMAN)
Recommended Action: Authorize the Fire Chief to execute a purchase order, issued to Radio Mobile, Inc. for the purchase and installation of replacement station alerting systems at the Arroyo Grande and Grover Beach fire stations.
5. **Consideration of Acquisition of Replacement Vehicle** (LIEBERMAN)
Recommended Action: Direct the Fire Chief to execute needed agreements to purchase a replacement Pickup Truck outfitted for Emergency Response.

PROTEST HEARING:

- a. **Protest Hearing and Consideration of Resolution Confirming Weed Abatement Cost Accountant Report Consistent with Health and Safety Code Section 14905 and 14906 ET SEQ** (LIEBERMAN)
Recommended Action: Adopt a Resolution and confirm the itemized report (Exhibit A) consisting of an account of the cost of abatement on each parcel.

CONTINUED BUSINESS:

None.

NEW BUSINESS:

1. **Agreement to Provide Fire Services Between the Five Cities Fire Authority and Oceano Community Services District** (BRONSON/MCDONALD)
Recommended Action: Approve an agreement for services with the Oceano Community Services District for a 12-month period beginning July 1, 2023, and ending June 30, 2024.
2. **Agreement to Memorialize the Oceano Community Services District's Ongoing Share of Unfunded CalPERS Liabilities** (BRONSON/MCDONALD)
Recommended Action: Approve an agreement to memorialize the Oceano Community Services District's ongoing share of unfunded CalPERS Liabilities.
3. **Fiscal Year 2023-24 Budget** (VALENTINE/LIEBERMAN)
Recommended Action: Approve the Fiscal Year 2023-24 Budget.
4. **Authorization to Purchase a Replacement Type I Engine and Ladder Truck** (LIEBERMAN)
Recommended Action: Authorize the Fire Chief to execute a purchase order, issued to Pierce Manufacturing, Inc. for the purchase of one Type I Fire Engine and one Ladder Truck

BOARD MEMBER ITEMS:

The following item(s) are placed on the agenda by a Board Member who would like to receive feedback, obtain consensus to direct staff to prepare information, and/or request a formal agenda report be prepared and the item placed on a future agenda. No formal action can be taken.

None.

MANAGEMENT COMMITTEE / FIRE CHIEF ITEMS:

The following item(s) are placed on the agenda by the Fire Chief in order to receive comments, feedback and/or request direction from the Board. No formal action can be taken.

- a. Management Committee Updates
- b. Fire Chief Updates

GENERAL COUNSEL ITEMS:

The following item(s) are placed on the agenda by the Interim General Counsel in order to receive comments, feedback and/or request direction from the Board. No formal action can be taken.

BOARD COMMUNICATIONS:

Correspondence/Comments as presented by the Board.

BOARD MEETING AGENDA – JUNE 22, 2023
PAGE 4

CLOSED SESSION:

a. CONFERENCE WITH LABOR NEGOTIATIONS per Government Code Section 54957.6:

Meet with FCFA-designated negotiators described below. Negotiation will include salary, compensation and benefits:

1. Employee Organization: International Association of Fire Fighters Local 4403
 - a. FCFA-designated negotiators: Che Johnson, Special Labor Counsel
2. Unrepresented Management Employees
 - a. FCFA-designated negotiators: Che Johnson, Special Labor Counsel
3. Fire Chief
 - a. FCFA-designated negotiators: Che Johnson, Special Labor Counsel

ADJOURNMENT

All staff reports or other written documentation, including any supplemental material distributed to a majority of the Board within 72 hours of a regular meeting, relating to each item of business on the agenda are available for public inspection during regular business hours in the Clerk to the Board's office, 140 Traffic Way, Arroyo Grande. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by the Americans with Disabilities Act. To make a request for disability-related modification or accommodation, contact the Clerk to the Board's office at 805-473-5490 as soon as possible and at least 48 hours prior to the meeting date.

Any documentation or materials to be submitted by the General Public for consideration by the Board shall be submitted to the Clerk to the Board by email at tmeyers@fivecitiesfire.org, no later than 24 hours prior to the above scheduled time for the Five Cities Fire Authority Board meeting. Failure to submit documents or any materials at least 24 hours prior to the scheduled time for the Board meeting shall be grounds for the Board to reject consideration or review of those items unless otherwise required by state or local laws.

.....

This agenda was prepared and posted pursuant to Government Code Section 54954.2. Agendas are posted at the Arroyo Grande City Hall, 300 E. Branch Street, Arroyo Grande, Headquarters ~ Station 1, 140 Traffic Way, Arroyo Grande, the Grover Beach City Hall, 154 S. 8th Street, Grover Beach, and Station 2, 701 Rockaway Avenue, Grover Beach.

Agenda reports can be accessed and downloaded from the Five Cities Fire Authority Website at www.fivecitiesfireauthority.org.

RESOLUTION NO. 2023-01

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE FIVE CITIES FIRE AUTHORITY
ESTABLISHING ITS REGULAR MEETING SCHEDULE
FOR CALENDAR YEAR 2023**

A. Five Cities Fire Authority (FCFA) is a joint powers agency formed pursuant to the Joint Exercise of Powers Act (Cal. Gov. Code § 6500 *et seq.*), and an Amended and Restated Joint Powers Agreement effective on June 22, 2023 (JPA Agreement).

B. The Ralph M. Brown Act (Cal. Gov. Code § 54950, *et seq.*) provides that the legislative body of each local agency shall provide, by ordinance, resolution, bylaws, or other rule, the time and place for holding its regular meetings.

C. Section 6.4(a) of the JPA Agreement provides that the Board shall hold an annual meeting, that shall be a regular meeting, which is being held on June 22, 2023. Section 6.4 of the JPA also provides that the Board shall also hold additional, regular meetings at least quarterly.

D. Section 6.4(d) of the JPA provides that the Board shall meet at the Principal Governance and Business Office (140 Traffic Way, Arroyo Grande, California, 93420), or at such other place as may be designated by the Board for its regular, adjourned regular, and special meetings consistent with the JPA, and that the “dates upon which, and the hour and place at which, any regular meeting shall be held shall be fixed by resolution of the Board and a copy of such resolution shall be provided to each Member Agency.”

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of FCFA as follows:

Section 1. For calendar year 2023, regular meetings of the Board of Directors shall take place on the dates set forth below and shall begin at _____. All regular meetings shall take place _____; provided that pursuant to the Ralph M. Brown Act, as may be amended from time to time, FCFA’s meetings may be held fully or partially by videoconference or teleconference, providing State law requirements are met.

Regular Meeting Dates

June 22, 2023 (Annual Meeting)

Section 2. Special and adjourned meetings of the Board of Directors may be called and held in the manner authorized in the Ralph M. Brown Act, Cal. Gov. Code § 54950, *et seq.*, as may be amended from time to time.

Section 3. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of Five Cities Fire Authority held on June 22, 2023.

BOARD CHAIR

ATTEST:

TRICIA MEYERS, CLERK TO THE BOARD

APPROVED AS TO CONTENT:

STEPHEN C. LIEBERMAN, FIRE CHIEF

APPROVED AS TO FORM:

ISAAC ROSEN, GENERAL COUNSEL

OFFICIAL CERTIFICATION

I, TRICIA MEYERS, Clerk to the Board of the Five Cities Fire Authority, County of San Luis Obispo, State of California, do hereby certify under penalty of perjury, that the attached Resolution No. 2023-01 is a true, full, and correct copy of said Resolution passed and adopted at the regular meeting of the Board of the Five Cities Fire Authority on the 22nd day of June, 2023.

WITNESS my hand and the Seal of the Five Cities Fire Authority affixed this 22nd day of June, 2023.

TRICIA MEYERS, CLERK TO THE BOARD

MINUTES

FIVE CITIES FIRE AUTHORITY BOARD MEETING WEDNESDAY, May 24, 2023

CALL TO ORDER:

Chair Varni called the Five Cities Fire Authority (FCFA) Board meeting to order at 09:00 a.m.

FLAG SALUTE:

Chair Varni led the Flag Salute.

ROLL CALL:

FCFA Board: Chair Charles Varni, Vice Chair George and Board Member Daniel Rushing.

FCFA Staff Present: Chief Stephen Lieberman, General Counsel Dave Hale and Clerk to the Board, Tricia Meyers.

AGENDA REVIEW:

Chair Varni asked if there were any comments on the Agenda. Hearing none, the Agenda was approved as presented.

COMMUNITY COMMENTS AND SUGGESTIONS:

None.

CONSENT AGENDA:

Action: Vice Chair George moved, and Board Member Rushing seconded the motion to approve the Consent Agenda. No public comment was received. The motion passed on the following roll call vote:

AYES: George, Rushing, Varni
NOES: None
ABSENT: None
ABSTAIN: None

1. Consideration of Approval of Minutes.

Action: Approved minutes of the Board Meeting of April 26, 2023.

2. Consideration of Cash Disbursement Activity.

Action: Received and filed the listing of cash disbursements for the period of April 1 through April 30, 2023.

PROTEST HEARING:

- a. **Protest Hearing: 2023 Weed Abatement Protest Hearing and Issuance of Abatement Order.** Chief Lieberman presented the properties on the list for the weed abatement protest hearing. There are fifty-five properties out of compliance. The owner of APN 060-541-006 on Farroll Avenue has abated their weeds and can be removed from the list. Chief Lieberman is requesting the properties over 9 acres will be removed and General Counsel will send owners a notice to remove weeds. Abating the large parcels will not allow us to stay within our weed abatement budget.

Action: Vice Chair George moved, Board Member Rushing seconded the motion, to close the public hearing and issue an abatement order to direct the Fire Chief to have the weeds removed on the properties reported on the list. The motion also included the direction to have General Counsel Hale send a letter to all properties over 9 acres to abate their weeds on their own and those properties will be removed from the abatement list. The motion passed on the following roll call vote:

AYES: George, Rushing, Varni
NOES: None
ABSENT: None
ABSTAIN: None

CONTINUED BUSINESS:

None.

NEW BUSINESS:

None.

BOARD MEMBER ITEMS:

None.

FIRE CHIEF ITEMS:

- a. Chief Lieberman discussed upcoming changes to the new Joint Powers Authority(JPA) Agreement, as well as explained that a new Board of Directors for Five Cities Fire Authority(FCFA) will meet at the end of June.
- b. Chief Lieberman thanked the current Board for their service.
- c. The new Firefighters are doing well and continue their training on each shift.
- d. If the FCFA budget is approved, a Battalion Chief and two Fire Engineers will be added to daily staffing. The Battalion Chief positions will be moved to a shift based schedule.
- e. FCFA will continue to focus on four areas of prevention in the new JPA, such as plan reviews, weed abatement, fireworks, and multi-family dwelling inspections.
- f. Truck 6645 is back in service. It has been in service less than 50% of the time in the last fiscal year. A current build time for a new truck is three years and T6645 is in need of replacement. Engine 6691(2007) also needs to be replaced.
- g. The new Wildland Engine did not pass its final inspection by FCFA staff. The identified items will be corrected by Pierce.

GENERAL COUNSEL ITEMS:

None.

BOARD COMMUNICATIONS:

Vice Chair George reported the details from the City of Arroyo Grande Council meeting regarding contract options that JPA partners could offer Oceano Community Services District(OCSD) in the next fiscal year. Their council agreed to approve the proposed 12-month contract with OCSD for next fiscal year. Staff will continue to work on a funding formula for future contracts.

CLOSED SESSION:

The Board adjourned to Closed Session at 9:49 a.m. concerning the following item:

- a. **CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION** pursuant to paragraph (1) subdivision (d) of Government Code Section 54956.9: Boyer v. Five Cities Fire Authority, Case No. 18CV-0438

RECONVENED TO OPEN SESSION:

General Counsel Hale called the meeting back to order at 9:55 a.m. and reported the Board has unanimously approved the settlement agreement of \$500,000, which will close Case No. 18CV-0438, Boyer v. Five Cities Fire Authority.

ADJOURNMENT:

Chair Varni adjourned the meeting at 9:57 a.m.

BOARD CHAIR

ATTEST:

TRICIA MEYERS, CLERK TO THE BOARD



STAFF REPORT

TO: Chair and Board Members **MEETING DATE:** June 22, 2023

FROM: Stephen C. Lieberman, Fire Chief
Nicole Valentine, Treasurer

SUBJECT: Consideration of Cash Disbursement Ratification

RECOMMENDATION

It is recommended that the Five Cities Fire Authority (FCFA) Board of Directors review, receive and accept the attached listing of cash disbursements for the period May 1 through May 31, 2023.

BACKGROUND

The FCFA JPA agreement identifies the City of Arroyo Grande as the agency providing financial services to the fire department. The City processes payroll and accounts payable on behalf of the FCFA. Historically, the City has processed FCFA payroll on City checks (using a City bank account). The City recovers 100% of these payroll costs along with related staff time.

Cash disbursements are made weekly based on the submission of all required documentation and supporting invoices for costs incurred/services rendered. The Fire Chief reviews all disbursement documents before they are submitted to the City for processing.

FISCAL IMPACT

There is a \$856,012.85 fiscal impact that includes the following items:

- Accounts Payable Checks \$ 451,611.85
- Payroll and Benefit Checks 404,401.00

ALTERNATIVES

The following alternatives are provided for the Board's consideration:

1. Approve the staff recommendation
2. Do not approve the staff recommendation
3. Provide other direction.

ATTACHMENTS

May 1 through May 31, 2023 Accounts Payable Register
May 1 through May 31, 2023 Payroll and Check Register

PREPARED BY

Stephen C. Lieberman, Fire Chief

FIVE CITIES FIRE AUTHORITY
CHECK LISTING
MAY 1 - MAY 31, 2023

ATTACHMENT 1

Line	Check Date	Check #	Amount	Description	Acct #	Vendor Name
1	05/12/2023	8912	292.86	SHOP SUPPLIES-RENTAL MOPS, MATS, TOWELS, CLOTHS	290.4211.5303	ARAMARK UNIFORM SERVICES
2	05/12/2023	8913	162.11	BAN#9391033179 STN 3 CIRCUIT CHARGES	290.4211.5403	AT&T
3	05/12/2023	8913	162.11	BAN#9391033178 STN 2 CIRCUIT CHARGES	290.4211.5403	AT&T
4	05/12/2023	8913	622.39	BAN#9391033185 PHONE LINES 3/25-4/24	290.4211.5403	AT&T
5	05/12/2023	8914	98.62	ACCT#8245101010116287 STN 3 TV	290.4211.5401	CHARTER COMMUNICATIONS
6	05/12/2023	8914	123.59	ACCT#8245101000202519 STN 2 TV	290.4211.5401	CHARTER COMMUNICATIONS
7	05/12/2023	8915	676.00	ACTUARIAL CONSULTING SVCS-CALPERS STUDY	290.4211.5303	FOSTER & FOSTER INC
8	05/12/2023	8916	1,054.50	04/23 PROF LEGAL SVCS	290.4211.5303	DAVID P. HALE
9	05/12/2023	8917	440.45	BATALLION CHIEF DUAL MONITOR SETUP	290.4211.5702	ITSAVVY LLC
10	05/12/2023	8918	7.60	STN 1-WD40	290.4211.5604	MINER'S ACE HARDWARE, INC
11	05/12/2023	8919	2,535.00	04/23 PROF LEGAL SVCS	290.4211.5303	MOLLY THURMOND P.C.
12	05/12/2023	8920	696.62	GAS SERVICES-STN 1 3/27-4/25	290.4211.5401	SOCALGAS
13	05/12/2023	8921	177.79	ICE MACHINE RENTAL	290.4211.5303	TOGNAZZINI BEVERAGE SERVICE
14	05/12/2023	8922	5,100.00	COMPENSATION STUDY	290.4211.5303	UNCOMPLICATE HR INC
15	05/12/2023	8923	378.78	ACCT#670954297-00001 PHONE LINES	290.4211.5403	VERIZON WIRELESS
16	05/12/2023	8924	272.52	LED RED FLASH	290.4211.5255	WATTCO
17	05/15/2023	8925	434.35	OXYGEN CYLINDER RENTAL	290.4211.5303	AIRGAS USA, LLC
18	05/15/2023	8926	196.66	ELKHART NST FORESTRY NOZZLE	290.4211.5255	ALLSTAR FIRE EQUIPMENT, INC
19	05/15/2023	8927	33.72	WATER-FIRE HYDRANT	290.4211.5401	CITY OF ARROYO GRANDE
20	05/15/2023	8927	372.58	WATER/SEWER FEES-STN 1	290.4211.5401	CITY OF ARROYO GRANDE
21	05/15/2023	8927	82.52	IRRIGATION-STN 1	290.4211.5401	CITY OF ARROYO GRANDE
22	05/15/2023	8928	322.29	WATTCO-LED FLASH E6692	290.4211.5601	BANK OF AMERICA
23	05/15/2023	8928	70.26	HEACOCK TRAILERS- TAIL LIGHT PLUG	290.4211.5601	BANK OF AMERICA
24	05/15/2023	8928	16.94	SECURE CONFERENCE	290.4211.5403	BANK OF AMERICA
25	05/15/2023	8928	189.00	USPS-WEED ABATEMENT MAILING	290.4211.5208	BANK OF AMERICA
26	05/15/2023	8928	139.26	OFFICE SUPPLIES	290.4211.5201	BANK OF AMERICA
27	05/15/2023	8928	250.00	EMSP=PARAMEDIC RECERT-HUNT	290.4211.5501	BANK OF AMERICA
28	05/15/2023	8928	71.09	EBAY-PORTABLE RADIO HOLDERS	290.4211.5606	BANK OF AMERICA
29	05/15/2023	8928	272.19	FUEL	290.4211.5608	BANK OF AMERICA
30	05/15/2023	8928	125.68	AMAZON-IPAD OTTERBOX	290.4211.5702	BANK OF AMERICA
31	05/15/2023	8928	356.85	AMAZON-PRINTER TONER	290.4211.5201	BANK OF AMERICA
32	05/15/2023	8928	19.99	ADOBE-LANDGLIDE APP	290.4211.5607	BANK OF AMERICA
33	05/15/2023	8928	99.96	AMAZON-REHAB SUPPLIES	290.4211.5255	BANK OF AMERICA
34	05/15/2023	8928	662.00	MASTERTECH-2018 FORD TRANSMISSION SERVICE	290.4211.5601	BANK OF AMERICA
35	05/15/2023	8928	64.95	GARRETT BRANDS-PUBLIC RELATIONS SUPPLIES	290.4211.5504	BANK OF AMERICA
36	05/15/2023	8928	15.99	ZOOM	290.4211.5403	BANK OF AMERICA
37	05/15/2023	8928	0.99	APPLE- I-PHONE STORAGE	290.4211.5403	BANK OF AMERICA
38	05/15/2023	8928	169.30	UPS SHIPPING	290.4211.5208	BANK OF AMERICA

FIVE CITIES FIRE AUTHORITY
CHECK LISTING
MAY 1 - MAY 31, 2023

ATTACHMENT 1

Line	Check Date	Check #	Amount	Description	Acct #	Vendor Name
39	05/15/2023	8928	150.85	FIX 805- REPAIR IPAD SCREEN	290.4211.5702	BANK OF AMERICA
40	05/15/2023	8928	12.93	GRAND AWARDS-BOARD MEMBER NAME PLAQUES	290.4211.5201	BANK OF AMERICA
41	05/15/2023	8928	77.20	MEALS-EXTENDED INCIDENT	290.4211.5508	BANK OF AMERICA
42	05/15/2023	8928	105.01	AMAZON-COMPUTER EQUIPMENT	290.4211.5702	BANK OF AMERICA
43	05/15/2023	8928	929.61	FIREQUICK-FLARE SYSTEMS TYPE 3	290.4211.5255	BANK OF AMERICA
44	05/15/2023	8929	42.84	EMS SUPPLIES	290.4211.5206	BOUND TREE MEDICAL, LLC
45	05/15/2023	8930	52.96	T-6645 COOLANT HOSE	290.4211.5601	CENTRAL COAST TRUCK CENTER
46	05/15/2023	8931	209.98	ACCT#8245100960252290 STN 1 INTERNET	290.4211.5401	CHARTER COMMUNICATIONS
47	05/15/2023	8932	95.19	R-822 PORTABLE RADIO REPAIR	290.4211.5606	COAST ELECTRONICS
48	05/15/2023	8932	334.45	R-876 PORTABLE RADIO REPAIR	290.4211.5606	COAST ELECTRONICS
49	05/15/2023	8932	10.76	PROGRAMMING SOFTWARE UPGRADE-RADIOS	290.4211.5606	COAST ELECTRONICS
50	05/15/2023	8933	2,515.12	6 BATTERIES-E6692	290.4211.5601	CONTINENTAL BATTERY COMPANY
51	05/15/2023	8934	1,581.76	FUEL	290.4211.5608	JB DEWAR, INC
52	05/15/2023	8935	19,021.00	(12) STANDARD NFPA PHYSICALS	290.4211.5315	ON DUTY HEALTH, PLLC
53	05/15/2023	8936	203.24	06/23 HAZARDOUS WATER DISPOSAL	290.4211.5303	STERICYCLE INC.
54	05/15/2023	8937	108.92	06/23 SCHEDULING SOFTWARE	290.4211.5607	TARGETSOLUTIONS LEARNING, LLC
55	05/15/2023	8938	184.88	(8) SWEATSHIRTS	290.4211.5276	THE TOP SHOP
56	05/19/2023	8939	11,363.63	KENWOOD NX5700 RADIOS	290.4211.5603	APPLIED TECHNOLOGY GROUP INC
57	05/19/2023	8940	292.86	SHOP SUPPLIES-RENTAL MATS, MOPS, TOWELS, CLOTHS	290.4211.5303	ARAMARK UNIFORM SERVICES
58	05/19/2023	8941	124.50	STN 2 MATS	290.4211.5303	ARAMARK UNIFORM SERVICES
59	05/19/2023	8942	40.00	PEST CONTROL-STN 2	290.4211.5605	AUTHORIZED PEST CONTROL
60	05/19/2023	8942	40.00	PEST CONTROL-STN 3	290.4211.5605	AUTHORIZED PEST CONTROL
61	05/19/2023	8943	209.98	ACCT#8245101000239800 STN 2 INTERNET	290.4211.5401	CHARTER COMMUNICATIONS
62	05/19/2023	8943	209.98	ACCT#8245101010138133 STN 3 INTERNET	290.4211.5401	CHARTER COMMUNICATIONS
63	05/19/2023	8944	1,847.00	ACTUARIAL CONSULTING-CALPERS STUDY	290.4211.5303	FOSTER & FOSTER INC
64	05/19/2023	8945	6.85	STN 1 PLUMBING SUPPLIES	290.4211.5604	MINER'S ACE HARDWARE, INC
65	05/19/2023	8945	(2.79)	CREDIT RETURN-CAP	290.4211.5601	MINER'S ACE HARDWARE, INC
66	05/19/2023	8945	16.15	R6661 TIE WIRE	290.4211.5603	MINER'S ACE HARDWARE, INC
67	05/19/2023	8945	3.20	TUBE STRAP	290.4211.5601	MINER'S ACE HARDWARE, INC
68	05/19/2023	8945	9.69	PTR TAPE	290.4211.5601	MINER'S ACE HARDWARE, INC
69	05/19/2023	8945	8.61	R6652 O RING TOGGLE SWITCH	290.4211.5601	MINER'S ACE HARDWARE, INC
70	05/19/2023	8945	156.55	R6661 TOOLBOX, CASE, LATCH, POUCH	290.4211.5603	MINER'S ACE HARDWARE, INC
71	05/19/2023	8945	23.24	BATTERY CLAMP, PVC PIPE, CAP	290.4211.5601	MINER'S ACE HARDWARE, INC
72	05/19/2023	8946	200.00	REIMBURSE DMV PHYSICAL	290.4211.5315	JOE RAWSON
73	05/19/2023	8947	65.06	PARTS-STARTER SWITCH	290.4211.5601	SOUTH COAST EMERGENCY
74	05/26/2023	8948	1,972.19	PPE CARE & MAINT SVCS	290.4211.5272	ADVANCED PPE COMPANY
75	05/26/2023	8949	41.50	STN 2 RENTAL MATS	290.4211.5303	ARAMARK UNIFORM SERVICES
76	05/26/2023	8950	375,101.37	04/23 FCFA EXPENSES	290.0000.2002	CITY OF ARROYO GRANDE

FIVE CITIES FIRE AUTHORITY
CHECK LISTING
MAY 1 - MAY 31, 2023

ATTACHMENT 1

Line	Check Date	Check #	Amount	Description	Acct #	Vendor Name
77	05/26/2023	8951	849.87	ACCT#287284288210 IPAD WIRELESS CHARGES	290.4211.5403	AT&T MOBILITY
78	05/26/2023	8952	1,080.75	EMS SUPPLIES	290.4211.5206	BOUND TREE MEDICAL, LLC
79	05/26/2023	8953	216.48	ACCT#8245100960102339 STN 1 TV	290.4211.5401	CHARTER COMMUNICATIONS
80	05/26/2023	8954	133.33	ALTER WILDLAND TROUSER-SHORTEN INSEAM	290.4211.5272	ECMS, INC.
81	05/26/2023	8955	1,304.33	PG&E COSTS-STN 2 3/21-4/19	290.4211.5401	CITY OF GROVER BEACH
82	05/26/2023	8956	1,812.65	FUEL	290.4211.5608	JB DEWAR, INC
83	05/26/2023	8957	9,782.24	2022 CHEVY UTILITY OUTFITTING	290.4211.5603	JOHNSON EQUIPMENT COMPANY
84	05/26/2023	8958	107.23	E6661-TOOLS, SUPPLIES TO OUTFIT	290.4211.5273	MINER'S ACE HARDWARE, INC
85	05/26/2023	8958	48.93	SAW BLADE	290.4211.5273	MINER'S ACE HARDWARE, INC
86	05/26/2023	8958	7.48	SMALL TOOLS-SANDPAPER, FASTENER	290.4211.5273	MINER'S ACE HARDWARE, INC
87	05/26/2023	8958	(43.48)	CREDIT-RETURN TOOL BOX LATCH	290.4211.5601	MINER'S ACE HARDWARE, INC
88	05/26/2023	8958	81.75	E6661 TOOLBOX, SUPPLIES	290.4211.5603	MINER'S ACE HARDWARE, INC
89	05/26/2023	8959	1,385.79	ELECTRIC-STN 1 4/14-5/14	290.4211.5401	PACIFIC GAS & ELECTRIC CO
90	05/26/2023	8960	138.53	GAS SERVICES-STN 2 4/13-5/12	290.4211.5401	SOCALGAS
91	05/26/2023	8961	177.79	ICE MACHINE RENTAL	290.4211.5303	TOGNAZZINI BEVERAGE SERVICE
92	05/26/2023	8962	394.40	CLEAN & REPAIR TURNOUT COAT, PANTS	290.4211.5272	TURNOUT MAINTENANCE CO LLC
			<u>\$ 451,611.85</u>			

FIVE CITIES FIRE AUTHORITY
DEPARTMENTAL LABOR DISTRIBUTION
PAY PERIOD

04/14/23 - 04/27/23

5/5/2023

BY ACCOUNT

5101	Salaries Full time	86,039.07
5102	Salaries Part-Time - PPT	932.40
5103	Salaries Part-Time - TPT	288.00
5105	Salaries OverTime	36,219.17
5106	Salaries Strike Team OT	-
5108	Holiday Pay	4,179.77
5109	Sick Pay	288.00
5110	Annual Leave Buyback	-
5111	Vacation Buyback	-
5112	Sick Leave Buyback	-
5113	Vacation Pay	3,340.08
5114	Comp Pay	6,139.16
5115	Annual Leave Pay	3,418.90
5121	PERS Retirement	21,142.34
5122	Social Security	10,188.04
5123	PARS Retirement	13.99
5126	State Disability Ins.	984.29
5127	Deferred Compensation	125.00
5131	Health Insurance	18,265.88
5132	Dental Insurance	996.32
5133	Vision Insurance	277.32
5134	Life Insurance	130.92
5135	Long Term Disability	154.34
5143	Uniform Allowance	-
		193,122.99

FIVE CITIES FIRE AUTHORITY
DEPARTMENTAL LABOR DISTRIBUTION

PAY PERIOD

04/28/23 - 05/11/23

5/19/2023

BY ACCOUNT

5101	Salaries Full time	111,721.15
5102	Salaries Part-Time - PPT	-
5103	Salaries Part-Time - TPT	576.00
5105	Salaries OverTime	31,467.39
5106	Salaries Strike Team OT	-
5108	Holiday Pay	4,398.04
5109	Sick Pay	1,698.24
5110	Annual Leave Buyback	-
5111	Vacation Buyback	-
5112	Sick Leave Buyback	-
5113	Vacation Pay	1,661.12
5114	Comp Pay	4,355.76
5115	Annual Leave Pay	683.17
5121	PERS Retirement	21,927.68
5122	Social Security	11,666.44
5123	PARS Retirement	-
5126	State Disability Ins.	1,173.24
5127	Deferred Compensation	125.00
5131	Health Insurance	18,265.88
5132	Dental Insurance	996.32
5133	Vision Insurance	277.32
5134	Life Insurance	130.92
5135	Long Term Disability	154.34
5143	Uniform Allowance	-
		<u>211,278.01</u>



STAFF REPORT

TO: Chair and Board Members **MEETING DATE:** June 22, 2023

FROM: Nicole Valentine, Treasurer

SUBJECT: Consideration of Changes to the Management Resolution to Incorporate Shift Based Battalion Chief Schedule

RECOMMENDATION

It is recommended that the Board: 1) Adopt the attached Management Resolution that incorporates a Shift Based Battalion Chief Schedule.

BACKGROUND

On August 19, 2022, the Current Management Resolution was adopted incorporating the current management employees salaries and benefits structure.

On April 24, 2023, the Grover Beach City Council and on April 25th the Arroyo Grande City Council received an update on fire and emergency medical services following a February 27th presentation by outside consulting firm Baker Tilly of their review into fire and emergency medical services needs in Grover Beach and Arroyo Grande provided by the Five Cities Fire Authority (FCFA) Joint Powers Authority (JPA). The Baker Tilly report outlined proposed fire service level and staffing recommendations. Both Council's provided policy direction to support the service level and staffing recommendations. The first Recommendation that Baker Tilly made was to add an additional battalion chief to the full-time complement of management personnel and assign each battalion chief to a shift based schedule.

On April 26, 2023, the FCFA Board adopted the Battalion Chief job description that includes reference to the operational nature of the position and references the 24-hour shift schedule.

The FY 2023-24 budget for approval as item New Business Item 3. incorporated the Baker Tilly recommendation adding one additional Battalion Chief for a total of 3 and shifting the schedule from a forty (40) hour-week work schedule including on-call 24 hours a day to a shifts based schedule. A shift based schedule is defined as a work period of twenty-four (24) hours, commencing at 0700 hours and continuing until the next day, ending at 0700 hours (7 a.m. to the following 7 a.m.).

None of the affected employees are represented by a formal labor group or union. No change to the current salary is recommended at this time; any changes to salary will be determined later.

FISCAL IMPACT

The shift from 40 hour-week to 24-hour shift based schedule will impact the current battalion chiefs leave banks and a one-time lump sum payment is recommended to be paid out to bring the total hours below the maximum allotted accumulation of 725 hours. This example demonstrates the impact the shift based schedule will have on the current leave bank:

Example BC leave bank conversion					
Schedule	Total annual hours	Per Pay period hours	Hourly rate	Admin Leave Balance as of 5/25	Monetary Value of Leave Balances
40 hour-week	2080	80	\$ 73.59	706.32	\$ 51,978.09
24-hour shift based	2912	112	\$ 52.57	988.74	\$ 51,978.09

To maintain the same monetary value of leave balance the annual leave total would need to be increased from 706.32 hours to 988.74. The Management Resolution Section 9. subsection B states that the maximum accrual of annual leave shall be 725 hours. If the shifted based schedule admin leave balance is reduced from 988.74 to 725 the one-time payout to the battalion chief would be \$13,864.84 (263.74 hours x \$52.57). Additionally, staff is recommending that an additional reduction of admin leave balance lower than the 725 maximum be considered. The shift based schedule change will impact staffing for approximately 6 pay periods (11.33 hours per pay period x 6), and an additional reduction to a beginning balance of 657 (725-68) is shown here. This will provide the department the flexibility while implementing the battalion chief shift based schedule without each employee needing to take leave the first pay period upon conversion. This additional reduction in the leave bank would be \$3,574.76 (68 hours x \$52.57). Per this example the total one-time payout to the example battalion chief would be \$17,439.60

The actual estimated one-time payment to both Battalion Chiefs will be approximately \$30,575. The final calculation will be completed once the battalion chief shift base program is implemented on the first day of the pay period on August 18, 2023. The benefit of approving this resolution before August 18th is related to the start of the recruitment to fill the third Battalion Chief position. There is no additional expenditures related to the additional language related to the Shift Based Battalion Chief information incorporated into the Management Resolution.

ALTERNATIVES

The following alternatives are provided for the Board's consideration:

1. Approve a Management Resolution that incorporates Shift Based Battalion Chiefs; or
2. Provide further direction to staff.

ATTACHMENTS

Resolution for Management Employees incorporating Shift Based Battalion Chiefs.

PREPARED BY

N. Valentine, Treasurer

RESOLUTION NO. 2023-02

A RESOLUTION OF THE BOARD OF THE FIVE CITIES FIRE AUTHORITY ESTABLISHING WAGES AND BENEFITS FOR MANAGEMENT EMPLOYEES FOR FY 2023-24

WHEREAS, the Board of the Five Cities Fire Authority (“Authority”) has established a system of classification for all positions within the FCFA service with descriptive occupational titles used to identify and distinguish positions from one another based on job duties, essential functions, knowledge, skills, abilities and minimum requirements; and

WHEREAS, the Board has established a system of compensation for the classification titles listed herein, based on resolutions and agreements as approved and adopted by the Board; and

WHEREAS, the Board deems it in the best interest of the Authority that compensation for management employees be adjusted as hereinafter provided.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Five Cities Fire Authority that:

SECTION 1. AFFECTED EMPLOYEES

The wages and benefits set forth herein are to be provided to all management employees and this Resolution supersedes Resolution No. 2022-09.

SECTION 2. WAGES

The salary ranges for all affected job classes shall be as set forth on Exhibit A, which is attached hereto and by this reference made a part hereof.

SECTION 3. WORK SHIFTS

A. Forty (40) hour-week work schedule

1. The Forty (40) hour-week work schedule is assigned to the Fire Chief and Administrative Operations Manager/Clerk to the Board.

B. Twenty-Four (24) hour shift based work schedule

1. The Twenty Four (24) hour shift based work schedule is defined as a work period of twenty-four (24) hours, commencing at 0700 hours and continuing until the next day, ending at 0700 hours (7 a.m. to the following 7 a.m.). This work schedule is assigned to the Battalion Chiefs.

2. The normal workweek shall average fifty-six (56) hours of work over the course of a year, except in cases of emergency.
3. The regular work schedule shall be eight (8) twenty-four (24) hour shifts in a twenty-four (24) day cycle.

X = 24-hour on-duty period

O = 24-hour off-duty period

Schedule: XXOOOOXXOOOOXXOOOOXXOOOO

4. In the event the same shift is scheduled to work both Christmas Eve and Christmas day in the same year, the shift scheduled to work December 23 will be exchanged with the shift scheduled to work December 24, unless this impacts the FLSA and overtime cycle. If the FLSA cycle would be impacted by exchanging the shifts scheduled to work December 25 and 26, the shift scheduled to work December 25 will be exchanged with the shift scheduled to work December 26.
5. Overtime shall be paid at time and one-half of the employee's base salary for all actual hours worked in excess of one hundred eighty-two (182) hours in a twenty-four (24) day cycle and in accordance with the Fair Labor Standards Act (FLSA). Overtime shall be computed to the nearest one quarter (1/4) hour. For those assigned to an eight (8) hour day, overtime shall be paid for hours worked in excess of forty (40) hours per week. For purposes of determining overtime pay, the use of accrued Vacation Time, Compensatory Time Off, Sick Leave, Bereavement and Jury Duty shall be considered as hours worked. Mandatory and reimbursed call backs shall be counted as overtime and be paid at time and one-half of the employee's base salary.
6. At the request of any employee eligible for overtime pay, his/her supervisor will provide that, in lieu of cash payment for any overtime, he/she may have the choice of time off with pay at the rate of one and one-half (1 and 1/2) hours for each hour of overtime worked. The department will have a procedure for granting the time off and filling the position in accordance with FLSA. No employee shall accrue compensatory time off in excess of two hundred and forty-five (245) hours. Any overtime worked over that amount shall be paid as overtime as it is earned. Upon separation from employment, an employee is entitled to receive cash compensation for any unused compensatory time.
7. Shift exchanges: An employee may exchange all or any portion of a work shift in a manner consistent with the FLSA and Department policy, provided the replacement is a qualified employee. The JPA is not responsible for shift exchange arrangements made between employees and is not responsible for any record keeping. Outstanding shift exchange paybacks are the responsibility of the individuals involved. According to the FLSA, shift

exchanges are not considered “hours worked” and, therefore, do not have to be paid back in the twenty-four-day cycle. An employee who owes exchange time to another employee shall work for the other employee, and cannot pay it back in vacation time or other paid leave time.

SECTION 4. DEFERRED COMPENSATION

The Authority shall contribute \$600 per year to management employees and \$1,200 for the Fire Chief to a defined contribution supplemental retirement plan established in accordance with sections 401 (a) and 501 (a) of the Internal Revenue Code of 1986 and California Government Code sections 53215-53224.

SECTION 5. HEALTH PLAN BENEFITS

B. Cafeteria Plan

1. The Authority shall contribute an equal amount towards the cost of medical coverage under the Public Employee's Medical and Hospital Care Act (PEMHCA) for both active employees and retirees. The Authority's contribution toward coverage under PEMHCA shall be the minimum contribution amount established by CalPERS on an annual basis.
2. Employees participating in the full flex Cafeteria Plan shall receive a flex dollar allowance to purchase group health coverage for medical, dental and vision under the Cafeteria Plan. For the period of July 1, 2023 through November 30, 2023, the total monthly flex dollar allowance shall be \$860.82 with respect to an employee enrolled for self alone, \$1,625.78 for an employee enrolled for self and one dependent, and \$2,094.50 for any employee enrolled for self and two or more dependents. Effective December, 2023, for the January, 2024 premium, the total monthly flex dollar allowance shall be increased by an amount equal to one-half of the premium increase for the lowest cost HMO plan offered by CalPERS, up to a maximum of 5% of the premium increase. Any increase in premiums above this amount will be the full responsibility of the employee.
3. A portion of the flex dollar allowance (the PEMHCA minimum) is identified as the Authority's contribution towards PEMHCA. This amount shall be adjusted on an annual basis as the PEMHCA minimum contribution increases. Remaining flex dollars must be used by employees to participate in the Authority's health plans. Employees who waive medical coverage under the Cafeteria Plan because he/she provided the Authority with written proof that medical insurance coverage is in force through coverage provided by another source consistent with any rules or restrictions on the Authority by the medical plan provider, can take flex dollars for the amount provided to

employees enrolled for self alone (taxable income), deposit it into their 457 plan, or use it to purchase voluntary products. No remaining flex dollars may be redeemed.

B. Medical Insurance

1. The Authority shall maintain health benefits through CalPERS for fiscal year 2023-24.

C. Vision Insurance

The Authority shall provide a Vision Care Plan for management employees. The Authority shall contribute up to the full family premium. The Authority may select an alternate vision care provider during the term of this resolution providing that:

1. Any new plan maintains equivalent benefits to the employees; and
2. At least twenty-one (21) days advanced notice of plan changes are provided to affected employees.

D. Dental Insurance Plan

The Authority shall provide a dental plan of the Authority's choice for management employees. The Authority shall contribute up to the full family premium. The Authority may select an alternate dental insurance plan provider during the term of this resolution providing that:

1. Any new plan maintains equivalent benefits to the employees; and
2. At least twenty-one (21) days advanced notice of plan changes are provided to affected employees.

SECTION 6. LIFE INSURANCE PLAN

- A. The Authority shall provide group term life insurance benefit plan for management employees, which shall provide for fifty thousand dollars (\$50,000) life and AD&D coverage for employees only during the term of their employment.
- B. The Authority shall make available additional voluntary life insurance coverage, at the employee's expense, as long as the minimum participation requirements of the insurance provider are met.

SECTION 7. SHORT AND LONG-TERM DISABILITY

The Authority shall provide a short and long-term disability plan for management employees during the term of their employment.

SECTION 8. RETIREMENT

A. Retirement Defined

Retirement is defined as the termination of employment at an age when the employee would qualify for an allowance under the Public Employees' Retirement System (PERS).

B. PERS Retirement Contributions

1. G.C. Section 21354.4. The CalPERS 2.5% at Age 55 Retirement Plan shall be provided for non-sworn employees hired prior to December 21, 2012. Non-sworn employees under this plan shall pay the full eight percent (8%) of the employee share of CalPERS.
2. G.C. Section 21354. The CalPERS 2.0% at Age 55 Retirement Plan shall be provided for non-sworn employees hired between December 21, 2012 and December 31, 2012, CalPERS "Classic" members hired on or after January 1, 2013, and those eligible for reciprocity hired on or after January 1, 2013. Non-sworn employees under this plan shall pay the full seven percent (7%) of the employee share of CalPERS.
3. G.C. Section 7522.20. The CalPERS 2% @ 62 Retirement Plan shall be provided for new non-sworn employees hired on or after January 1, 2013 who are not CalPERS "Classic" employees and are not eligible for reciprocity. Non-sworn employees under this plan shall pay at least 50% of the total normal cost rate (currently 6.25%) of the employee share of CalPERS.
4. G.C. Section 21362.2. The CalPERS Public Safety Officer 3% @ 55 Retirement Plan shall be provided for sworn personnel hired prior to December 31, 2012 or those who are CalPERS "Classic" employees or eligible for reciprocity. The FCFA pays two percent (2%) of the nine percent (9%) employee share of CalPERS. Effective on the first full pay period following July 1, 2018, the FCFA will pay zero percent (0%) and the employee will pay the full nine percent (9%) employee share of CalPERS.
5. G.C. Section 7522.25. The CalPERS Public Safety Officer 2.7% @ 57 Retirement Plan shall be provided for new employees hired on or after January 1, 2013 who are not CalPERS "Classic" employees and are not eligible for reciprocity. Sworn employees under this plan shall pay at least 50% of the total normal cost rate (currently 11.5%) of the employee share of CalPERS.
6. GC Section 20636 (c)(4) pursuant to Section 20691. The employee portion of the PERS contribution paid by the FCFA shall be reported to PERS as income.

7. G.C. Sections 21024 and 21027. Employees may buy back, at their expense, retirement service credit for prior military service as permitted by PERS.
8. GC Section 20042. For safety employees hired prior to December 31, 2013 and non-sworn employees hired prior to December 21, 2012, retirement benefits are based on the highest single year compensation.
9. GC Section 20037. For sworn safety employees hired on or after December 31, 2012 and non-sworn employees hired on or after December 21, 2012, retirement benefits are based on the highest average annual compensation earnable by a member during three consecutive years of employment.
10. GC Section 20965. Employees shall receive credit for unused sick leave.
11. GC Section 21548. The spouse of a deceased member, who was eligible to retire for service at the time of death, may elect to receive the Pre-Retirement Optional Settlement 2 Death Benefit.
12. Effective January 1, 2013, the Public Employees' Pension Reform Act of 2013 (PEPRA) shall apply to all sworn and non-sworn employees, as well as for employees transferring from other CalPERS or reciprocal agencies.

C. Retiree Medical

1. Employees who retire from Authority service shall be allowed to purchase medical insurance coverage through the Authority.
2. GC Section 22892. The Authority's contribution shall be an equal amount for both employees and annuitants, which shall be the minimum contribution amount established by CalPERS on an annual basis. The Authority's contribution shall be adjusted annually thereafter by the CalPERS Board to reflect any change in the medical care component of the Consumer Price Index, provided that the Authority is participating in the CalPERS Health Plan.
3. The Authority shall provide a supplemental contribution to employees that are: 1) employed on a full-time basis as of June 30, 2008 and who have been employed with the Authority on a full-time basis for five (5) years or more at the time of retirement; or 2) employed on a full-time basis after June 30, 2008 and who have been employed by the Authority on a full-time basis for ten (10) years or more at the time of retirement.

The supplemental contribution shall be equal to the difference between the minimum contribution amount established by CalPERS as set forth above in Section 4. A. 1. and the following amounts:

For single annuitant coverage:	\$175.10
For annuitant + 1 dependent:	\$302.85
For annuitant + 2 or more dependents:	\$376.79

SECTION 9. ANNUAL LEAVE

Regular, full-time management employees shall accrue annual leave with pay to be used as leave for vacation, illnesses, and other personal purposes. Management employees may accrue such paid leave as provided by this provision to be used in the future or may convert annual leave to salary compensation under the conditions contained in these regulations.

A. Accumulation Rates:

Management employees shall accrue annual leave based upon the following schedule:

1. Management employees with less than five (5) years of service shall earn annual leave at the rate of 29 days (232 hours) per year;
2. Management employees with five (5) to ten (10) years of service shall earn annual leave at the rate of 31 days (248 hours) per year;
3. Management employees with ten (10) to fifteen (15) years of service shall earn annual leave at the rate of 33 days (264 hours) per year; and
4. Management employees with over fifteen (15) years of service shall earn annual leave at the rate of 34 days (272 hours) per year.
5. New full-time management employees shall be granted fifty-six (56) hours of Annual Leave upon hiring. However, additional Annual Leave shall not be accumulated until after completion of three (3) months of continuous service. If a new management employee terminates during the first three months of employment, the Annual Leave balance shall reflect the actual amount that would have been accumulated at the established rate per pay period, less any usage. If the employee's usage of Annual Leave exceeds the adjusted accumulation amount, the employee shall refund the excess amount used. The refund to the City shall be equal to excess hours used times the employee's hourly salary compensation rate.

B. Maximum Accrual:

The maximum accrual of annual leave shall be 725 hours. If an employee has accrued the maximum number of hours, accrual of annual leave shall be discontinued. Accrual shall resume on the first day of the pay period following a reduction in the accrued balance below the maximum allowed.

C. Conversion to Salary:

A management employee may convert a maximum of 48 hours of annual leave to salary compensation per year. Such conversions shall be allowed at the first pay period in July and at the first pay period in December of each year. In order to be eligible to convert annual leave to salary compensation, the employee must: a) convert a minimum of sixteen (16) hours to pay; and b) upon making the conversion to pay, the employee must be left with a minimum of 160 hours of annual leave.

Employees who are promoted or reclassified into a management position and were not subject to the annual leave program for the entire twelve (12) month

period shall be allowed to include previous vacation and sick leave use as annual leave for the purpose of this provision.

D. Notification and Approval:

Annual leave shall be scheduled in advance by the employee whenever possible, subject to the approval of the department director. It is the responsibility of the employee to provide the supervisor or Fire Chief with reasonable notice of an absence. The Fire Chief shall have the authority to approve or deny the use of annual leave for any period of absence. The scheduling of the use of annual leave shall be by the Fire Chief with due regard to the wishes of the employee and particular regard for the needs of the Authority. Employees who are off for extended periods due to illness or injury may be required to provide a physician's statement authorizing their return to work.

Reasonable absences of less than eight (8) hours shall not be debited against annual leave. Such absences should have the prior approval of the employee's supervisor and/or Fire Chief.

E. Separation from Employment:

Management employees who separate their employment from the Authority shall have all annual leave accumulations converted to salary compensation at the employee's current rate. Compensation shall be paid in one lump sum. Annual leave shall not be used to extend an employee's actual date of separation. When notice is given by an employee that he/she is terminating, the use of annual leave shall be suspended. The only exception to this provision is that with the approval of the employee's supervisor, the employee may be granted short-term leave (one (1) to three (3) days) to attend to personal business. However, such short-term leaves may not be conducted consecutively and with a frequency to create in effect, a long-term leave.

F. Service Credit Conversion:

1. Upon retirement an employee may have unused annual leave converted to Service Credit with the Public Employees' Retirement System (PERS).
2. Annual leave shall be converted to sick leave for PERS at the rate of one (1) hour of annual leave equals one (1) hour of sick leave.
3. When unused annual leave is converted to sick leave, for a service credit conversion, an employee may not receive additional cash compensation for the unused leave.

G. Conversion of Sick leave and Vacation Leave to Annual leave:

Employees who are promoted or reclassified into a management position shall convert their sick leave and vacation leave accumulation to annual leave.

1. Sick leave accumulations shall be converted to annual leave at the rate of one (1) hour of sick leave equals one-half (0.5) hour of annual leave.
2. Vacation leave accumulations shall be converted to annual leave at the rate of one (1) hour of vacation leave equals one (1) hour of annual leave.

SECTION 10. HOLIDAYS

The 40 hour work week schedule Management employees shall receive the following paid holidays:

- New Year's Eve, December 31
- New Year's Day, January 1
- Martin Luther King Day, third Monday of January
- Lincoln's Birthday, February 12 (or day of observance)
- Washington's Birthday, third Monday of February
- Memorial Day, the last Monday in May
- Independence Day, July 4
- Labor Day, the first Monday in September
- Veteran's Day, November 11 (or day of observance)
- Thanksgiving Day, fourth Thursday in November (or day of observance)
- Day following Thanksgiving
- Christmas Eve, December 24
- Christmas Day, December 25
- One Floating Day per Fiscal Year (employee choice with Supervisor approval)

The shift based work week schedule Management employees will receive payment in lieu of the designated holidays, employees will be provided 6.53 hours of straight-time pay semi-monthly.

Every day designated by the President, Governor, or Mayor for public observance as a special nonrecurring single event, such as the death of a national leader or end of war.

All holidays in the above schedule that fall on a Saturday shall be observed on the preceding Friday; all holidays in the above schedule that fall on a Sunday shall be observed on the following Monday.

ARTICLE 11. UNIFORM AND EQUIPMENT ALLOWANCE

Upon the hiring of a Fire Department employee, the JPA will provide applicable safety equipment and initial uniforms and ancillary equipment as specified by Fire Department

policy. The JPA will provide replacement safety equipment as necessary as determined by the Fire Chief.

- A. The JPA will provide a uniform allowance to members of this unit, in the amount of a lump sum \$1,500 per employee to be paid by July 15 per fiscal year. All uniforms will be compliant with NFPA Standard 1500 and as determined by the Fire Chief, and shall include items specified in C. below. Replacement of uniforms and equipment shall be deferred for the term of this agreement.
- B. Safety clothing (including safety boots) required in the performance of duties shall be provided by the JPA. Employees shall be required to report for work in the required uniform and shall wear the required safety clothing when performing hazardous duties.
- C. The type, style, and standards of maintenance of uniforms and equipment shall be determined by the Fire Chief. Employees are required to maintain these standards, including maintenance, repair and cleaning. If an employee is promoted from reserve status, items will be issued to augment their uniform compliment. Subject to the \$1,500 limit in A. above, uniforms to be purchased by the JPA for new employees include:
 - 1. Pants (up to 4 pairs)
 - 2. Uniform shirts (2 Short-sleeve and 1 Long-sleeve)
 - 3. T-shirts (up to 4)
 - 4. Jacket w/liner (1)
 - 5. Sweatshirts (up to 2)
 - 6. Socks (up to 6 pairs)
 - 7. Belt & buckle (1)
 - 8. Ball cap (1)
 - 9. Class A uniform (1 set provided after employee completes probation)
 - 10. Nameplate & insignias, including patches.
 - 11. Ancillary equipment and uniform items
 - 12. Boots

The above list may be modified with approval of the Fire Chief.

- D. Uniform replacements will be made on an as-needed basis as determined by the Fire Chief or his/her designee.
- F. The JPA shall provide safety prescription glasses and lenses for employees who require them for the performance of their duties. Glasses and lenses shall comply with OSHA standards and be approved for purchase by the Fire Chief or his/her designee.

SECTION 12. VEHICLE ASSIGNMENT OR ALLOWANCE

The Fire Chief and the Fire Battalion Chiefs shall be assigned a take home Authority vehicle.

SECTION 13. JURY DUTY

Management employees shall be granted leave with full pay and no loss in benefits when called for jury duty if the employee remits jury fees received for such jury duty. The employee may retain all travel pay or subsistence pay granted by the court because of the employee's participation in jury duty. The employee shall be responsible for notifying his/her supervisor as soon as possible upon receiving notice to appear for jury duty, make every reasonable effort to keep his/her supervisor advised as to the anticipated length of service, and return to work immediately following the end of jury duty service.

SECTION 14. BEREAVEMENT LEAVE

Management employees are entitled to a paid bereavement leave of absence, not to exceed five (5) days, in the event of the death of a member of the employee's immediate family, to include an employee's or spouse's parents, spouse, children, brother, sister, stepchildren, grandparents, grandchildren, aunt, uncle, son-in-law, daughter-in-law, step relatives described above, or any other person residing in the same household, for the purpose of attending the funeral and making other arrangements at the time the loss occurs. As a condition of granting leave for bereavement purposes, the appointing authority may request verification of the loss. Such leave is independent of annual leave. In order to receive this benefit, domestic partners must be registered with the Secretary of State.

SECTION 15. EMPLOYEE ASSISTANCE PLAN

The Authority shall provide an Employee Assistance Plan for management employees and their dependents during the term of their employment.

BE IT ALSO RESOLVED that the Clerk to the Board shall certify the passage and adoption of this Resolution and enter it into the book of original Resolutions.

On motion by _____, seconded by _____, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

BOARD CHAIR

ATTEST:

TRICIA MEYERS, CLERK TO THE BOARD

APPROVED AS TO CONTENT:

STEPHEN C. LIEBERMAN, FIRE CHIEF

APPROVED AS TO FORM:

ISAAC ROSEN, GENERAL COUNSEL

OFFICIAL CERTIFICATION

I, TRICIA MEYERS, Clerk to the Board of the Five Cities Fire Authority, County of San Luis Obispo, State of California, do hereby certify under penalty of perjury, that the attached Resolution No. 2023-02 is a true, full, and correct copy of said Resolution passed and adopted at the regular meeting of the Board of the Five Cities Fire Authority on the 22nd day of June, 2023.

WITNESS my hand and the Seal of the Five Cities Fire Authority affixed this 22nd day of June, 2023.

TRICIA MEYERS, CLERK TO THE BOARD

**FIVE CITIES FIRE AUTHORITY
SCHEDULE OF SALARY RANGES
MANAGEMENT
EFFECTIVE August 19, 2022**

	LOW	MID	HIGH	POSITION
Biweekly	3,273	3,626	3,980	ADMINISTRATIVE OPERATIONS MANAGER/CLERK TO THE BOARD
Monthly	7,091	7,857	8,623	
Annual	85,089	94,280	103,471	
Biweekly	4,843	5,365	5,888	BATTALION CHIEF
Monthly	10,493	11,625	12,756	
Annual	125,914	139,495	153,077	
Biweekly	5,618	6,225	6,831	FIRE CHIEF
Monthly	12,173	13,487	14,802	
Annual	146,072	161,845	177,618	



STAFF REPORT

TO: Chair and Board Members **MEETING DATE:** June 22, 2023

FROM: Stephen C. Lieberman

SUBJECT: Consideration of Authorization to Purchase a Replacement Station Alerting System for Arroyo Grande and Grover Beach Fire Stations

RECOMMENDATION

It is recommended that the Board of Directors:

- 1) Authorize the Fire Chief to execute a purchase order, not to exceed \$108,389.00 issued to Radio Mobile, Inc. for the purchase and installation of replacement station alerting systems at the Arroyo Grande and Grover Beach fire stations.
-

BACKGROUND

Prior to the formation of the Five Cities Fire Authority (FCFA), the three community fire stations had independently installed station alerting systems. A station alerting system is a network designed to alert the duty crew of a call for service. Utilizing both audible and visual signaling, the crew is notified of call type, and location as they prepare to respond. The current systems are initialized by two-way radio network, rather than internet based Ip protocols, which results in a slight delay in alerting.

Due to age, the current systems can no longer be supported with spare parts and technical support. Staff evaluated several vendors and has recommended Radio Mobile, Inc. as this vendor recently received the contract from the County of San Luis Obispo to provide software and connectivity for the mobile data computers (MDC) in FCFA response vehicles. The FCFA contracts for dispatch services with the County of San Luis Obispo and will be migrated to the Radio Mobile MDC platform prior to July 1, 2023. Integrating the successor station alerting solution with the MDC platform will provide a more efficient dispatch platform.

The vendor will provide site walks, identify needed low voltage cable runs, and install and test the system as part of the proposal. An added expenditure will be required to retain an Electrical Contractor or other qualified vendor to install the required cable runs. This cost is estimated at \$5,000 and is also included in the proposed budget.

FISCAL IMPACT

FCFA staff recommends a sole-source agreement with Radio Mobile for the following reasons:

- FCFA has a collective purchasing agreement with Sourcewell, a "Government Public Procurement Unit." FCFA is eligible to take advantage of pre-negotiated contracts with vendors such as Radio Mobile. By doing so, the FCFA will receive a 12.2% discount.

- FCFA contracts with the County of San Luis Obispo for 9-1-1 dispatch services via the CAL FIRE Emergency Command Center. CAL FIRE is migrating to Radio Mobile for mobile data computers July 1. FCFA is required to participate in this technology platform change. There will be system enhancements by having both station alerting and mobile data computer platforms managed by the same vendor.

The FCFA FY 23-24 FCFA operating budget includes funding for this project. Staff would recommend issuing the Purchase Order as of July 1, 2023.

ALTERNATIVES

The following alternatives are provided for the Board's consideration:

1. Approve the recommendation as submitted.
2. Defer the replacement of the station alerting systems.
3. Provide other direction to staff.

ATTACHMENTS

1. Radio Mobile, Inc. System Quote

PREPARED BY

Stephen C. Lieberman, Fire Chief



RadioMobile Inc.
 8801 Kenamar Drive
 San Diego, CA 92121
 858.530.1060

System Quote (Sourcewell)

IQ Flex - Fire Station Alerting System - Professional Services
 (2 Stations)

To: **Five Cities Fire Authority**
 (CAL FIRE SLU Schedule A)
 ATTN: Fire Chief Steve Lieberman
 140 Traffic Way
 Arroyo Grande, California. 93420

Quotation No. Q230208-1
 Date: February 8, 2023

Sourcewell Contract: 042021-RDO

Item	Part No.	Qty	U/M	Description	MSRP	Sourcewell	Extended
IQ Flex Lite Server-as-a-Service (LSaaS) (Station 1 & Station2)							
1	S708-LIC-IQF-MDC	2	ea annual	License, IQ Mobile Server Lite (Data terminal interface to CAL FIRE IQMS/CAD) Required as baseline server for FSAS plus FSAS app-i/f below. Annual license includes software maintenance, minor feature upgrades, ongoing tech/training support (Per terminal (fixed & mobile) license /month)	\$ 475.20	\$ 417.00	\$ 834.00
2	S708-LIC-IQF-FSA	2	ea annual	License, IQ Mobile Server Lite (FSAS Server Application & Interface to CAL FIRE IQMS/CAD) Includes: SCU interface and (1) CAD system interface Installs on required baseline server (above) Annual license includes software maintenance, minor feature upgrades, ongoing tech/training support (Per station CDT /month)	\$ 3,220.80	\$ 2,827.00	\$ 5,654.00
IQ FSAS Station Hardware (Station 1: Arroyo Grande)							
3	170-RMSCU-BUNDLE	1	ea	IQ FSAS Station Control Hardware Bundle Includes: * Station Control Unit (SCU); logic controller for I/O, audio tones generation, two-tone alert control, UPS power backup, 100W PA, 3-year warranty * Command Desk Terminal (CDT) with 12.1" display (Patriot-FS), UPS input, serial out, IP interface, 3-yr warr. * Rip and Run Printer Requires CDT Software License (below)	\$ 10,890.00	\$ 9,561.00	\$ 9,561.00
4	170-RMSCU-RIB	1	ea	IQ FSAS Radio Interface Box (RIB) Includes: Device and cables to integrate the in-station control station radio into the SCU and PA, 3-year warranty	\$ 88.00	\$ 77.00	\$ 77.00
5	170-RMSCU-CAMD	3	ea	IQ FSAS Crew Alert Module with Distributor (CAM-D) 1 required in every 1-4 CAMs/CALs (1 CAM-D controls, distributes audio, data, power up to 3 CAMs/CALs). Includes: speaker and multi-color lights configurable for heart-saver, rapid flash	\$ 825.00	\$ 724.00	\$ 2,172.00
6	170-RMSCU-CAM	3	ea	IQ FSAS Crew Alert Module (CAM) Includes: speaker and multi-color lights configurable for heart-saver, rapid flash	\$ 660.00	\$ 579.00	\$ 1,737.00
7	170-RMSCU-CAL	3	ea	IQ FSAS Crew Alert Light (CAL) Includes: multi-color lights configurable for pathway/space lighting, rapid flash option	\$ 577.50	\$ 507.00	\$ 1,521.00

Item	Part No.	Qty	U/M	Description	MSRP	Sourcewell	Extended
8	170-RMSCU-CAP	3	ea	IQ FSAS Crew Alert Panel (CAP) Includes: 16x32 RGB LED matrix panel indicating crews being alerted. (7.6" x 3.8") Requires (1) CAP-D for every (4) CAPs.	\$ 385.00	\$ 338.00	\$ 1,014.00
9	170-RMSCU-CAPD	3	ea	IQ FSAS Crew Alert Panel Remote Distributor (CAP-D) 1 required in every 1-4 CAPs (1 CAP-D controls, distributes data, power up to 4 CAPs).	\$ 358.00	\$ 314.00	\$ 942.00
10	170-RMSCU-CAS	25	ea	IQ FSAS Crew Alert Speaker (CAS) Configured in audio zone(s)	\$ 137.50	\$ 120.00	\$ 3,000.00
11	170-RMSCU-ZSP	6	ea	IQ FSAS CAM Zone Selector Panel (ZSP LCD) Allows crew to select who is occupying quarters for that shift and set volume to min or max allowable Requires annual software license.	\$ 247.50	\$ 217.00	\$ 1,302.00
12	170-RSCU-CAMVC	6	ea	IQ FSAS CAM / CAS Volume Control	\$ 110.00	\$ 96.00	\$ 576.00
13	170-RMSCU-TOT4	3	ea	IQ FSAS Turnout Timer Includes 4" numbers counting up in min:sec format	\$ 247.50	\$ 217.00	\$ 651.00
14	170-RMSCU-SPKR	4	ea	IQ FSAS Exterior Speaker For large areas; indoor and outdoor	\$ 192.50	\$ 169.00	\$ 676.00
15	170-RMSCU-ACKB	1	ea	Acknowledgement/Emergency Button Includes: Simple button interfaced to SCU i/o to acknowledge alert from multiple locations within the station	\$ 110.00	\$ 96.00	\$ 96.00
16	170-RMSCU-EXDI	0	ea	IQ FSAS External Device Interface For doorbells at doors; automated announcement of which door is being rung	\$ 137.50	\$ 120.00	\$ -
IQ FSAS Station Software (Station 1: Arroyo Grande)							
17	S508-FSCU-CDT	1	ea annual	IQ FSAS CDT Software License Includes: Station application software for SCU/CDT <u>Annual Subscription</u>	\$ 1,320.00	\$ 1,158.00	\$ 1,158.00
18	S508-FSCU-ZSP	6	ea annual	IQ FSAS CAM Zone Selector Panel (ZSP LCD) Software <u>Annual Subscription</u>	\$ 66.00	\$ 57.00	\$ 342.00
19	S508-FSAS-MOB	0	ea annual	IQ FSAS Mobile Alert Application (iOS) License <u>Annual Subscription</u>	\$ 220.00	\$ 193.00	\$ -
IQ FSAS Station Professional Services (Station 1: Arroyo Grande)							
20	P606-PROJ MGMT-STA	1	ea	Project Management - Station Includes station project admin support, documentation.	\$ 550.00	\$ 482.00	\$ 482.00
21	STA-INSTALL	1	ea	IQ FSAS SCU-only Installation and Installation Training To connect to existing i/o devices (if applicable) and/or new RM-provided devices, see next 2 line items. Train local personnel on installation/maintenance.	\$ 1,925.00	\$ 1,690.00	\$ 1,690.00
22	STA-INTEGRATION	3	hourly	IQ FSAS SCU Integration Engineering Integration to legacy station I/Os, PA, lights, radio, etc. (estimate of 3 hrs/station. Final determination billed at hourly rate).	\$ 330.00	\$ 289.00	\$ 867.00
23	STA-INSTALL-DEV	60	hourly	IQ FSAS SCU-connected Devices Installation New RM-provided peripheral devices; alert modules, speakers, ToT, incident monitors, etc. (estimated hours, based on pre-wiring by local contractor for 1-story station).	\$ 330.00	\$ 289.00	\$ 17,340.00
24	TRAINING-STA	1	ea	IQ FSAS Station Admin Configuration Training, Documentation (Based on sessions at each station)	\$ 275.00	\$ 241.00	\$ 241.00

Item	Part No.	Qty	U/M	Description	MSRP	Sourcewell	Extended
IQ FSAS Station Hardware (Station 2: Grover Beach)							
25	170-RMSCU-BUNDLE	1	ea	IQ FSAS Station Control Hardware Bundle Includes: * Station Control Unit (SCU); logic controller for I/O, audio tones generation, two-tone alert control, UPS power backup, 100W PA, 3-year warranty * Command Desk Terminal (CDT) with 12.1" display (Patriot-FS), UPS input, serial out, IP interface, 3-yr warr. * Rip and Run Printer Requires CDT Software License (below)	\$ 10,890.00	\$ 9,561.00	\$ 9,561.00
26	170-RMSCU-RIB	1	ea	IQ FSAS Radio Interface Box (RIB) Includes: Device and cables to integrate the in-station control station radio into the SCU and PA, 3-year warranty	\$ 88.00	\$ 77.00	\$ 77.00
27	170-RMSCU-CAMD	2	ea	IQ FSAS Crew Alert Module with Distributor (CAM-D) 1 required in every 1-4 CAMs/CALs (1 CAM-D controls, distributes audio, data, power up to 3 CAMs/CALs). Includes: speaker and multi-color lights configurable for heart-saver, rapid flash	\$ 825.00	\$ 724.00	\$ 1,448.00
28	170-RMSCU-CAM	5	ea	IQ FSAS Crew Alert Module (CAM) Includes: speaker and multi-color lights configurable for heart-saver, rapid flash	\$ 660.00	\$ 579.00	\$ 2,895.00
29	170-RMSCU-CAL	0	ea	IQ FSAS Crew Alert Light (CAL) Includes: multi-color lights configurable for pathway/space lighting, rapid flash option	\$ 577.50	\$ 507.00	\$ -
30	170-RMSCU-CAP	1	ea	IQ FSAS Crew Alert Panel (CAP) Includes: 16x32 RGB LED matrix panel indicating crews being alerted. (7.6" x 3.8") Requires (1) CAP-D for every (4) CAPs.	\$ 385.00	\$ 338.00	\$ 338.00
31	170-RMSCU-CAPD	1	ea	IQ FSAS Crew Alert Panel Remote Distributor (CAP-D) 1 required in every 1-4 CAPs (1 CAP-D controls, distributes data, power up to 4 CAPs).	\$ 358.00	\$ 314.00	\$ 314.00
32	170-RMSCU-CAS	6	ea	IQ FSAS Crew Alert Speaker (CAS) Configured in audio zone(s)	\$ 137.50	\$ 120.00	\$ 720.00
33	170-RMSCU-ZSP	6	ea	IQ FSAS CAM Zone Selector Panel (ZSP LCD) Allows crew to select who is occupying quarters for that shift and set volume to min or max allowable Requires annual software license.	\$ 247.50	\$ 217.00	\$ 1,302.00
34	170-RSCU-CAMVC	3	ea	IQ FSAS CAM / CAS Volume Control	\$ 110.00	\$ 96.00	\$ 288.00
35	170-RMSCU-TOT4	2	ea	IQ FSAS Turnout Timer Includes 4" numbers counting up in min:sec format	\$ 247.50	\$ 217.00	\$ 434.00
36	170-RMSCU-SPKR	4	ea	IQ FSAS Exterior Speaker For large areas; indoor and outdoor	\$ 192.50	\$ 169.00	\$ 676.00
37	170-RMSCU-ACKB	2	ea	Acknowledgement/Emergency Button Includes: Simple button interfaced to SCU i/o to acknowledge alert from multiple locations within the station	\$ 110.00	\$ 96.00	\$ 192.00
38	170-RMSCU-EXDI	0	ea	IQ FSAS External Device Interface For doorbells at doors; automated announcement of which door is being rung	\$ 137.50	\$ 120.00	\$ -

Item	Part No.	Qty	U/M	Description	MSRP	Sourcewell	Extended
IQ FSAS Station Software (Station 2: Grover Beach)							
39	S508-FSCU-CDT	1	ea annual	IQ FSAS CDT Software License Includes: Station application software for SCU/CDT <u>Annual Subscription</u>	\$ 1,320.00	\$ 1,158.00	\$ 1,158.00
40	S508-FSCU-ZSP	6	ea annual	IQ FSAS CAM Zone Selector Panel (ZSP LCD) Software <u>Annual Subscription</u>	\$ 66.00	\$ 57.00	\$ 342.00
41	S508-FSAS-MOB	0	ea annual	IQ FSAS Mobile Alert Application (iOS) License <u>Annual Subscription</u>	\$ 220.00	\$ 193.00	\$ -
IQ FSAS Station Professional Services (Station 2: Grover Beach)							
42	P606-PROJ MGMT-STA	1	ea	Project Management - Station Includes station project admin support, documentation.	\$ 550.00	\$ 482.00	\$ 482.00
43	STA-INSTALL	1	ea	IQ FSAS SCU-only Installation and Installation Training To connect to existing i/o devices (if applicable) and/or new RM-provided devices, see next 2 line items. Train local personnel on installation/maintenance.	\$ 1,925.00	\$ 1,690.00	\$ 1,690.00
44	STA-INTEGRATION	3	hourly	IQ FSAS SCU Integration Engineering Integration to legacy station I/Os, PA, lights, radio, etc. (estimate of 3 hrs/station. Final determination billed at hourly rate).	\$ 330.00	\$ 289.00	\$ 867.00
45	STA-INSTALL-DEV	32	hourly	IQ FSAS SCU-connected Devices Installation New RM-provided peripheral devices; alert modules, speakers, ToT, incident monitors, etc. (estimated hours, based on pre-wiring by local contractor for 1-story station).	\$ 330.00	\$ 289.00	\$ 9,248.00
46	TRAINING-STA	1	ea	IQ FSAS Station Admin Configuration Training, Documentation (Based on sessions at each station)	\$ 275.00	\$ 241.00	\$ 241.00
Professional Services (System)							
47	P606-Project Mgmt	1	Lot	Project Management, Admin Support, Logistics, Documentation	\$ 8,250.00	\$ 7,260.00	\$ 7,260.00
48	RM-SVR-IQMSL	1	ea	Onboarding IQ Flex Includes configuration, resource provisioning, account setup (one time per billable agency)	\$ 11,000.00	\$ 9,680.00	\$ 9,680.00
49	TRAINING-SYS	1	Lot	IQ FSAS System Admin Configuration, User Training, Documentation Onsite system administration training including configuration, system operations, troubleshooting (up to 4 hours). Documentation including as-built system diagrams, training materials to cover topics listed above. Session recording for later playback, refresher training, continual support during term of agreement.	\$ 8,250.00	\$ 7,243.00	\$ 7,243.00
50	TRAVEL	1	Lot	Travel and living expense (server + 2 station installs)		TBD	\$ -

Pricing Summary (2 Stations + Infrastructure)	
IQ Flex Lite Server-as-a-Service Subtotal (annual recurring)	\$ 6,488.00
IQ FSAS Station Hardware (one-time)	\$ 41,570.00
IQ FSAS Station Software (annual recurring)	\$ 3,000.00
Professional Services Subtotal (one-time)	\$ 57,331.00
First Year Subtotal	\$ 108,389.00
Tax (7.75%)	\$ 3,221.68
Shipping / Handling	\$ -
First Year Total	\$ 111,610.68
First Year Summary (2 Stations + Infrastructure)	
Total one-time (pre-tax) Hardware, professional services	\$ 98,901.00
Total recurring annual Software licenses	\$ 9,488.00
	\$ 108,389.00
System Summary	
Total one-time (pre-tax) Professional services	\$ 24,183.00
	\$ 24,183.00
Station Summary	
Station 1: Total one-time (pre-tax) Hardware, professional services	\$ 43,945.00
Station 1: Total recurring annual Server Services / Software licenses	\$ 4,744.00
Station 1: Arroyo Grande Subtotal	\$ 48,689.00
Station 2: Total one-time (pre-tax) Hardware, professional services	\$ 30,773.00
Station 2: Total recurring annual Server Services / Software licenses	\$ 4,744.00
Station 2: Grover Beach Subtotal	\$ 35,517.00
System + 2 Stations Total	\$ 108,389.00

NOTES:

- ♦ Payment terms: 1) 25% (hardware) with PO
2) Milestones upon receipt
- ♦ 3-year minimum subscription term
- ♦ Prices are effective Jan 1, 2023 and are valid for 60 days
- ♦ Shipping to be included on final invoice
- ♦ Services through the Lite Server are intended for use by Schedule A agencies within jurisdiction of this Unit only.
- ♦ Software activation date establishes recurring license due date
- ♦ 1.5% interest per month charged on balances over 30 days

Prepared by: Ron Lyons
 rlyons@radiomobile.com
 619.855.7041

WARRANTY, MAINTENANCE TERMS, SOFTWARE LICENSING TERMS

WARRANTY

RadioMobile, Inc. warrants its products to be free from defects in material and workmanship subject to the terms set forth herein (“Warranty”). The length of the Hardware Warranty for the products is 3 years. Post-Warranty support for hardware is covered under maintenance contracts or extended warranty options. Warranty is determined by product date code or if product is serialized by the date the product is shipped to the customer from our distribution centers. The warranty for RadioMobile-provided software is ongoing during the lifetime of the license renewal subscription by the end user.

NOTE THAT ALL RADIOMOBILE PRODUCTS ARE DESIGNED TO BE INSTALLED AND SERVICED BY RADIOMOBILE-TRAINED PROFESSIONALS.

The end user is responsible for all labor costs associated with removing, reinstalling, and returning the product to RadioMobile. RadioMobile, at its option, will repair or replace the defective product. RadioMobile will return warranted repaired or replacements by ground or an equivalent service. A customer may pay the additional costs for second day or next-day service.

All products returned for warranty service first require a Return Materials Authorization Number (“RMA”). To request an RMA visit:

<https://radiomobile.com/support>

EXCEPT FOR THE EXPRESSED WARRANTIES EXPRESSLY CONTAINED IN THIS LIMITED WARRANTY, RADIOMOBILE MAKES NO OTHER PRODUCT REPRESENTATIONS OR WARRANTIES OF ANY KIND. ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING IMPLIED WARRANTIES OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY DISCLAIMED.

- A. RadioMobile warrants to the Buyer and subsequent purchaser during an applicable warranty period:
 - the products meet, in all material respects, the applicable specifications for such products in effect;
 - the products are free from all material defects in materials and workmanship under normal use and service.
- B. RadioMobile products provided here have a warranty period of three (3) years. The warranty period begins on the F.O.B. date of shipment from RadioMobile.
- C. RadioMobile services provided here have a warranty period of ninety (90) days from the time of service performance. Services include and are not limited to; installation, engineering, integration, and testing. RadioMobile reserves the right to resolve any service-related issues as deemed appropriate and in agreement with the end user.
- D. RadioMobile's sole obligations pursuant to this warranty, and the sole remedies of the Buyer and of any subsequent purchaser, shall be limited to the repair or replacement, in RadioMobile's sole discretion, of any of the products that do not conform to this warranty during the applicable warranty period.
- E. This warranty shall be invalidated if the products:
 - have not been installed, handled, or used in accordance with industry standard practices.
 - have been modified or disassembled by the Buyer or any subsequent purchaser.
 - have been damaged through misuse, mishandling, negligence, or abuse of the Buyer or any subsequent purchaser.
 - have their warranty seals broken, damaged, or destroyed.
 - have been subjected to repairs or attempted repairs by any person other than RadioMobile.
- F. Under its warranty, RadioMobile typically accepts no questions asked, non-functioning products with the exception of the above.
- G. In no respect shall RadioMobile incur any liability for any damages, including, but limited to, direct, indirect, special, or consequential damages arising out of, resulting from, or any way connected to the use of the item, whether or not based upon warranty, contract, or otherwise; whether or not injury was sustained by persons or property or otherwise; and whether or not loss was sustained from, or arose out of, the results of, the item, or any products or services that may be provided by RadioMobile.
- H. THE WARRANTY SET FORTH ABOVE IS MADE IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED; INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

WARRANTY, MAINTENANCE TERMS, SOFTWARE LICENSING TERMS

MAINTENANCE TERMS

- A. All maintenance terms and requirements described in this section will remain in effect from project initiation through project completion for a minimum period of five years from the date of F.O.B date of shipment from RadioMobile.
- B. Trained end user staff will provide a first level of response for all routine Equipment trouble calls including reports of failed hardware.
- C. If end user staff is not able to repair a reported problem, then the problem will be escalated to RadioMobile for resolution.
- D. RadioMobile shall offer phone/email access to qualified support technicians to provide support during normal business hours.
- E. End user will provide to RadioMobile an authorized contact to place requests for service.
- F. RadioMobile will provide 4-hour response to calls made within normal business hours for support, including immediate efforts leading to resolution.
- G. Failed equipment will be sent to RadioMobile by end user for replacement/correction.
- H. RadioMobile will repair or replace the equipment with similar, or better, new equipment within 5 business days. If this time frame is not achievable, end user will be notified.
- I. End user shall bear shipping charges while shipping to RadioMobile and RadioMobile will bear charges for equipment shipped back to end user matching (or exceeding) customer's shipping mechanism.

Address for repairs/returns:

RadioMobile
Attn: Returns/Repairs
8801 Kenamar Drive
San Diego, CA 92121
Phone: 858.530.1060 x 4421

RadioMobile recommends the customer purchase adequate spares to ensure business continuity.

WARRANTY, MAINTENANCE TERMS, SOFTWARE LICENSING TERMS

SOFTWARE LICENSING TERMS

Software License. Unless otherwise agreed upon in writing, any software provided by RadioMobile to end user as part of the Product or Services is subject to these Terms.

- A. If end user complies with these Terms, RadioMobile grants end user the right to install and use one copy of the software per device within North America for use by only one person at a time as part of end user's use of the software-provided services. Software must be installed on approved devices to ensure compatibility. The software that is part of the Product may include third-party code. Any third-party scripts or code, linked to or referenced from the software or website, are licensed to end user by the third parties that own such code, not by RadioMobile. Notices, if any, for the third-party code are included for information only.
- B. The software is licensed, not sold, and RadioMobile reserves all rights to the software not expressly granted by RadioMobile, whether by implication, estoppel, or otherwise. This license does not give end user any right to, and end user may not:
- circumvent or bypass any technological protection measures in or relating to the Product software;
 - disassemble, decompile, decrypt, hack, emulate, exploit, or reverse engineer any software or other aspect of the Product software that is included in or accessible through the Product, except and only to the extent that the applicable copyright law expressly permits doing so;
 - separate components of the software or Product for use on different devices;
 - publish, copy, rent, lease, sell, export, import, distribute, or lend the software or the Product, unless RadioMobile expressly authorizes end user to do so;
 - transfer the software, any software licenses, or any rights to access or use the Products;
 - use the Products in any unauthorized way that could interfere with anyone else's use of them or gain access to any service, data, account, or network;
 - enable access to the Products or modify any RadioMobile-authorized device by unauthorized third-party applications.
 - reassign the license without express RadioMobile agreement.

Warranties. RADIOMOBILE, AND OUR AFFILIATES, RESELLERS, DISTRIBUTORS, AND VENDORS, MAKE NO WARRANTIES, EXPRESS OR IMPLIED, GUARANTEES OR CONDITIONS WITH RESPECT TO YOUR USE OF THE PRODUCTS. YOU UNDERSTAND THAT USE OF THE PRODUCTS IS AT YOUR OWN RISK AND THAT WE PROVIDE THE PRODUCTS ON AN "AS IS" BASIS "WITH ALL FAULTS" AND "AS AVAILABLE." RADIOMOBILE DOESN'T GUARANTEE THE ACCURACY OR TIMELINESS OF THE PRODUCTS. TO THE EXTENT PERMITTED UNDER YOUR LOCAL LAW, WE EXCLUDE ANY IMPLIED WARRANTIES, INCLUDING FOR MERCHANTABILITY, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE, WORKMANLIKE EFFORT, AND NON-INFRINGEMENT. YOU MAY HAVE CERTAIN RIGHTS UNDER YOUR LOCAL LAW. NOTHING IN THESE TERMS IS INTENDED TO AFFECT THOSE RIGHTS, IF THEY ARE APPLICABLE. YOU ACKNOWLEDGE THAT COMPUTER AND TELECOMMUNICATIONS SYSTEMS ARE NOT FAULT-FREE AND OCCASIONAL PERIODS OF DOWNTIME OCCUR. WE DO NOT GUARANTEE THE SERVICES WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE OR THAT CONTENT LOSS WON'T OCCUR, NOR DO WE GUARANTEE ANY CONNECTION TO OR TRANSMISSION FROM THE COMPUTER NETWORKS.

Limitation of Liability. If you have any basis for recovering damages (including breach of these Terms), you agree that your exclusive remedy is to recover, from RadioMobile or any affiliates, resellers, distributors, Third-Party Apps and Services providers, and vendors, direct damages up to an amount equal to your Services fee for the month during which the loss or breach occurred (or up to \$10.00 if the Services are free). You can't recover any other damages or losses, including direct, consequential, lost profits, special, indirect, incidental, or punitive. These limitations and exclusions apply even if this remedy doesn't fully compensate you for any losses or fails of its essential purpose or if we knew or should have known about the possibility of the damages. To the maximum extent permitted by law, these limitations and exclusions apply to anything or any claims related to these Terms, the Products, or the software related to the Products.

Statement of OSS, Privacy, and Terms of Use can be found at:

- Open Source (OSS): <https://radiomobile.com/open-source-attribution>
- Privacy: <https://radiomobile.com/application-privacy-policy>
- Terms of Use: <https://radiomobile.com/terms-of-use>



STAFF REPORT

TO: Chair and Board Members **MEETING DATE:** June 22, 2023

FROM: Stephen C. Lieberman

SUBJECT: Consideration of Acquisition of Replacement Vehicle

RECOMMENDATION

It is recommended that the Board of Directors:

- 1) Direct the Fire Chief to execute needed agreements to purchase a replacement Pickup Truck and Shell outfitted for Emergency Response
 - 2) Authorize the Fire Chief to execute needed agreements to outfit vehicle for use.
-

BACKGROUND

At the February 17, 2023 Five Cities Fire Authority (FCFA) Board of Director's meeting, action was taken to declare a 2014 Dodge Command Vehicle as surplus due to a faulty and irreparable transmission. The Board approved the replacement purchase for this vehicle at the April 2023 meeting.

The Dodge was meant to be repurposed for use as a response vehicle to support the Strike Team Leader and single resource programs associated with the California Master Mutual Aid Agreement. A Strike Team Leader position provides supervision/command and control for a strike team consisting of five fire engines assigned to a large wildland fire or other disaster.

The COVID-19 pandemic had a global impact on the computer chip industry, along with other manufacturers of vehicle components. These issues remain and have complicated efforts to acquire vehicles. The FCFA is eligible to take advantage of a State of California pre-negotiated contract for vehicle purchases, but due to the reasons mentioned in this report, there are no vehicles available for purchase at discounted rates.

FCFA staff acquired three proposals for a replacement ½ ton 4-wheel drive vehicle. The quoted prices ranged from \$42,946.25 to \$54,693.90. Of the three proposals, Arroyo Grande Chevrolet provided the lowest quotation. Additional costs will be incurred to install radios, a shell, and emergency lighting.

FISCAL IMPACT

The Dodge pickup has been auctioned and proceeds of \$8,100.00 have been received by the FCFA.

The FCFA FY 23-24 operating budget includes \$60,000 to fund this project. Staff would recommend issuing the Purchase Order as of July 1, 2023.

ALTERNATIVES

The following alternatives are provided for the Board's consideration:

1. Direct the Fire Chief to order a replacement vehicle from Arroyo Grande Chevrolet in the amount of \$54,702.65, and complete the outfitting of the vehicle not to exceed \$60,000.00.
2. Do not approve the staff recommendation and provide other direction.

ATTACHMENT

Vehicle Bids (Arroyo Grande Chevrolet, Mullahey Ford, Rio Vista Chevrolet)

PREPARED BY

Stephen C. Lieberman, Fire Chief



Vehicle Locator

Dealer Information

ARROYO GRANDE CHEVROLET
 303 TRAFFIC WAY
 ARROYO GRANDE, CA 93420
 Phone: 805-489-5518
 Fax: 805-489-3185

3GCPDAEK0PG191427

Model Year: 2023

Make: Chevrolet

Model: 1500 Silverado

4WD, Short Crew-CK10543

PEG: Work Truck Preferred Equipment Group-1WT

Primary Color: Red Hot-G7C

Trim: 1WT/1FL-Cloth, Jet Black, Interior Trim-H1T

Engine: Engine: 2.7L, Turbo-L3B

Transmission: 8-Speed Automatic-MQE

Event Code: 5000-Delivered to Dealer

Order #: CFXBQV

MSRP: \$46,315.00

Order Type: TRE-Retail Stock

Stock #: N/A

Inventory Status: Available

Additional Vehicle Information

GM Marketing Information

Vehicle Options

Chargeable Options

	MSRP
2.7L TURBO HIGH-OUTPUT ENGINE CREDIT-1SZ	-\$1,500.00
Customer Choice-R7N	-\$50.00
Integrated Trailer Brake Controller-JL1	\$275.00
Trailer Package-Z82	\$395.00

No Cost Options

8-Speed Automatic-MQE
 Engine: 2.7L, Turbo-L3B
 Federal Emissions-FE9
 GVW Rating 7000 Lbs-C5W
 Rear Axle: 3.42 Ratio-GU6
 Wheels: 17" Steel - Painted Ultra Silver-RD6

Other Options

1WT/1FL-Cloth, Jet Black, Interior Trim-H1T	Alternator, 220 AMP-KW5
Automatic Emergency Braking-UHY	Chevrolet Infotainment, 7" Color Screen-IOR
Durabed-E63	Floor Covering: Rubberized Vinyl, Black-BG9
Following Distance Indicator-UE4	Front License Plate Mounting Provisions-VK3
Headlamps, Intellibeam-TQ5	Keyless Remote Entry-AQQ
Lane Keep Assist/Departure Warning-UHX	OPD / Focused Ordering Configuration Not Desired-R6Y
Power Door Locks-AU3	Rear Vision Camera, HD-UVB
Recovery Hooks-V76	Red Hot-G7C
Seats: Front 40/20/40 Split-Bench, Full Feature-AZ3	Sensor, Forward Collision Alert-UEU
Sensor, Front Pedestrian Braking-UKJ	Spare Tire Lock-SAF
Speaker System: Standard Sound System-UQF	Standard Tailgate-QK1
Tire, Spare: 255/70 R17 All Season, Blackwall-QBR	Tires: 255/70 R17 All Season, Blackwall-QBN
Work Truck Preferred Equipment Group-1WT	

"~" indicates vehicle belongs to Trading Partner's inventory

ARROYO GRANDE

CHEVROLET

Stock #:

VIN

Deal#: 0021256

June 8, 2023

Vehicle Not Found

FIVE CITIES FIRE AUTHORITY

Phone: 8059044704

Email:

Salesperson: HOUSE DEAL

Sale Information

MSRP	\$0.00
Selling Price	\$39,715.00
Accessories	\$0.00
Rebates	\$0.00
Service Contract	\$0.00
Gap	\$0.00
Net Trade	\$0.00
Fees	\$146.75

Trade Information

Trade Allowance	\$0.00
Trade Payoff	\$0.00
Net Trade	\$0.00

Cash Option

Sales Tax \$3,084.50

Balance Due Of \$42,946.25

Finance Option

Initial Investment _____

Lease Option

Initial Investment _____

Please submit this worksheet to management for review. I understand 1) This worksheet is neither an offer nor a contract and is not binding on the customer or the dealership. 2) No offer to purchase any vehicle is binding until accepted in writing by an authorized sales manager and 3) Sales consultants cannot obligate or bind the customer or the dealership.

I hereby authorize the dealership to conduct an investigation of my credit and employment history and release such information to banks, lenders and credit agencies.

Customer signature: _____

Dealership Approval: _____

Stock #:

VIN

Deal#: 0000000

June 8, 2023

Vehicle Not Found

CITY OF ARROYO GRANDE

Phone:

Salesperson:

Email:

Sale Information

Selling Price	\$50,760.00
Accessories	\$0.00
Rebates	\$0.00
Service Contract	\$0.00
Gap	\$0.00
Net Trade	\$0.00
Fees	\$8.75

Trade Information

Trade Allowance	\$0.00
Trade Payoff	\$0.00
Net Trade	\$0.00

Cash Option

Sales Tax \$3,933.90

Balance Due Of \$54,702.65

Finance Option

Initial Investment _____

Lease Option

Initial Investment _____

Please submit this worksheet to management for review. I understand 1) This worksheet is neither an offer nor a contract and is not binding on the customer or the dealership. 2) No offer to purchase any vehicle is binding until accepted in writing by an authorized sales manager and 3) Sales consultants cannot obligate or bind the customer or the dealership.

I hereby authorize the dealership to conduct an investigation of my credit and employment history and release such information to banks, lenders and credit agencies.

Customer signature: _____

Dealership Approval: _____



Preview Order F150 - W1E - 4x4 SuperCrew: Order Summary Time of Preview: 06/08/2023 12:12:22 Receipt: NA

Dealership Name: Mullahey Ford

Sales Code : F71474

Dealer Rep.	Charles Holden	Type	Retail	Vehicle Line	F-150	Order Code	F150
Customer Name	X XXXXX	Priority Code	19	Model Year	2023	Price Level	355

DESCRIPTION	MSRP	DESCRIPTION	MSRP
F150 4X4 SUPERCREW - 145	\$45410	COLOR-COORDINATED CARPET	\$145
145 INCH WHEELBASE	\$0	BLACK PLATFORM RUNNING BOARDS	\$250
RACE RED	\$0	STX APPEARANCE PACKAGE	\$2585
STX SPORT CLOTH 40/20/40	\$0	.SYNC 4 W/ENHANCED VOICE RECOGN	\$0
BLACK	\$0	.REAR-WINDOW DEFROSTER	\$0
EQUIPMENT GROUP 101A	\$0	.SIRIUS XM W/ 360L	\$0
.XL SERIES	\$0	.PRIVACY GLASS W/REAR DEFROSTER	\$0
2.7L V6 ECOBOOST	\$1285	50 STATE EMISSIONS	\$0
ELEC TEN-SPEED AUTO W/TOW MODE	\$0	LINER-TRAY STYLE-NO CARPET MAT	\$0
275/65R 18 BSW ALL-TERRAIN	\$0	FX4 OFF-ROAD PACKAGE	\$1095
3.55 ELECTRONIC LOCK RR AXLE	\$0	.SKID PLATES	\$0
6600# GVWR PACKAGE	\$0	18" 6-SPOKE GLOSS BLACK WHEELS	\$0
CA NEW MTR VEHICLE BOARD FEES	\$0	BEDLINER-TOUGHBED SPRAYIN*ACCY	\$595
JOB #2 ORDER	\$0	FUEL CHARGE	\$0
CV LOT MANAGEMENT	\$0	PRICED DORA	\$0
FRONT LICENSE PLATE BRACKET	\$0	DESTINATION & DELIVERY	\$1895

TOTAL BASE AND OPTIONS		MSRP	\$53260
XL DISCOUNT			\$-750
STX APPEARANCE DISCT			\$-750
TOTAL DISCOUNT			\$-1500
TOTAL			\$51760

\$50,760.00

Customer Name:
Customer Address:

Customer Email:
Customer Phone:

Customer Signature

Date

Rio Vista Chevrolet

Date/Time: 6/8/2023 1:58:51 PM

Buyer: Joey Silva
Cell Phone: (805) 748-6449
Address: 140 Traffic Way
Arroyo Grande, CA
93420

Salesperson: Anthony Diaz

2023 Chevrolet Silverado 1500 Custom



MSRP/Retail	\$49,815.00
Selling Price	\$42,793.80
Rebate	0.00
Total Savings + Rebate	\$7,021.20
Government Fee	\$39.75
Proc/Doc Fee	\$85.00
Total Taxes	\$3,323.10
Cash Down	0.00
Amount Financed	\$46,241.65

Subject to lender approval.



STAFF REPORT

TO: Chair and Board Members MEETING DATE: June 22, 2023

FROM: Stephen Lieberman, Fire Chief

**SUBJECT: PROTEST HEARING AND CONSIDERATION OF RESOLUTION
CONFIRMING WEED ABATEMENT COST ACCOUNTING REPORT
CONSISTENT WITH HEALTH AND SAFETY CODE SECTION 14905
AND 14906 ET SEQ**

RECOMMENDATION

It is recommended the Board adopt the attached Resolution and confirm the itemized report consisting of an account of the cost of abatement in front of or on each separate parcel of land.

BACKGROUND

Pursuant to Government Code Sections 39502 and 61100, the Member Agencies of the Five Cities Fire Authority (“Authority”) have delegated to the Authority all weed abatement functions consistent with Health and Safety Code Sections 14875, et seq., and therefore the Authority Fire Chief is hereby designated the person to give notice to destroy weeds consistent with Health and Safety Code Section 14890.

The Authority prepared a list of each lot or parcel within the cities of Arroyo Grande and Grover Beach and Oceano Community Services District enumerating those lots subject to abatement and adopted on April 26, 2023 a resolution approving a list of properties to be given notice their properties would be subject to weed abatement by the Authority. Notice was given to each and every property owner and on May 24, 2023, at 9 a.m., the Board held a protest hearing to allow protest related to the list of properties subject to weed abatement, and thereafter, the Board upon receiving no public protest, ordered the Fire Chief to abate and have the weeds removed.

The Fire Chief has engaged a contractor that has removed and abated the weeds on those properties that have not been cleaned by the property owners and has developed

an itemized report of the cost incurred on abating the weeds on each parcel of land which report is attached hereto as Exhibit A to the Resolution.

Prior to this hearing, a copy of the report and notice of this meeting has been posted near the chamber door of the City of Grover Beach, Council Chambers consistent with Health and Safety Code section 14905 and 14906.

FISCAL IMPACT

Costs associated with abatement will be placed on the property owners' property tax bills.

ALTERNATIVES

The following alternatives are provided for the Board's consideration:

1. Consider any public objections from owners liable to be assessed for the work of abatement and make any such modifications to the report as it deems necessary, after which it should confirm the report by approving the Resolution.
2. Do not adopt the Resolution; or
3. Provide direction to staff.

ATTACHMENTS

1. Resolution

PREPARED BY

S. Lieberman, Fire Chief/Executive Officer

RESOLUTION NO. 2023-03

A RESOLUTION OF THE BOARD OF THE FIVE CITIES FIRE AUTHORITY CONFIRMING THE ATTACHED ITEMIZED COST REPORT FOR WEED ABATEMENT ON FRONT OF OR ON EACH SEPARATE PARCEL OF LAND SUBJECT TO THE BOARD'S ABATEMENT ORDER

WHEREAS, the Authority prepared a list of each lot or parcel within the cities of Arroyo Grande and Grover Beach and Oceano Community Services District enumerating those lots subject to abatement and adopted a resolution on April 26, 2023 approving a list of properties to be given notice their properties would be subject to weed abatement by the Authority; and

WHEREAS, notice was given consistent with California Health and Safety Code section 14892 to each and every property owner subject to the April 26, 2023 resolution; and

WHEREAS, on May 24, 2023, at 9 a.m. the Board held a public hearing to allow protest related to the list of properties subject to weed abatement, and thereafter, the Board ordered the Fire Chief to abate and have the weeds removed; and

WHEREAS, a contractor was engaged by the Authority to remove and abate the weeds on those properties that have not been cleaned by the property owners, and has developed an itemized report of the cost incurred on abating the weeds on each parcel of land subject to the above abatement order; and

WHEREAS, prior to this hearing a copy of the report and notice of this meeting has been posted near the chamber door of the City of Grover Beach Council Chambers consistent with California Health and Safety Code section 14905 and 14906.

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF THE AUTHORITY AS FOLLOWS:

1. The Board upon considering the attached itemized report, incorporated herein by reference and identified as Exhibit A, does confirm the report subject to any proposed modifications of the Board as it deems necessary.
2. Consistent with California Health and Safety Code, § 14915 which states: "A copy of the report, as confirmed, shall be turned over to the auditor of the county, on or before the sixteenth day of July following such confirmation, and the auditor shall enter the amounts of the respective assessments against the respective parcels of land as they appear on the current assessment roll"; the Board herein directs the Fire Chief to turn over a copy of the report, as confirmed by the Board, to the auditor of the County of San

RESOLUTION NO. 2023-03

PAGE 2

Luis Obispo, within such time necessary for the auditor to enter the amounts of the respective cost, which shall constitute special assessments, against the respective parcels of land as they appear on the current assessment roll.

BE IT ALSO RESOLVED that the Clerk to the Board shall certify the passage and adoption of this Resolution and enter it into the book of original Resolutions.

On motion by _____, seconded by _____, and on the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

the foregoing Resolution was passed and adopted at the meeting of the Board of the Five Cities Fire Authority, this 22nd day of June, 2023.

BOARD CHAIR

ATTEST:

TRICIA MEYERS, CLERK TO THE BOARD

APPROVED AS TO CONTENT:

STEPHEN C. LIEBERMAN, FIRE CHIEF

APPROVED AS TO FORM:

ISAAC ROSEN, GENERAL COUNSEL

OFFICIAL CERTIFICATION

I, **TRICIA MEYERS**, Clerk to the Board of the Five Cities Fire Authority, County of San Luis Obispo, State of California, do hereby certify under penalty of perjury, that Resolution No. 2023-03 is a true, full, and correct copy of said Resolution passed and adopted at the meeting of the Board of the Five Cities Fire Authority on the 22nd day of June, 2023.

WITNESS my hand and the Seal of the Five Cities Fire Authority affixed this 22nd day of June, 2023.

TRICIA MEYERS, CLERK TO THE BOARD

2023 ARROYO GRANDE WEED ABATEMENT PROGRAM
LIST OF PROPOSED ASSESMENTS

EXHIBIT A

APN #	CONTRACTOR FEE	FCFA ADMINISTRATIVE FEE (18.5%)	TOTAL ASSESMENT
006-097-002	\$1,310.00	\$242.35	\$1,552.35
007-061-004	\$776.00	\$143.56	\$919.56
007-291-033	\$294.00	\$54.39	\$348.39
007-291-042	\$588.00	\$108.78	\$696.78
077-051-004	\$566.00	\$104.71	\$670.71
Total	\$3,534.00	\$653.79	\$4,187.79

2023 GROVER BEACH WEED ABATEMENT PROGRAM

EXHIBIT A

LIST OF PROPOSED ASSESMENTS

APN #	CONTRACTOR FEE	FCFA ADMINISTRATIVE FEE (18.5%)	TOTAL ASSESMENT
060-214-002	\$548.00	\$101.38	\$649.38
060-542-014	\$654.00	\$120.99	\$774.99
060-542-016	\$334.00	\$61.79	\$395.79
Total	\$1,536.00	\$284.16	\$1,820.16

2023 OCEANO WEED ABATEMENT PROGRAM
LIST OF PROPOSED ASSESMENTS

EXHIBIT A

APN #	CONTRACTOR FEE	FCFA ADMINISTRATIVE FEE (18.5%)	TOTAL ASSESMENT
061-021-058	\$104.00	\$19.24	\$123.24
061-044-034	\$138.00	\$25.53	\$163.53
061-044-035	\$276.00	\$51.06	\$327.06
061-112-014	\$210.00	\$38.85	\$248.85
061-112-015	\$210.00	\$38.85	\$248.85
062-073-002	\$588.00	\$108.78	\$696.78
062-083-003	\$212.00	\$39.22	\$251.22
062-282-081	\$430.00	\$79.55	\$509.55
Total	\$2,168.00	\$401.08	\$2,569.08



STAFF REPORT

TO: Chair and Board Members **MEETING DATE:** June 22, 2023

FROM: Matthew Bronson, Management Committee
Whitney McDonald, Management Committee

SUBJECT: Agreement to Provide Fire Services Between the Five Cities Fire Authority
and Oceano Community Services District

RECOMMENDATION

Approve an agreement for services with the Oceano Community Services District for a 12-month period beginning June 22, 2023, and ending June 30, 2024.

BACKGROUND

In January 2023, the OCSD initiated filed an application with the Local Area Formation Commission (LAFCO) to divest the district from the responsibility of providing fire and emergency services. The LAFCO process will not be resolved before July 1, 2023 (estimated timeline 9-12 months) when the OCSD will exit the Five Cities Fire Authority (FCFA). The member community city councils and district board have supported a limited term contract to provide emergency response and limited fire prevention services to the OCSD while the LAFCO process is underway.

The proposed contract is for 12 months from June 22, 2023, to June 30, 2024, with flexibility for potential contract extension and termination. Below are the significant terms of the proposed contract:

- **Term:** 12 months to provide time for completion of the LAFCO divestiture process.
- **Cost:** \$1,150,000.
- **Scope of Service:** Fire and emergency response services, including the minimal fire prevention services currently provided by the FCFA.
- **Location:** Service will be provided from companies stationed at either Station 1 in Arroyo Grande or Station 2 in Grover Beach. There exist identified deficiencies at Station 3 in Oceano that make continued use of this station by FCFA staff unadvisable beyond use as a storage area.

The contract cost to the OCSD reflects a 13% effective share of FCFA costs for the next fiscal year which is a lower percentage than the percentage in the current fiscal year (16%). A cost based on this 16% percentage would be approximately \$1.4 million while a cost based on the

percentage specified in the current Third Amendment to the JPA Agreement (20%) would be \$1.7 million. OCSD is unable to fund the increased percentages of total FCFA FY 2023-24 expenditures revenue given the failure of their tax measures.

The City Councils representing Arroyo Grande and Grover Beach, along with the Board of Directors of the OCSD reviewed the proposed contract for services at meetings held June 12, 13, 14 of 2023, and were supportive of this limited term agreement.

Any subsequent contract to provide fire and emergency services to the OCSD would be at a higher cost.

FISCAL IMPACT

The proposed FY 2023-24 FCFA budget assumes this contract in revenue projections. Should the contract not be approved, the FCFA budget would be reduced by \$1.15 million resulting in a decrease in service levels and the potential layoff of FCFA personnel.

ALTERNATIVES

The following alternatives are provided for the Board's consideration:

1. Approve the 12-month contract for services with the Oceano Community Services District commencing June 22, 2023.
2. Do not approve the contract for services; or
3. Provide alternative direction to staff.

ATTACHMENT

1. Proposed Oceano Community Services District Contract for Services
2. Exhibit C – Third Amended Joint Powers Agreement of the Five Cities Fire Authority

PREPARED BY

Stephen C. Lieberman, Fire Chief

**AGREEMENT TO PROVIDE FIRE SERVICES
BETWEEN THE FIVE CITIES FIRE AUTHORITY AND
OCEANO COMMUNITY SERVICES DISTRICT**

THIS AGREEMENT is made and entered into this ____ day of June 2023, (“Effective Date”) by and between the Five Cities Fire Authority (“FCFA”), a California Joint Powers Authority as authorized under Government Code Sections 6500 et. seq., and Oceano Community Services District (“Oceano”), a County of San Luis Obispo Community Services District (collectively referred to as “the Parties”).

RECITALS

WHEREAS, the Parties are public entities organized and operating under the laws of the State of California; and

WHEREAS, the Parties have the authority to perform fire protection activities, certain emergency medical services and other related activities for their respective agencies, including those described within Exhibit “B” (collectively, “FCFA Services”); and

WHEREAS, since June 7, 2010, Oceano has been a member agency of the Five Cities Fire Authority along with the Cities of Grover Beach and Arroyo Grande; and

WHEREAS, FCFA’s Joint Exercise of Powers Agreement was amended by the Parties to terminate Oceano’s participation as a member agency in FCFA commencing July 1, 2023; and

WHEREAS, the Parties desire for FCFA to continue supplying fire and emergency medical services to Oceano for a temporary period of time consistent with the terms and conditions of this Agreement; and

WHEREAS, Oceano remains subject to all “Wind Down Period” obligations set forth within the Five Cities Fire Authority Amended and Restated Joint Powers Authority Agreement, and specifically Section 5 of the Third Amendment to the FCFA Joint Powers Agreement incorporated herein as Exhibit “C”, Oceano’s withdrawal from the FCFA shall not absolve Oceano from any Liabilities, defined to include but not limited to pension/CalPERS, accrued fringe benefits, and other liabilities incurred arising out of Oceano’s participation in the FCFA since the time the FCFA was created on June 7, 2010 through the date of Oceano’s withdrawal from the FCFA on June 30, 2023; and

WHEREAS, this agreement is entered into pursuant to Government Code § 54981 and § 55632.

AGREEMENT

NOW, THEREFORE, the above "WHEREAS" provisions are incorporated herein with the same force and effect as any other term and condition of this Agreement and for and in consideration of the mutual advantages to be derived therefrom, and in consideration of the mutual covenants herein contained, it is agreed by and between the Parties hereto as follows:

ARTICLE I PROVISION OF SERVICES

1.1 **Scope of Services.** FCFA shall provide Fire and Emergency Medical Services within the jurisdictional area of Oceano. See jurisdictional map entitled Exhibit "A" incorporated by reference herein as if set out in full. "Fire and Emergency Medical Services" shall mean those services identified in Exhibit "B".

1.2 **Fire Chief.** FCFA's Fire Chief or his/her designee shall be immediately available for response and management of emergency incidents as necessary to provide incident command and coordination functions within the jurisdictional boundaries of Oceano over the term of this Agreement.

1.3 **Staffing.** FCFA shall provide, in its sole discretion, sufficient staffing personnel, meeting minimum federal and state-mandated training requirements for their respective classifications and responsibilities, to provide Fire Services, pursuant to this Agreement, to Oceano for the term of this Agreement. The staff shall consist of personnel assigned at the sole discretion of FCFA but at least one member of every shift shall be qualified as an Emergency Medical Technician.

ARTICLE II PAYMENT FOR SERVICES

2.1 **Compensation for Services.** Oceano shall compensate FCFA for all Fire and Emergency Medical Services performed under this Agreement in a fixed amount of One Million One Hundred Fifty Thousand Dollars (\$1,150,000.00). Oceano shall pay, on a quarterly basis (every three months from the effective date of this Agreement) the sum of Two Hundred Eighty-Seven Thousand Five Hundred Dollars and Zero Cents (\$287,500) for the Fire, Emergency Medical Services and any related FCFA Activities provided by FCFA. In the event the Fire, Emergency Medical Services and any related FCFA Activities are extended in accordance with Section 5.2, the compensation that FCFA will be willing to accept will be no less than the actual cost of service, in the amount or formula determined by FCFA that is presented to the County of San Luis Obispo for purposes of evidencing Oceano's proportionate

share of the actual cost of service, which will be incorporated in this Agreement as a new Exhibit "D" during the sixty (60) day meet and confer period described in Section 5.2 below. FCFA shall submit quarterly invoices to Oceano for the quarterly payment amount. Payments are to be made within thirty (30) days of FCFA mailed invoice to Oceano, and any non-payment in excess of sixty (60) days from the date of FCFA's mailed invoice shall be considered a default under this Agreement and shall accrue an additional ten (10) percent charge as described herein.

ARTICLE III PROPERTY USED FOR FIRE SERVICES

3.1 **Fire Station.** FCFA will utilize the Fire Stations number 1 and 2 located respectively at 140 Traffic Way, Arroyo Grande and 701 Rockaway Ave. Grover Beach, California, as its primary locations for the provision of Fire, Emergency Medical Services and FCFA Activities contemplated by this Agreement. Oceano retains fee title to the Fire Station number 3, but hereby grants FCFA an unrestricted license for full use of the apparatus bay at Station number 3, located at 1655 Front Street, Oceano for general storage purposes in furtherance of this Agreement. Oceano shall also make available for FCFA training and storage, the well site no. 8 property located on South 13th Street. FCFA's use of Station number 3 and well site no. 8 shall not be subject to any rental or other cost and shall be part of the consideration paid by Oceano for Fire, Emergency Medical Services and FCFA Activities rendered by FCFA to Oceano. Oceano agrees to maintain the Fire Station number 3 and well site no. 8, in a safe, habitable, and serviceable condition at all times.

(a) Nothing herein shall in any way limit Oceano's right to grant concurrent use of the Fire Station number 3 to any other party, that does not unreasonably interfere with FCFA's use of the apparatus bay for storage. FCFA shall not unreasonably interfere with the use of the Fire Station for any other purposes by Oceano.

(b) If Oceano grants rights to a third party for concurrent use of the Fire Station number 3, Oceano shall take all reasonable steps to ensure that the third party does not interfere with the use of the Fire Station for FCFA storage purposes and shall provide FCFA at least ten (10) days advanced notice of the use granted to a third party.

3.2 **Maintenance and Replacement.** FCFA, consistent with the Amended and Restated Joint Exercise of Powers Agreement, dated _____, 2023, shall bear all costs to maintain, repair and replace all facilities, vehicles, equipment and apparatus owned by FCFA and designated for use in the Fire, Emergency Medical Services and FCFA Activities.

**ARTICLE IV
RELATIONS OF PARTIES**

4.1 **Special Relationship.** The Parties will agree this Agreement does not create a “special relationship” as the term is defined by Federal or California law, between Oceano or any other agency, or between the Parties’ officials, officers, employees, or successors or with any third party as a result of this Agreement. Oceano does not participate nor is a member of FCFA and retains no rights or title in the FCFA Joint Powers Authority after June 30, 2023. Notwithstanding the foregoing, nothing within this Agreement absolves Oceano from obligations and/or CalPERS pension liabilities incurred and owed to FCFA, under the Five Cities Fire Authority Joint Exercise of Powers Agreement, over the time period Oceano was a member agency.

**ARTICLE V
TERM OF AGREEMENT**

5.1 **Term.** The term of this Agreement shall be from July 1, 2023, through June 30, 2024 (“Initial term”).

5.2 **Renewal or Extension of Agreement.** The Term of this Agreement may be extended upon mutual agreement of both Parties. Upon written notice of either Party, at ninety (90) days before the end of the Initial Term, the Parties shall meet and confer for a period of up to sixty (60) days regarding extending the term of the Agreement and the terms and conditions of the extension. If agreement cannot be reached regarding extension or renewal, the Agreement shall terminate with no further obligations of either Party at the end of the Initial Term. If the Agreement is extended by the Parties (the “Extended Term”), notwithstanding any other provisions of this Agreement, the Parties anticipate that the term for the Extended Term will be on a month-to-month basis commencing upon the end of the Initial Term.

5.3 **Termination.** During the initial term, if either Party seeks to terminate this Agreement, the notice to terminate shall be in writing and shall be at least one hundred twenty (120) days before the planned termination date. If Oceano is not current on all payments owed and is in default under this Agreement FCFA may terminate this Agreement immediately. If during the initial term, LAFCO makes a final determination as to Oceano's application for divestiture of fire services, and the decision of LAFCO would by operation of law or by lawful conditions imposed by LAFCO as part of their decision, preclude Oceano from participating as a Party to this Agreement or restrict their ability to enforce this Agreement, this Agreement shall terminate. Nothing within this section shall absolve Oceano of the obligation to pay for any and all FCFA services rendered under this Agreement prior to termination resulting from LAFCO'S decision causing termination

or a Party initiated termination.

ARTICLE VI INDEMNIFICATION AND INSURANCE

6.1 Mutual Indemnification.

(a) To the fullest extent permitted by law, each Party (the “Indemnifying Party”) shall indemnify, defend and hold harmless the other party, in proportion to fault, against any and all liability for claims, demands, fines, penalties, expenses, losses, causes of action, costs or judgments (direct, indirect, incidental or consequential damages) involving bodily injury, personal injury, death, property damage or other costs and expenses (including reasonable attorneys' fees, court costs and expenses) arising or resulting from: 1) the acts or omissions of the Indemnifying Party's own officers, agents, employees or representatives carried out pursuant to the obligations of this Agreement; (b) any negligent, reckless or intentionally wrongful act or omission to act by the Indemnifying Party; and (c) violations of law by the Indemnifying Party.

(b) Notwithstanding the foregoing Sections 6.1 (a) Oceano shall remain liable for its own real and personal property damage (including, without limitation, autos, equipment, and apparatus), since it is retaining ownership of, insurable interests therein, and insurance on its real and personal property.

(c) Except for any duties either Party owes to the other pursuant to the provisions of this Agreement, nothing in this Agreement shall be construed to waive any legal protections or immunities available to the Parties under state or federal law.

(d) Accordingly, the Parties hereby expressly agree to waive the pro rata risk allocation contained in California Government Code Section 895.6.

6.2 Mutual Indemnification Obligations Survive Termination. As to activities occurring or being carried out in performance of this Agreement and during the term of this Agreement, the obligations created by Section 6.1 shall survive termination of this Agreement.

6.3 Immunity Preservation. Nothing in this Agreement shall be read as waiving or limiting any defense to claims of liability otherwise available to fire personnel, and/or public employees, such as the defense of qualified immunity. Nothing in this Agreement shall be read as intending to create or creating a higher duty of care on the part of either Oceano or FCFA, or their officers, than would otherwise exist under existing law and the involved Party's own policies, practices, and procedures.

6.4 Public Liability and Property Insurance.

(a) Each Party shall maintain in effect, at its own cost and expense, the following insurance coverage provided either through a bona fide program of self-insurance, commercial insurance policies, or any combination thereof:

i. Commercial general liability or public liability with minimum limits of \$1,000,000.00 per occurrence.

ii. Auto liability including owned, leased, non-owned, and hired automobiles, with a combined single limit of not less than \$1,000,000.00 per occurrence.

iii. If a Party employs others in the performance of this Agreement, that Party shall maintain Workers' Compensation in accordance with California Labor Code section 3700 with a minimum of \$1,000,000 per occurrence for employer's liability, for the duration of time that such workers are employed.

(b) All insurance required by this Agreement shall:

i. Be placed (1) with companies admitted to transact insurance business in the State of California and with a current A.M. Best rating of no less than A:VI or with carriers with a current A.M. Best rating of no less than A:VII; or (2) disclosed self- insurance with limits acceptable to the other Party.

ii. Provide that each Party's insurance is primary and non-contributing insurance to any insurance or self-insurance maintained by the other Party and that the insurance of the other Party shall not be called upon to contribute to a loss covered by a Party's insurance.

(c) Each Party shall file certificates of insurance with the other Party evidencing that the required insurance is in effect within thirty (30) days after the effective date of this Agreement.

6.5 Workers Compensation.

(a) FCFA shall provide Oceano an endorsement that its Workers Compensation insurer waives the right of subrogation against Oceano, its officers, officials, employees, and volunteers for all claims on or after the effective start date of this Agreement during the tenure of said Agreement.

ARTICLE VII MISCELLANEOUS

7.1 Amendments to Agreement. No part of this Agreement shall be altered or amended except by written amendment and mutual consent of both Parties.

7.2 Assignment. The rights and obligations of the Parties under this Agreement are not assignable and shall not be delegated without the prior written approval of the other Party.

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

(a) It is the Parties' intention to avoid the cost of litigation and to resolve any issues that may arise amicably if possible. To that end, the Parties agree through the City Managers of Arroyo Grande and Grover Beach and the Oceano General Manager to meet within ten (10) business days of a request made by the other party in writing to discuss any issues and attempt to resolve the dispute. If the dispute is not resolved after that meeting, the Parties agree to participate in a mediation to resolve the dispute within 30 calendar days of the meeting or as soon thereafter as possible. The mediator will be chosen by mutual agreement of the Parties. The costs of mediation will be borne by the Parties equally. Any agreement reached during the mediation will be binding on the Parties during the remaining term of the Agreement. No party may initiate litigation prior to the conclusion of mediation. In any action brought under this Agreement, the prevailing Party shall be entitled to recover its actual costs and reasonable attorney fees in an amount not to exceed ten thousand dollars (\$10,000.00).

7.4 Exhibits. The following Exhibits are attached hereto and incorporated as if fully set forth herein:

Exhibit "A": Oceano Jurisdiction Map

Exhibit "B": Scope of Fire and Emergency Medical Services

Exhibit "C": Third Amended Joint Powers Agreement of the FCFA

7.5 Notices. All notices required or permitted hereunder shall be deemed sufficiently given if delivered by hand, electronic mail, or by United States mail, postage prepaid, 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 Oceano:

General Manager
1655 Front St.
Oceano, CA. 93445

To FCFA:

Fire Chief
140 Traffic Way
Arroyo Grande, CA 93420

7.6 Governing Law. Agreement shall be governed by the laws of the state of California with venue being the Superior Court of the County of San Luis Obispo.

7.7 Third Party Beneficiary. The Agreement is only for the benefit of the Parties to the Agreement and shall not be construed or deemed to operate as an agreement for the benefit of any third party or parties and no third parties shall have any right of action or obtain any right of benefits or position of any kind for any reason whatsoever.

7.8 Default and Delinquency. If Oceano defaults in its obligation to pay or advance any amounts due pursuant to this Agreement after such amounts have become delinquent, Oceano shall be liable to the FCFA for interest on any unpaid amount at the rate of 10%, or the maximum rate allowed by law if it is less than 10%, until the overdue invoice amount is paid in full.

7.9 Waiver. The waiver at any time by any Party of its rights with respect to a default or other matter arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or matter.

7.10 Remedies Not Exclusive. The remedies provided in this Agreement are cumulative and not exclusive, and are in addition to any other remedies that may be provided by law or equity. The exercise by any Party of any remedy under this Agreement shall be without prejudice to the enforcement of any other remedy.

7.11 Severability. The invalidity, illegality or unenforceability of any provision of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

7.12 Counterparts. This Agreement may be executed by the Member Agencies in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Parties execute this agreement hereto on the day and the year first written above.

FIRE CITIES FIRE AUTHORITY

By _____
Authority Chair

Dated _____

ATTEST:

By _____
Authority Clerk

APPROVED AS TO FORM:

Authority Attorney

OCEANO COMMUNITY SERVICES DISTRICT

By _____
President

Dated _____

ATTEST:

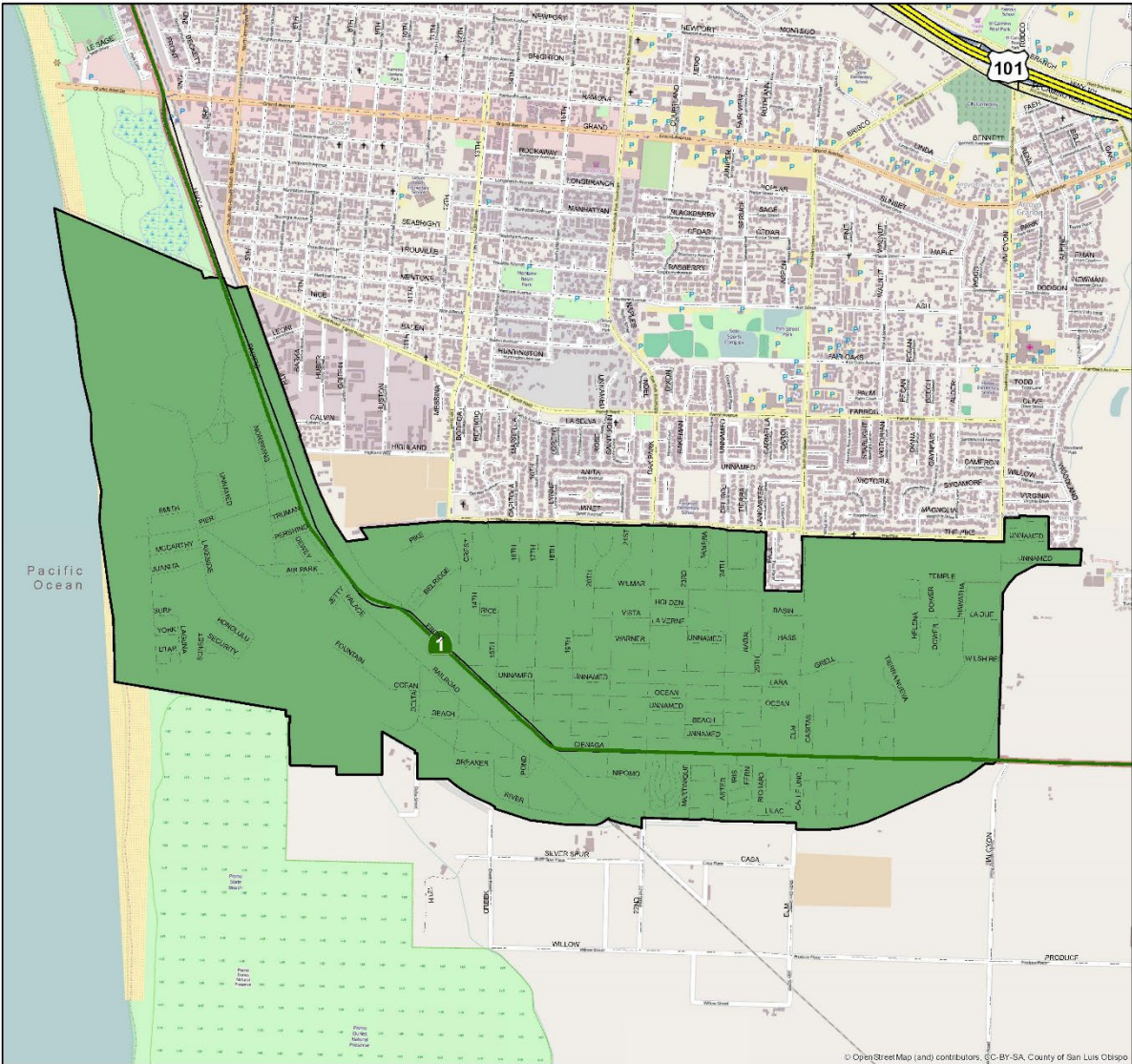
By _____
District Clerk

APPROVED AS TO FORM:

District Counsel

EXHIBIT "A"
OCEANO JURISDICTION MAP

Oceano Community Services District Service Area & Sphere of Influence Adopted November 2012



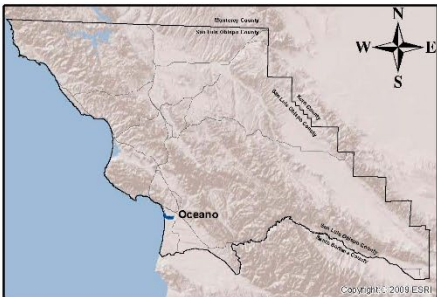
© OpenStreet Map (and) contributors, CC-BY-SA, County of San Luis Obispo

Legend

- Major Roads
- Service Area
- Sphere of Influence
(Same as Service Area)



Prepared By SLOLAFCO
Name: Oceano_SOI Bndy
Date: 2/6/2014



© 2009 ESRI

EXHIBIT “B”
SCOPE OF SERVICE

Scope of Services

FCFA shall provide the following services while this Agreement is in effect:

1. Administration. Provide administrative responsibility and support for all fire, emergency and non-emergency services in the Oceano Community Services District (“Oceano”).

Administration of fire services shall include the following:

- a. Adequate supervision and staffing,
- b. Program planning;
- c. Delivery and documentation of all federal and state-mandated firefighter training;
- d. Coordination of procurement of all operational supplies, services, and equipment;
- e. Representation at Oceano Board meetings as deemed necessary by the Oceano General Manager and agreed to by the FCFA Fire Chief;
- f. Transparency with Oceano in management decisions affecting fire service delivery.

2. Incident Response. Delivery of all fire protection and emergency services within the jurisdictional limits of Oceano Community Services District, including responding to calls for fire suppression, emergency medical response (Basic Life Support services), rescue services, hazardous materials, and all other emergency and non-emergency calls for service as received and dispatched to the FCFA. A Chief Officer, or acting Chief Fire Officer, shall respond to all major incidents as determined by the Fire Chief.

3. Fire Safety Inspections/Enforcement. Enforce code provisions related to fire services, including but not limited to weed abatement and fireworks, and hazardous material releases. Review of all development and building plans to ensure compliance with applicable fire and life safety codes and regulations, as well as inspection of fire protection and fire alarm systems for compliance with applicable codes and standards. To the maximum extent feasible, inspection shall be performed during standard duty hours.

4. Investigations. Investigate all fires to establish origin and cause and coordinate with the Oceano Community Services District on criminal investigations and prosecutions resulting therefrom. Provide fire investigation reports.

5. Training. Maintain a continuous training program that corresponds to federal, state and local mandates, as well as evolving industry best practices and developments in emerging fire suppression and fire prevention techniques.

6, Emergency Management. FCFA, through its Fire Chief, or his/her designee, shall be responsible for the coordination and communication with the County of San Luis Obispo Office of Emergency Services . Pursuant to existing agreements, FCFA will coordinate with other agencies regarding mutual aid services to Oceano Community Services District. FCFA will also respond to requests for mutual aid or assistance-by-hire by other agencies pursuant to the California Statewide Mutual Aid Agreement or the California Fire Assistance Agreement.

EXHIBIT "C"
THIRD AMENDED JOINT POWERS AGREEMENT OF THE FCFA

**THIRD AMENDMENT TO FIVE CITIES FIRE AUTHORITY
JOINT EXERCISE OF POWERS AGREEMENT**

This Third Amendment to the Five Cities Fire Authority (“FCFA”) Joint Exercise of Powers Agreement, dated June 7, 2010 (“JPA”) (“Third Amendment”), is made and entered into as of July 1, 2020, by and between the cities of Arroyo Grande and Grover Beach, and the Oceano Community Services District (“Oceano”), which are hereinafter referred to as “Party” and “Parties.”

WHEREAS, on June 7, 2010, the Parties entered into a JPA pursuant to Section 6500 et seq. of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, for the purpose of allowing the Parties to share a combined fire department in order to provide efficient and economical fire protection services; and

WHEREAS, in or about May of 2018, the Parties executed a Memorandum of Agreement Amending the FCFA JPA (“First Amendment”) in order to provide an opportunity for the Parties to meet and confer for the purpose of considering amendments to the JPA including, but not limited to, modifications to the funding formula contained in Exhibit B of the JPA (“Funding Formula”), the provisions regarding member withdrawal, and future staffing levels beyond Fiscal Year 2018/19; and

WHEREAS, the First Amendment required the Parties to agree upon amendments to the JPA by April 1, 2019 or the JPA would terminate as of December 31, 2019; and

WHEREAS, in March of 2019, the Parties executed an extension of the First Amendment, which extended the time for the Parties to mutually agree upon JPA Amendments to October 1, 2019; and

WHEREAS, the Parties executed the Second Amendment to the JPA as of July 1, 2019 which required Oceano to undertake the legally required procedures to place a special tax on the March 2020 ballot in accordance with Government Code Section 61121; and

WHEREAS, Oceano did undertake the legally required procedures to place a special tax on the March 2020 ballot which resulted in ballot Measure A-20 falling short of passage by 10 votes (66.1% compared to the required 66.67%); and

WHEREAS, the possibility of a citizen’s initiative to place a special tax measure on the November 2020 ballot was prevented by the COVID-19 pandemic and related statewide shelter at home order; and

WHEREAS, the economic situation of all Parties has drastically changed due to the COVID-19 pandemic and related statewide shelter at home order; and

WHEREAS, the Parties recognize it is in the economic best interests of all Parties to allow additional time for the community of Oceano to place another special tax measure on the ballot; and

WHEREAS, the parties have met in good faith and now desire to amend the JPA.

NOW THEREFORE, in consideration of the mutual covenants and conditions set forth herein, the Parties agree as follows:

1. **Recitals**. The above recitals are true and correct and incorporated herein.
2. **Fiscal Year 2020/21 and 2021/22**. Each Parties' contributions for funding the Fiscal Year 2020/21 and 2021/22 FCFA Budget shall be:

A. City of Arroyo Grande	\$2,580,955
45.01% _____	
B. City of Grover Beach	\$2,015,115
35.14% _____	
C. Oceano Community Services District	\$1,138,148
19.85% _____	

- D. The Fire Chief will make every effort to maintain a flat budget through the fiscal years that the funding contributions set forth in this Section 2 apply. The Parties acknowledge that use of Fund Balance may be necessary to offset unanticipated or increased costs. In the event of significant emergency costs or purchases necessary during the fiscal years during which this Section 2 applies, the Parties will consider contributing additional funding, subject to FCFA Board budgetary approval. It is acknowledged that any such additional contributions may require the approval of the governing body of one or more Party.

3. **Funding Formula**.

- A. The Funding Formula contained in Attachment 1 to the Second Amendment to the JPA is hereby amended and replaced in its entirety as set forth in Attachment 1 to this Amendment. All references in the JPA to Attachment 1 shall refer to Attachment 1 of the Third Amendment.
- B. The funding contributions specified in Section 2 were determined using a transitional formula that modified component 3 of the Funding Formula related to fire stations to reflect current staffing levels. The funding contributions specified in Section 2 will be used for Fiscal Years 2020/21 and 2021/22 and possibly Fiscal Year 2022/23 as provided in Section 4B.

C. The Funding Formula will be reviewed by the Jurisdiction every three years in the month of January, commencing 2024.

4. **Ballot Measure.**

- A. Oceano agrees to undertake the legally required procedures to place a special tax on the 2022 primary ballot in accordance with Government Code Section 61121 or Elections Code 9300-9323. Oceano will seek a special tax amount sufficient to enable Oceano to be able to fund its share of the Funding Formula taking into account the priorities of the Strategic Plan as determined by the Five Cities Fire Authority Board of Directors.
- B. If the Oceano ballot measure does not pass and Oceano is unable to fund its share of the Funding Formula, by operation of this Third Amendment and subject to the Wind Down Period (identified below), Oceano will automatically and without further action cease to be a member of the JPA on June 30, 2023. The time between when the County Clerk Recorder concludes that the Oceano ballot measure has failed and June 30, 2023 will be known as the “Wind Down Period.” Oceano agrees that should it no longer be a member agency of the FCFA, the cities of Arroyo Grande and Grover Beach may continue to operate under the trademark name of Five Cities Fire Authority with no further rights of Oceano to that name. Should the ballot measure fail, the funding obligations set forth in Section 2 above for the Fiscal Year 2021/2022 FCFA Budget, shall be the same in Fiscal Year 2022/2023.
- C. If the Oceano ballot measure passes, the Funding Formula set forth in Attachment 1 of the Third Amendment shall apply beginning in Fiscal Year 2022/23.


5. **Wind Down Period.**

- A. During the Wind Down Period, the Parties shall establish the distribution of assets currently owned and/or in the possession of the JPA, including but not limited to major pieces of apparatus and capital equipment.
- B. During the Wind Down Period, the Parties will establish the obligations of the Parties to pay future obligations that were incurred by the FCFA prior to June 30, 2022, including, but not limited to the following:
 - a. Lease payments on Engine 2 and 3; however, the Parties mutually agree and understand that as a result of the dissociation and/or withdrawal of Oceano or any other Party, no Party will be obligated for future payment lease obligations for any Engine that does not remain in the custody, control, and possession of that Jurisdiction.
 - b. Withdrawal and/or dissociation of Oceano or any other Party shall not absolve such Party of liabilities arising out of the participation in the JPA incurred in the ordinary course of business. The Parties mutually agree and understand that as a result of the dissociation and/or withdrawal of Oceano or any other Party, all Parties will remain obligated to pay future FCFA employment related obligations incurred prior to June 30, 2023, including but not limited to pension/PERS, accrued fringe benefits etc.
 - c. During the Wind Down period, the FCFA will perform an unfunded actuarial accrued liability analysis to calculate Oceano or any other dissociating and/or withdrawing Parties' share of unfunded PERS liability, which will be due to the remaining JPA Parties or the City of Arroyo Grande should the JPA be dissolved.
 - d. During the Wind Down Period, the Parties will meet and confer in good faith in regard to the distribution of assets and liabilities as follows:
 - a. A determination as to the distribution of equipment and physical assets by October 1, 2022 (effective June 30, 2023).
 - b. An estimate as to the distribution of debt, employment liability, pension/PERS and other post-employment obligations by February 1, 2023 (effective June 30, 2023).
 - c. An estimate as to the distribution of all other assets by March 1, 2023 (effective June 30, 2023).
 - e. The parties mutually agree and understand that any liability related to unresolved claims or litigation existing prior to June 30, 2023 will remain the obligation of all Parties whether remaining members of the FCFA or not.
 - f. Prior to October 1, 2023, the Parties shall complete a post-dissociation reconciliation of all assets and liabilities incurred prior to June 30, 2023. Any party owing funds shall pay such funds to the other immediately upon determination. The parties agree to cooperate in completing this post closing reconciliation.

6. **Effect of Amendment.** All other provisions of the JPA shall remain unchanged and in full force and affect. To the extent there is inconsistency between this Amendment and the JPA, the terms of this Amendment shall control, including but not limited to JPA Sections 6.B, 8.B(3), and 17.
7. **Counterparts.** This Amendment may be executed in any number of counterparts and by the Parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.
8. **Severability.** If any part of this Amendment is found to be in conflict with applicable laws, that part will be inoperative, null and void insofar as it is in conflict with any applicable laws, but the remainder of the Amendment will remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed by their proper officers hereunto duly authorized.

CITY OF ARROYO GRANDE


Caren Ray Russom, Mayor

ATTEST:


Kelly Wedmore, City Clerk

APPROVED AS TO FORM:


Tim Carmel, City Attorney

CITY OF GROVER BEACH

Jeff Lee, Mayor

ATTEST:

Wendi Sims, City Clerk

APPROVED AS TO FORM:

David Hale, City Attorney

OCEANO COMMUNITY SERVICES DISTRICT

Linda Austin, President

ATTEST:

By:

APPROVED AS TO FORM:

Jeff Minnery, District Counsel

ATTACHMENT 1 FUNDING FORMULA

Should the ballot measure pass, effective July 1, 2022, the Parties shall bear the costs of the Five Cities Fire Authority according to the following formula, to be calculated every three years when the budget is prepared. If the ballot measure fails, the funding will be in accordance with Section 4.B of this Third Amendment.

1. 33.33% of costs shall be assessed among the Parties in proportion to the population of each Jurisdiction as most recently determined by the U.S. Census and any intervening estimates prepared by the California Department of Finance when the Fire Chief prepares each annual budget.
2. 33.33% of costs shall be assessed among the Parties in proportion to the number of annual service calls, calculated on a three-year rolling average in each Jurisdiction as most recently determined when the Fire Chief prepares each annual budget.
3. 33.33% of costs shall be assessed among the Parties in proportion to the number of fire stations and personnel located in each Jurisdiction.



STAFF REPORT

TO: Chair and Board Members **MEETING DATE:** June 22, 2023

FROM: Matthew Bronson, Management Committee
Whitney McDonald, Management Committee

SUBJECT: Agreement to Memorialize the Oceano Community Services District's Ongoing Obligations to Pay Its Share of Unfunded CalPERS Liabilities

RECOMMENDATION

Approve an agreement to memorialize the Oceano Community Services District's ongoing share of unfunded CalPERS Liabilities.

BACKGROUND

The Five Cities Fire Authority (FCFA) Joint Powers Agreement (JPA) was formed on June 7, 2010, based on the desire of the communities of Arroyo Grande, Grover Beach, and Oceano in improving the quality and level of fire suppression and emergency medical services delivery. The terms of the JPA included a binding responsibility for each of the member communities to share in all assets and liabilities. The terms of the third amendment to the JPA will result in the Oceano Community Services District (OCSD) exiting the JPA on June 30, 2023, due to mutually adopted provisions by each of the member communities.

A proposed agreement has been prepared to address the OCSD's ongoing obligations to address its share of the FCFA's CalPERS liabilities. The agreement defines how the future CalPERS, accrued fringe benefit, and other related liabilities will be quantified, includes the process to identify the OCSD's portion of FCFA assets to offset their related liability, and terms for payment.

- Actuary Report – A preliminary report was prepared by consulting firm Foster & Foster. Once the appropriate CalPERS employee data becomes available, a final detailed report reflecting the OCSD's proportionate share of "Liabilities over the Effective Range for Liabilities" through June 30, 2023, will be funded by the FCFA and shall determine Oceano's owed amount.
- Assets
 - As required by the terms of the "Wind Down Period," a valuation of capital equipment and fleet vehicles was completed. The portion due to the OCSD was determined to be \$278,109.00.
 - The proportionate share of the FCFA fund balance as of June 30, 2023, will be determined by the FCFA Treasurer based on the audited financial report for fiscal year 2022-23.

- Payment Options
 - Annual Payment – future lump sum payment option available
 - Lump Sum – within 180 days of receipt and acceptance of the final actuary report

FISCAL IMPACT

The terms of the agreement will require the OCSD to make regular payments, offset with their proportionate share of FCFA assets. Until such time that the final actuarial report and FY 2022-23 audit are completed, the net amount owed by the OCSD will not be determined.

ALTERNATIVES

The following alternatives are provided for the Board's consideration:

1. Approve the agreement with the Oceano Community Services District related to ongoing liabilities;
2. Do not approve the agreement; or,
3. Provide alternative direction to staff.

ATTACHMENT

1. Proposed Oceano Community Service District's Ongoing CalPERS Liabilities and Responsibilities Following Withdrawal from the Five Cities Fire Authority Joint Exercise of Powers Agreement
2. Preliminary Actuary Report, Foster & Foster

PREPARED BY

Stephen C. Lieberman, Fire Chief

**OCEANO COMMUNITY SERVICE DISTRICT'S ONGOING CAL PERS
LIABILITIES AND RESPONSIBILITIES FOLLOWING WITHDRAWAL FROM THE
FIVE CITIES FIRE AUTHORITY JOINT EXERCISE OF POWERS AGREEMENT**

This AGREEMENT (“Agreement”) is dated this ___ day of ___, 2023, for reference purposes only, and is entered into by and between the Five Cities Fire Authority (“FCFA”), and the Oceano Community Services District (“Oceano”), which are hereinafter referred to as “Party” or collectively as “Parties.” This Agreement memorializes Oceano’s ongoing share of unfunded CalPERS liabilities, including but not limited pension/CalPERS, accrued fringe benefits, and other liabilities incurred from Oceano’s participation in the Five Cities Fire Authority, prior to June 30, 2023 (“Liabilities”).

RECITALS

A. On June 7, 2010, the cities of Arroyo Grande and Grover Beach, and Oceano, desirous of improving the quality and level of fire suppression and emergency medical service delivery within their communities through the sharing of resources and expertise, entered into a Joint Powers Authority Agreement (the “JPA”) and have operated as Five Cities Fire Authority pursuant to the terms and conditions in that agreement since that time as JPA member agencies. That JPA, and its First, Second and Third Amendments, are incorporated herein and attached as Exhibit “A” (collectively, “JPA and its Amendments”).

B. The obligations contained within Exhibit “A” remain binding on each of the Parties, including Oceano’s Liabilities, incurred over the time period during which each Party serves or has served as a JPA member agency.

C. Under that JPA and its Amendments, the Parties have shared fire services, allowing for cost savings and operational efficiencies in providing fire services to the public.

D. Oceano has served as a member agency of the JPA since the inception of the FCFA on June 7, 2010, but is exiting the JPA on June 30, 2023 due to mutually adopted provisions by each Party under the JPA.

E. Specifically, and pursuant to Section 4 of the Third Amendment to the JPA, Oceano was required to place a special sales tax measure on the 2022 primary ballot, that would enable Oceano to be able to fund its proportionate share of costs owed to the FCFA.

F. As that 2022 Oceano ballot measure failed, and Oceano is unable to fund its proportionate share of its costs owed to the FCFA, by the terms of the Third Amendment to the JPA, incorporated herein as Exhibit “A,” the JPA subsequently entered into a “Wind Down Period,” with certain ongoing obligations and Liabilities owed by Oceano before an automatic withdrawal from the FCFA on June 30, 2023.

G. The Parties have now determined this Agreement is necessary to set out the continued FCFA obligations owed by Oceano under the “Wind Down Period” incorporated by Exhibit “A,” and to set forth a process by which those Oceano Liabilities will be paid in full.

H. The Parties agree that all proportionate Oceano Liabilities, as well as all debts and obligations owed by Oceano to the FCFA, shall remain in effect until paid in full.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions hereinafter stated the Parties agree as follows:

1. **Recitals.** The recitals above are true and correct and are hereby incorporated into the terms of this Agreement as though fully set forth herein.

2. **Term.** The term of this Agreement shall commence as of the date the governing boards of all Parties have fully executed this Agreement and shall continue until terminated automatically upon the date Oceano has paid all proportionate Liabilities, as well as all debts and obligations owed by Oceano to the FCFA, as set herein.

3. **Oceano's Financial Obligations.**

3.1 Nothing within this Agreement modifies Oceano's obligations under the Five Cities Fire Authority Joint Powers Authority Agreement, as amended, in particular the Third Amendment included as Exhibit "A."

3.2 Oceano remains subject to all "Wind Down Period" obligations set forth within the JPA and its Amendments, incorporated as Exhibit "A." Specifically, under Section 5 of the Third Amendment to the JPA, Oceano's withdrawal from the FCFA shall not absolve Oceano from any Liabilities arising out of Oceano's participation in the JPA since the time the FCFA was created on June 7, 2010 through the date of Oceano's withdrawal from the JPA on June 30, 2023 ("Effective Date Range for Liabilities").

3.3 Oceano warrants and agrees to pay any and all Liabilities arising out of its participation in the JPA over the Effective Date Range for Liabilities. Oceano warrants and agrees to the FCFA's use of the City of Arroyo Grande's CalPERS contract for employees of the FCFA, effective since the inception of the JPA.

3.4 Oceano's share of Liabilities shall bear the same proportionate relationship to the whole as its annual contribution for the operation of the FCFA as set forth in Exhibit "A" over the Effective Date Range for Liabilities. Oceano's share of such Unfunded Accrued Pension Liability ("UAPL") expenses shall be determined according to the same formula used by the FCFA to allocate such costs during the final year of the withdrawing Oceano's membership.

(a) Oceano's share of Liabilities shall be reduced by (i) Oceano's proportionate share of the FCFA fund balance as of June 30, 2023, and (ii) Oceano's proportionate ownership share of FCFA physical assets as of June 30, 2023, which equals Two Hundred Seventy-Eight Thousand One Hundred Nine Dollars (\$278,109). The amount of Oceano's proportionate share of the FCFA fund balance as of June 30, 2023, will be determined by the FCFA Treasurer based on the audited financial report for Fiscal Year 2022-23.

3.5 **Actuary Report.** The Parties shall agree and rely on an Actuary Report utilized by the FCFA to determine Oceano's share of Liabilities. Specifically, the Parties agree to rely on any Actuary Report commissioned by the FCFA that methodically determines all CalPERS-

designated liabilities, commissioned in response to Arroyo Grande's CalPERS contract, to determine the Liabilities owed by Oceano to FCFA. Attached as Exhibit "B" is Foster & Foster's Five Cities Fire Authority CalPERS Miscellaneous and Safety Plans Unfunded Liability Analysis ("Preliminary Actuary Report") reflecting the Parties share of Liabilities for FCFA through June 30, 2021. That Preliminary Actuary Report is presented as an example. At that time FCFA completes an Actuary Report that reflects Oceano's proportionate share of Liabilities over the Effective Date Range for Liabilities, through June 30, 2023 ("Final Actuary Report"), that Final Actuary Report will be attached, replacing the Preliminary Actuary Report, and incorporated herein as a revised Exhibit "B." Any Final Actuary Report shall be used to determine Oceano's owed amount over the Effective Date Range for Liabilities and shall be binding on the Parties for purposes of Oceano's required payment of Liabilities under Section 3.6. The Final Actuary Report may be revised from time to time based on any updated transmittal of FCFA's CalPERS liabilities over the Effective Date Range for Liabilities. At the time a Final Actuary Report is revised as commissioned by FCFA, those revisions shall automatically be incorporated by reference as Exhibit "B."

(a) The Parties consent and agree with the formula, calculations used and Oceano's agreed upon shares attributed to services rendered over the Effective Date Range for Liabilities, as set forth in the Actuary Report that shall be attached and incorporated herein as Exhibit "B." and will be similar in analysis to the Preliminary Actuary Report.

(b) The Parties consent and agree that Oceano's Liabilities shall be calculated using the same assumptions used by CalPERS to calculate UAPL for contracting agencies with active contracts unless Oceano elects to pay its share of liabilities on a lump sum basis, in which case, the assumption used shall be the assumptions used by CalPERS to calculate UAPL for contracting agencies on a terminated basis.

3.6 Payment Options. Oceano's Liabilities are due and payable to the FCFA based on one of the following two payment options, which ensures full recovery for any and all proportionate Oceano Liabilities incurred prior to June 30, 2023. Failure to meet the obligations set forth in this Section 3.5 herein constitutes a default by Oceano.

(a) **Lump Sum.** Upon execution by the Parties of this Agreement, Oceano may issue a lump sum invoice payment for the Total Cost of Liabilities owed to the FCFA, as set forth under Section 3.3 above and subject to any Final Actuary Report incorporated as Exhibit "B," within 180 days of Parties' receipt of the Actuary Report that will be accepted by the Parties by the terms described herein.

(b) **Annual Payment.** Upon execution by the Parties of this Agreement, Oceano may initiate an annual payment for the Total Cost of Liabilities, due and payable via invoice within sixty (60) days of receipt of a FCFA invoice evidencing applicable CalPERS liabilities for any portion of the Effective Date Range of Liabilities, based on the applicable Final Actuary Report incorporated as Exhibit "B." Should Oceano initiate annual payments, Oceano reserves the right to make a future lump sum payment for the remaining Total Cost of Liabilities owed to the FCFA based on an Actuary Report agreeable to all Parties, due and payable via invoice within sixty (60) days of receipt of a FCFA invoice.

3.7 **Default and Delinquency.** If Oceano defaults in its obligation to pay or advance any amounts due pursuant to this Agreement after such amounts have become delinquent, Oceano shall be liable to the FCFA for interest on any unpaid amount at the rate of 10% per annum, or the maximum rate allowed by law if it is less than 10% per annum, until the overdue invoice amount is paid in full.

4. **Indemnification.** The Parties shall indemnify, defend and hold harmless the other Parties' members, officers, directors, employees and agents from and against any and all liability, loss, damages, expenses, costs (including, without limitations, costs and fees of litigation or arbitration) of every nature, arising out of any act or omission related to this Agreement.

5. **Conflict Resolution.** The Parties agree that any and all disputes, claims or controversies between the Parties arising out of or relating to performance of this Agreement, shall be resolved pursuant to the conflict resolution provisions as follows:

5.1 The Parties shall first meet and attempt in good faith to negotiate and resolve any dispute arising out of or relating to this Agreement, subject to subsequent approval of any such resolution by the respective governing boards of the Parties.

5.2 If the matter cannot be resolved, then the Parties agree that the matter shall be submitted to mediation within a reasonable period of time after receipt of a written request from one Party requesting such mediation. The Parties shall cooperate with one another in selecting a mediator and in scheduling the mediation proceedings. Should the Parties be unable to agree upon a mediator, they shall agree upon a mediation service and shall have that service select a mediator for them. The Parties agree that they shall participate in the mediation in good faith and that they will share equally in the costs of mediation. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the Parties, their agents, employees, experts and attorneys, and by the mediator or any employees of the mediator, are confidential, privileged and inadmissible for any purpose, including impeachment, in any litigation or other proceeding involving the Parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation.

5.3 If the matter is not resolved by negotiation, then the Parties may submit the matter to binding or non-binding arbitration, but only if the Parties agree to submit the particular controversy to arbitration. No Party shall have a right to submit any controversy to arbitration without the other Parties' consent.

6. **General Provisions.**

6.1 **Construction and Interpretation.** It is agreed and acknowledged by the Parties that this Agreement has been arrived at through negotiation, and that each Party has had a full and fair opportunity to revise the terms of this Agreement. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting Party shall not apply in construing or interpreting this Agreement.

6.2 **Waiver.** The waiver at any time by any Party of its rights with respect to a default or other matter arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or matter.

6.3 **Remedies Not Exclusive.** The remedies provided in this Agreement are cumulative and not exclusive, and are in addition to any other remedies that may be provided by law or equity. The exercise by any Party of any remedy under this Agreement shall be without prejudice to the enforcement of any other remedy.

6.4 **Severability.** The invalidity, illegality or unenforceability of any provision of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

6.5 **Successors and Assigns.** Except as otherwise provided by law, the rights and duties of the Parties under this Agreement shall not be assigned or delegated without the prior written consent of the other Parties. Any attempt to assign or delegate such rights or duties in contravention of this Agreement shall be null and void.

6.6 **No Third Member Agency Beneficiaries.** This Agreement shall not be construed to create any third party beneficiaries. This Agreement is for the sole benefit of the Parties, and their permitted successors, transferees and assignees, and no other person or entity shall be entitled to rely upon or receive any benefit from this Agreement or any of its terms.

6.7 **Amendment.** This Agreement may be modified or amended only by a subsequent written agreement approved by the governing board of each Party, and executed by each Party pursuant to the terms and conditions of this Agreement.

6.8 **Governing Law and Venue.** Except as otherwise required by law, this Agreement shall be interpreted, governed by, and construed under the laws of the State of California. The County of San Luis Obispo shall be the venue for any litigation concerning the enforcement or construction of this Agreement.

6.9 **Attorney Fees.** In the event any legal action is brought to enforce or construe this Agreement, the prevailing party shall be entitled to an award of reasonable attorney fees, expert witness and consulting fees, litigation costs and costs of suit.

6.10 **Notice.** Any notice, demand, invoice or other communication required or permitted to be given under this Agreement shall be in writing and either served personally or sent by prepaid, first class U.S. mail to the Agency Clerk and Agency Attorney of each Party.

Any notice or other communication served by personal delivery shall be deemed received when actually delivered. Any notice or other communication shall be deemed as received three days after deposit in United States mail, postage prepaid, return receipt requested.

6.11 **Counterparts.** This Agreement may be executed by the Member Agencies in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Exhibits:

- 1. Exhibit “A” – Five Cities Fire Authorities Joint Powers Authority Agreement and Amendments**
- 2. Exhibit “B” – Actuary Report of Five Cities Fire Authority Unfunded Accrued Pension Liability**

[signature page follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date last executed as set forth below.

FIRE CITIES FIRE AUTHORITY

By _____
Authority Chair

Dated _____

ATTEST:

By _____
Authority Clerk

APPROVED AS TO FORM:

Authority Attorney
City Attorney

OCEANO COMMUNITY SERVICES DISTRICT

By _____
President

Dated _____

ATTEST:

By _____
District Clerk

APPROVED AS TO FORM:

District Counsel

**Exhibit “A” – Five Cities Fire Authorities Joint Powers Authority Agreement and
Amendments**

Exhibit “B” – Actuary Report of Five Cities Fire Authority Unfunded Accrued Pension Liability



Five Cities Fire Authority



CalPERS Miscellaneous and Safety Plans

Unfunded Liability Analysis Fiscal Years 2021/22 and 2022/23

Draft for Discussion

Foster & Foster, Inc.
January 5, 2023

ACTUARIAL CERTIFICATION

This report presents our analysis of the actuarial liability for benefits provided to employees of Five Cities Fire Authority's ("FCFA") under CalPERS Miscellaneous and Safety Plans ("Plans") maintained by the City of Arroyo Grande ("City").

The purpose of this analysis is to determine the Unfunded Actuarial Accrued Liability as of June 30, 2021 that is attributable to FCFA, and the portion attributable to the City. This report contains actuarial calculations for the purpose of assisting the Five Cities Fire Authority management. The calculations are not appropriate for any other purposes.

Future calculations may differ significantly if the Plans' experience differs from our assumptions or if there are changes in plan design, actuarial methods or actuarial assumptions. The project scope did not include an analysis of this potential variation.

The calculations are based on census data and plan provisions provided by the City of Arroyo Grande and CalPERS June 30, 2013 through 2021 actuarial valuation reports and on our understanding of the benefit provisions, actuarial reports and benefit summaries prepared by CalPERS, and on the methodology detailed in this report. Alternative methods could produce different results. The project scope did not include alternate analyses.

As a member of the American Academy of Actuaries meeting the Academy Qualification Standards, I certify the actuarial results and opinions herein.

Respectfully submitted,



Mary Elizabeth Redding, FSA, MAAA, EA
Senior Consulting Actuary
Foster & Foster, Inc.
January 5, 2023

TABLE OF CONTENTS

SECTION	PAGE
1. Summary of Results	3
2. Purpose and Methodology	4
3. Fire Safety Classic Tier UAAL Analysis	7
4. Miscellaneous Classic Tier 1 UAAL Analysis	8
5. Safety Fire PEPRA UAAL Analysis	9
6. Plan Termination Analysis	10
7. Employer Contribution Analysis	12
8. Data Summary	15
9. Actuarial Assumptions	16
10. Summary of CalPERS Benefit	17
11. Detail of Fire Safety Tier 1 UAAL Allocation	18
12. Definitions	21

SECTION 1

SUMMARY OF RESULTS

Summary

Our calculations have determined that the CalPERS Unfunded Actuarial Liability attributable to FCFA employees is \$176,223 at June 30, 2021 on the ongoing basis used by CalPERS to calculate required contributions.

If the Plans had been terminated June 30, 2021 or if FCFA had withdrawn from the CalPERS system on that date, the estimated unfunded termination liability owed to CalPERS for FCFA members would have been approximately \$8.0 million.

Our calculations also determined that since FCFA's inception through June 30, 2022, without adjustment for interest, FCFA has paid \$982,169, to CalPERS for benefits attributable to the City of Arroyo Grande, and the City has paid \$94,768 for benefits attributable to FCFA service. The net of these two amounts, without considering interest, is \$887,401.

FCFA Unfunded CalPERS Liability at June 30, 2021

The report details the calculation of FCFA's CalPERS unfunded actuarial accrued liability as of June 30, 2021 and presents the calculation methodologies used. Following is a summary of our calculation results.

FCFA - CalPERS Unfunded Actuarial Liability June 30, 2021

Ongoing Basis, 6.8% Discount Rate				
	Fire Safety Classic Tier	Fire Safety PEPRA	Miscellaneous Classic Tier 1	Total
■ Actuarial Accrued Liability (AAL)	\$7,305,908	\$ 602,691	\$ 310,095	\$ 8,218,694
■ Allocated Assets	<u>7,161,156</u>	<u>645,706</u>	<u>235,609</u>	<u>8,042,471</u>
■ Unfunded AAL (UAAL)	\$ 144,752	\$ (43,015)	\$ 74,486	\$ 176,223
Sample Plan Termination Basis, 2.25% Discount Rate				
■ Unfunded AAL (UAAL)	\$ 7,268,114	\$ 397,800	\$ 323,414	\$ 7,989,328



SECTION 2

PURPOSE AND METHODOLOGY

The purpose of this study is to (1) determine the unfunded actuarial accrued liability (“UAAL”) for the CalPERS pension benefits for current and past employees and retirees of the Five Cities Fire Authority (“FCFA”) and (2) determine the amount of any CalPERS contributions paid by the City or FCFA that should have been paid by the other party. Since the CalPERS Fire Safety Classic and the Miscellaneous Classic tiers have members with service for the City of Arroyo Grande (“City”) and FCFA, this study involves allocating the UAAL of those tiers between the City and FCFA

Background

FCFA was formed in July 2010 as a Joint Powers Authority between the Cities of Arroyo Grande and Grover Beach, and the Oceano Community Services District (“Oceano CSD”). FCFA became the employer for fire safety personnel previously employed by its member agencies. The City of Grover Beach and Oceano CSD retained the CalPERS liabilities for past service of their employees. No new CalPERS plan was created for FCFA and instead all FCFA employees have been covered under the City of Arroyo Grande’s CalPERS pension plans. As a result, the City’s CalPERS plans include liabilities for employees and retirees of the City and of FCFA. We understand that since it was formed, FCFA has paid the full costs of the City’s Fire Safety CalPERS plans and the City has paid the full costs of the Miscellaneous plans.

Actuarial Accrued Liability (AAL)

The City’s Fire Safety Classic tier (3.0%@55) has members with both City and FCFA service. Members of the PEPR Fire Safety tier (2.7%@57) have entirely FCFA service. We calculated the actuarial accrued liability (AAL) for each person in the Fire Safety Classic tier, mirroring CalPERS actuarial valuation methods and assumptions. Our valuation came within 2% of CalPERS’ published results. We allocated the difference for each status group among members of that status group based on our calculated AAL. Because CalPERS pension benefits are earned for each year of service, we next allocated each member’s AAL between the City and FCFA based on each member’s past service. The AAL was then totaled for the City and FCFA.

Since inception of FCFA, there has been one non-Safety FCFA position filled by employees who are members of the City’s Classic Miscellaneous plan. We estimated the AAL for the current employee based on an actuarial valuation of their benefits following CalPERS actuarial methods and assumptions. We did not replicate the CalPERS valuation for the entire tier, as we did for the Safety group.



SECTION 2

PURPOSE AND METHODOLOGY

Unfunded Actuarial Accrued Liability (UAAL) and Assets

Because the plans are in CalPERS risk pool, the plans' normal cost is not equal to the sum of the individually calculated normal costs; instead, it is calculated by CalPERS on a pooled basis and is the same for all plans in the risk pool with the same benefit formula.

The UAAL is not calculated directly for plans in the CalPERS risk pool, and plan assets are also not recorded and maintained separately for each risk pool plan. Instead, beginning with the June 30, 2013 actuarial valuations, CalPERS has allocated actuarial and investment gains and losses to each plan to determine the each plans' UAAL, and then assigned assets to each plan as the difference between the AAL and the UAAL. We followed CalPERS procedures, detailed in Section 11 of this report, to allocate the Fire Safety Classic UAAL between the City and FCFA.

AAL Allocation Methodology – Fire Safety Classic Tier

To determine the AAL for the City and FCFA at each year, we began with CalPERS 6/30/2011 actuarial valuations. We projected the AAL forward as follows:

- The 6/30/2011 AAL was allocated entirely to the City. It was projected forward taking into account interest, benefits paid and the impact of actuarial assumption changes.
- FCFA had no initial AAL. Its AAL was projected forward from 6/30/2011 taking into account interest, benefits paid, the impact of actuarial assumption changes plus the entire plan normal cost
- Benefit payments in each year were determined by beginning with retirees as of June 30, 2019 and projecting their benefits backward and forward, taking into account retirement dates and actual cost of living adjustments, and then pro-rating the benefits between the City and FCFA based on service at retirement.
- Differences between the projected total AAL of City and FCFA and CalPERS published AAL in each year were allocated between City and FCFA using our professional judgement, in general, reflecting the reduction in the number of initial retirees in the first few years, and the inherent difference between normal costs calculated on a pooled basis and the plan members' actual AAL.

Based on census data as of June 30, 2019, 2020, and 2021 and CalPERS actuarial methods and assumptions, we performed actuarial valuations as of June 30, 2019, 2020, and 2021 and allocated the resulting AAL between City and FCFA based on each members' service to each valuation date.



SECTION 2

PURPOSE AND METHODOLOGY

UAAL Allocation Methodology – Fire Safety Classic Tier

Beginning from June 30, 2013, the Fire Safety Classic Tier UAAL at each valuation date was allocated between the City and FCFA following CalPERS methodology detailed in Section 11, based on the AAL for each group at each valuation date and on the outstanding amounts of previously allocated UAAL. In our opinion, this produces the same results as would have occurred if the plan had been split between groups at inception.

UAAL Allocation Methodology – Fire Safety PEPRA Tier

Since all members of this plan are FCFA employees, no allocation is needed.

UAAL Allocation Methodology – Miscellaneous Classic Tier 1

Because our calculated AAL for the current FCFA employee in the Miscellaneous Classic Tier 1 plan is less than 1% of the total plan AAL, we believe that projection of historical AALs and then following CalPERS risk pool UAAL allocation methodology would likely not produce accurate results. Instead, we assumed FCFA's portion of the plan was the same percentage funded as the total plan.

Estimated Plan Termination UAAL

The actuarial liabilities and contributions calculated in CalPERS funding valuations are on an ongoing plan basis. This means that employees will continue earning benefits in the future, new agency employees will become CalPERS members, and CalPERS can adjust required future contributions as needed to fund those benefits.

When a public agency leaves CalPERS (“terminates”), CalPERS agrees to pay all accrued benefits for all plan members, whether currently active, terminated, or retired. CalPERS also agrees that following termination, the agency will not be obligated to make any future payments to CalPERS. Therefore, CalPERS changes the basis used to calculate the actuarial liabilities to ensure that it has sufficient funds to pay benefits under any circumstances. In particular, liabilities are increased to allow for future mortality improvement and are calculated using a discount rate estimated as the yield on 20-year Treasury bonds.

To illustrate the UAAL on a plan termination basis, we have estimated the liability using the higher of the two termination discount rates in CalPERS June 30, 2021 actuarial valuation report, 2.25%, as well as a recent 20 year Treasury bond yield, 4.38% as of October 28, 2022.¹

¹ https://home.treasury.gov/resource-center/data-chart-center/interest-rates/TextView?type=daily_treasury_long_term_rate&field_tdr_date_value_month=202210



SECTION 3

FIRE SAFETY CLASSIC TIER UAAL ANALYSIS

As described above, we performed an actuarial valuation as of June 30, 2021 to determine the actuarial accrued liability (AAL) attributable to the City and to FCFA. The AAL was allocated to the City or FCFA based on the member’s period of service for each entity.

The allocated assets at June 30, 2021 were determined by following CalPERS current risk pool methodology beginning with its inception as of June 30, 2013. Details of the calculation are in section 11.

A breakdown of our actuarial valuation results for the Fire Safety Classic tier by status as of June 30, 2021 is as follows:

Fire Safety Classic Tier UAAL June 30, 2021

	City		FCFA		Total
AAL:					
■ Active employees	\$ 679,691	10%	\$ 6,097,006	90%	\$ 6,776,697
■ Inactives	583,427	51%	550,477	49%	1,133,904
■ Retirees	<u>2,305,272</u>	78%	<u>658,425</u>	22%	<u>2,963,698</u>
■ Total	3,568,391	33%	7,305,908	67%	10,874,299
■ Allocated assets	2,720,564		7,161,156		9,881,720
■ UAAL	847,827		144,752		992,579

We note that the FCFA portion of the plan has a higher funded ratio (98%) than the City’s portion (76%). This result is expected. The FCFA portion of the plan began with all employees treated as new hires on July 1, 2010, and all past service and retiree benefit liabilities, as well as the unfunded liability remaining from asset losses incurred during the 2008-2009 Great Recession, remaining with the City. Given this “clean slate” beginning, the FCFA plan was able to maintain a funded status at close to 100% by paying each year’s normal costs. This result is similar to most CalPERS PEPRA plans, which cover only new employees hired in 2013 or later.



SECTION 4

MISCELLANEOUS CLASSIC TIER 1 UAAL ANALYSIS

The following table shows the allocation of the UAAL for Miscellaneous Classic Tier 1 at June 30, 2021. The actuarial accrued liability for the current Miscellaneous FCFA employee was calculated from our actuarial valuation as of June 30, 2021. We have ignored any possible AAL for previous Miscellaneous employees who worked only a short time for FCFA.

Miscellaneous Classic Tier 1 UAAL June 30, 2021

	FCFA Employee	City	Total
■ Actuarial Accrued Liability	\$ 310,095*	\$ 43,948,774	\$ 44,258,869
■ Percent of total	0.70%	99.30%	100.00%
■ Assets allocated in proportion to AAL	235,609	33,392,126	33,627,735
■ UAAL allocated in proportion to AAL	74,486	10,556,648	10,631,134
■ Funded status	76.0%	76.0%	76.0%

* Calculated by Foster & Foster



SECTION 5

FIRE SAFETY PEPRA UAAL ANALYSIS

Since all members of the Fire Safety PEPRA plan are and have always been FCFA employees, no allocation is required and the entire actuarial liability is allocated to FCFA.

Fire Safety PEPRA UAAL

June 30, 2021

	Total
■ Actuarial Accrued Liability	\$ 602,691
■ Assets	645,706
■ UAAL/(Overfunded AAL)	(43,015)
■ Funded status	107.1%



SECTION 6

PLAN TERMINATION ANALYSIS

The following tables present details of our estimation of FCFA’s liability on a plan termination basis. This represents the actuarial liability on the basis CalPERS would use if an agency were leaving CalPERS. In that situation, CalPERS would retain the obligation to make all future payments of benefits accrued to date, and CalPERS would invest the plan assets very conservatively as the terminating agency would have no obligation to make any future payments to CalPERS.

The June 30, 2021 termination basis shown below is the lower of the two liability options (based on the higher of the two discount rates) presented as an estimate in CalPERS valuation report. It includes a 5% liability load for contingencies.

We understand that interest rates in general have risen since June 30, 2021. 4.38% is a recent 20 year Treasury bond rate: it is an estimate of the rate that could actually be used for termination. However, the AAL is as of June 30, 2021 and has not been increased for benefit accruals or other changes since then.

To estimate FCFA’s termination liability for each plan, we allocated the published termination liability for the entire plan on the Ongoing Plan Basis AALs, allocated between FCFA and the City as described earlier in this report. This is a reasonable estimate for illustrative purposes. However, an actual calculation would likely show a higher percentage increase between the ongoing and termination basis for the FCFA portion of the plan than would the City’s portion of the plan. This is because much of the liabilities in the City’s portion of the plan are for retirees, and, due to their shorter life expectancies, their liabilities are less impacted by a change in the discount rate.

Fire Safety Classic Tier

	Ongoing Plan Basis at June 30, 2021	Termination Basis at June 30, 2021	Estimated June 30, 2021 Termination Liability at Recent Treasury Rate
■ Discount Rate	6.8%	2.25%	4.38%
■ Total AAL	\$10,874,299	\$21,476,892	\$16,513,480
■ FCFA AAL	7,305,908	14,429,270	11,094,597
■ FCFA Assets	<u>7,161,156</u>	<u>7,161,156</u>	
■ FCFA UAAL	144,752	7,268,114	



SECTION 6

PLAN TERMINATION ANALYSIS

Miscellaneous Classic Tier 1

	Ongoing Plan Basis at June 30, 2021	Termination Basis at June 30, 2021	Estimated June 30, 2021 Termination Liability at Recent Treasury Rate
■ Discount Rate	6.8%	2.25%	4.38%
■ Total AAL	\$44,258,869	\$79,787,584	\$64,191,410
■ FCFA AAL	310,095	559,023	449,340
■ FCFA Assets	<u>235,609</u>	<u>235,609</u>	
■ FCFA UAAL	74,486	323,414	

Fire Safety PEPRA

	Ongoing Plan Basis at June 30, 2021	Termination Basis at June 30, 2021	Estimated June 30, 2021 Termination Liability at Recent Treasury Rate
■ Discount Rate	6.8%	2.25%	4.38%
■ FCFA AAL	\$ 602,691	\$ 1,043,506	\$ 837,146
■ FCFA Assets	<u>645,706</u>	<u>645,706</u>	
■ FCFA UAAL	(43,015)	397,800	

Total FCFA Termination Basis Estimated Unfunded Liability

	Ongoing Plan Basis at June 30, 2021	Termination Basis at June 30, 2021
■ Discount Rate	6.8%	2.25%
■ Fire Safety Classic	\$ 144,752	\$ 7,268,114
■ Miscellaneous Classic	74,486	323,414
■ Fire Safety PEPRA	<u>(43,015)</u>	<u>397,800</u>
■ Total Estimated UAAL	176,223	7,989,328



SECTION 7

EMPLOYER CONTRIBUTION ANALYSIS

Fire Safety Classic Tier

Since FCFA's inception, all of the active employees in this tier have been FCFA employees. Therefore, the normal cost should have been, and was, paid by FCFA. However, the City retained the liability for benefits earned for service with the City before FCFA's inception and so both the City and FCFA should pay a portion of the UAAL payment. Below, we have allocated the UAAL payment for each payment year beginning with FY 2015-16 in accordance with the allocation of the outstanding UAAL bases for the year, as described previously and detailed in Section 11.

The required UAAL payment in fiscal years 2010-11, 2011-12, and 2012-13 were based on the actuarial valuations as of June 30, 2008, 2009, and 2010 respectively. Since FCFA did not exist at those dates, the entire UAAL payment related to service for the City. We calculated the UAAL payment as the total CalPERS payment reported in FCFA's financial statements minus the employer and employer-paid member normal costs for each year.

The UAAL payment for FY 2013-14 was based on the June 30, 2011 actuarial valuation. Any FCFA UAAL would have been minimal and we have estimated it as \$0.

No amortization base schedule is available for fiscal year 2014-15, which is based on the June 30, 2012 actuarial valuation. That information was not provided by CalPERS prior to its methodology change at June 30, 2013. We have allocated the UAAL payment for FY 2014-15 in proportion to the allocated AAL on the associated June 30, 2012 valuation date.

Schedule of Allocated Fire Safety Classic Tier UAAL Payments

Valuation Date	6/30/08	6/30/09	6/30/10	6/30/11	6/30/12	6/30/13	6/30/14	6/30/15	6/30/16	6/30/17	6/30/18	6/30/19	
Payment Year	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Total
City	\$57,451	\$89,161	\$145,532	\$101,196	\$113,017	\$40,827	\$46,730	\$54,803	\$65,912	\$78,412	\$88,209	\$100,919	\$982,169
FCFA	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,745</u>	<u>11,037</u>	<u>12,470</u>	<u>15,550</u>	<u>22,122</u>	<u>29,352</u>	<u>38,701</u>	<u>52,016</u>	<u>194,993</u>
Total	57,451	89,161	145,532	101,196	126,762	51,864	59,200	70,353	88,034	107,764	126,910	152,935	1,177,162

In total, we calculate, without considering timing or interest, that between July 1, 2010 and June 30, 2022, FCFA has paid \$982,169 in CalPERS Fire Safety Classic costs that should have been paid by the City.



SECTION 7

EMPLOYER CONTRIBUTION ANALYSIS

Miscellaneous Classic Tier 1

Since FCFA's inception, FCFA has had one position filled sequentially by employees who are members of the City's Miscellaneous Classic (Tier 1 and Tier 2) plans. The current employee has filled that position since FY2013-14. The normal cost for these employees should have been paid by FCFA. However, the City retained the liability for benefits earned for service with the City, so both the City and FCFA should pay a portion of the UAAL payment.

Normal cost for each year is calculated as covered FCFA earnings multiplied by the Tier 1 or Tier 2 employer normal cost rate for the year. We have included the required employer normal cost only. If the City also pays the required member contribution for these Classic Miscellaneous employees, the normal cost shown below would approximately double.

Rather than replicating CalPERS actuarial valuation for all Miscellaneous Classic members, we calculated the AAL for the current employee. For simplicity, since the current Miscellaneous employee has 0.70% of the Miscellaneous Classic Tier 1 AAL as of June 30, 2021, we allocated 0.70% of the 2023-24² fiscal year's \$1,072,588 UAAL payment to FCFA, or \$7,508.

For past years, we believe no significant Miscellaneous UAAL would have been present until the June 30, 2015 actuarial valuation, and no UAAL payment would have been due until the 2017-18 fiscal year. The payment would have been very small in the first year and grown over the 7 years to the \$7,508 for FY 2023-24. Because these amounts are small, we have used a straight-line interpolation to estimate the UAAL payments for fiscal years 2017-18 through 2021-22.

In total, we calculate, without considering timing or interest, that between July 1, 2010 and June 30, 2022, the City has paid \$94,768 in CalPERS Miscellaneous costs that should have been paid by FCFA.

² CalPERS' June 30, 2021 actuarial valuation calculated the UAAL payments due in fiscal year 2023-24.



SECTION 7

EMPLOYER CONTRIBUTION ANALYSIS

Schedule of Allocated Miscellaneous Classic Tier 1 CalPERS Payments

Valuation Date Payment Year	6/30/08	6/30/09	6/30/10	6/30/11	6/30/12	6/30/13	6/30/14	6/30/15	6/30/16	6/30/17	6/30/18	6/30/19	Total
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	
Tier 1 Employer Normal Cost Rate	9.061%	9.319%	9.387%	9.665%	9.462%	9.671%	10.069%	10.110%	10.609%	11.432%	12.361%	12.200%	
Tier 2 Employer Normal Cost Rate	N/A	N/A	7.720%	8.052%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
FCFA Normal Cost	\$5,398	\$5,982	\$4,083	\$2,829	\$5,727	\$6,396	\$6,479	\$6,724	\$7,702	\$8,317	\$8,993	\$10,042	\$78,673
Allocated portion of UAAL payment				-	-	-	-	1,073	2,146	3,219	4,292	5,365	16,095
Total FCFA Miscellaneous Classic Tier 1 Cost	5,398	5,982	4,083	2,829	5,727	6,396	6,479	7,797	9,848	11,536	13,285	15,407	94,768

Summary – Net Difference

In total for both the Miscellaneous and Safety plans, we calculate, without considering timing or interest, that between July 1, 2010 and June 30, 2022, FCFA has paid \$887,401 in CalPERS Miscellaneous and Safety costs that should have been paid by the City.



SECTION 8 DATA SUMMARY

CalPERS Fire Safety Classic Tier Participants - June 30, 2021

	All Service with City	Both City and FCFA Service	All Service with FCFA	Total
■ Actives				
● Count	n/a	3	13	16
● Average Age	n/a	51.3	46.4	49.3
● Average Service	n/a	14.6	7.4	10.8
■ Inactives (Transferred or separated)				
● Count	4	2	6	12
● Average Age	49.1	41.1	45.2	45.8
■ Retirees				
● Counts	4	3	1	8
● Average Age	80.7	68.4	57.3	71.2



SECTION 9

ACTUARIAL ASSUMPTIONS

	June 30, 2021 Actuarial Valuation for Fire Safety Classic Tier
■ Valuation Date	■ June 30, 2021
■ Discount Rate	■ 6.8%, same as CalPERS 6/30/21 valuation
■ Pay Increases	<ul style="list-style-type: none"> ■ Aggregate: 2.80% annually ■ Merit: CalPERS 1997-2019 Experience Study
■ Retirement, Mortality, Termination, Disability	■ Rates from CalPERS 1997-2019 Experience Study
■ All Other	■ Same as in 6/30/2021 CalPERS actuarial valuation
■ Census Data	<ul style="list-style-type: none"> ■ Provided by City of Arroyo Grande ■ Pension reports downloaded by City from MyCalPERS ■ CalPERS OPEB database downloaded by City from MyCalPERS ■ Census files contain earnings and employment history for FCFA Fire Safety employees and current information for Fire Safety retirees.
■ Cost Method and Actuarial Liability	<ul style="list-style-type: none"> ■ Entry Age Normal cost method ■ Pension Actuarial Accrued Liability (AAL) calculated on all City + FCFA service for active employees and on the pension benefit retirees are receiving for service
■ Future Employees	■ None considered in study - closed group



SECTION 10 SUMMARY OF CALPERS BENEFITS

	Summary of CalPERS Benefits
■ Eligibility	■ Service or Disability retirement under CalPERS
■ Service Retirement Benefit	<ul style="list-style-type: none"> ■ Fire Safety Classic Tier: <ul style="list-style-type: none"> ● 3% @55 ● 1-year FAC (Final Average Compensation) ■ Miscellaneous Classic Tier 1: <ul style="list-style-type: none"> ● 2.5% @55 ● 1-year FAC ■ Miscellaneous Classic Tier 2: <ul style="list-style-type: none"> ● 2.0% @55 ● 3-year FAC ■ Fire Safety PEPRA Tier: <ul style="list-style-type: none"> ● 2.7% @57 ● 3-year FAC
■ Normal Benefit Form	■ Single life annuity
■ Statutory Member Contributions	<ul style="list-style-type: none"> ■ Fire Safety Classic: 9% of pay ■ Miscellaneous Classic Tier 1: 8% ■ Miscellaneous Classic Tier 2: 7% ■ Fire Safety PEPRA: 13% for FY 2022-23, 13.75% for FY 2023-24
■ Employer Paid Member Contributions, Employee Cost Sharing	■ None
■ COLA	■ Up to 2% per year



SECTION 11

DETAIL OF FIRE SAFETY CLASSIC TIER UAAL ALLOCATION

The UAAL is not calculated directly for plans in the CalPERS risk pool, and plan assets are also not recorded and maintained separately for each risk pool plan. Instead, CalPERS uses the following procedure, which we followed in this study for purposes of splitting the Fire Safety Classic tier. CalPERS began the above methodology beginning with the June 30, 2013 actuarial valuations.

1. The plan's AAL is calculated at the valuation date
2. The plan's projected UAAL balance is calculated as of the valuation date equal to the balance of the previous year's amortization bases remaining at the valuation date.
3. The AAL is calculated for the risk pool
4. The projected UAAL balance for all plans in the risk pool is totaled
5. The investment (gain) or loss for the risk pool for the year ending on the valuation date is calculated, reduced by any amounts needed to offset risk mitigation
6. The non-investment (gain) or loss for the risk pool for the year ending on the valuation date is calculated
7. The plan is allocated a share of the risk pool's investment (gain) or loss in proportion to the difference between the plan's AAL and its projected UAAL (item (2) above): $[(1) - (2)] \div [(3) - (4)] \times (5)$
8. The plan is allocated a share of the risk pool's non- investment (gain) or loss in proportion to the AAL: $[(1) \div (3)] \times (6)$
9. Any increase in the risk pool's AAL due to actuarial assumption or method changes, risk mitigation, and risk mitigation offsets are calculated
10. The plan is allocated a share of the risk pool's change in assumptions or method, risk mitigation, and risk mitigation offset UAAL in proportion to the AAL: $[(1) \div (3)] \times (9)$
11. The plan's UAAL at the valuation date is the sum of the projected UAAL plus additional allocated UAL amounts: $(2) + (7) + (8) + (10)$
12. The plans share of the risk pool assets at the valuation date is the plan's AAL less its allocated UAAL: $(1) - (11)$



SECTION 11

DETAIL OF FIRE SAFETY CLASSIC TIER UAAL ALLOCATION

Valuation date	6/30/2011	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
Discount rate	7.50%	7.50%	7.50%	7.50%	7.50%	7.375%	7.25%	7.00%	7.00%	7.00%	6.80%
Counts (Total Plan) (CalPERS reports)											
Active employees	16	17	21	21	17	17	15	15	16	16	16
Transferred	4	4	6	6	8	7	9	8	9	9	9
Separated	1	1	2	2	5	6	5	5	3	3	3
Retired	6	5	4	4	4	4	6	7	8	8	8
Actuarial Accrued Liability											
Allocated City AAL	2,942,938	2,933,663	2,891,099	3,019,230	2,785,225	2,943,477	3,088,902	3,246,904	3,418,715	3,449,310	3,568,391
Allocated FCFA AAL	-	<u>356,794</u>	<u>781,626</u>	<u>1,432,538</u>	<u>2,002,429</u>	<u>2,786,799</u>	<u>3,616,082</u>	<u>4,680,862</u>	<u>5,488,356</u>	<u>6,225,397</u>	<u>7,305,908</u>
Total AAL (CalPERS reports)	2,942,938	3,290,457	3,672,725	4,451,768	4,787,654	5,730,276	6,704,984	7,927,766	8,907,071	9,674,707	10,874,299
New UAAL Amounts at each valuation date from CalPERS reports:											
Plan's unamortized balance of previous UAAL bases				886,322	716,195	959,726	1,364,859	1,366,426	1,661,053	1,765,570	1,983,320
Plan's share of investment (gain)				-323,343	211,293	316,121	-182,517	-64,840	35,276	181,875	-962,770
Plan's share of other (gain)				3,954	-743	-48,572	4,232	27,859	37,569	28,813	-40,832
Plan's share of assumption (gain)				210,805	0	87,694	123,856	217,538			57,539
Plan's share of method/risk mitigation (gain)								51,149			262,638
Plan's risk mitigation offset											-307,316



SECTION 11

DETAIL OF FIRE SAFETY CLASSIC TIER UAAL ALLOCATION

Valuation date	6/30/2011	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
Determination of UAAL and Assets at each valuation date											
City AAL%			78.718%	67.821%	58.175%	51.367%	46.069%	40.956%	38.382%	35.653%	32.815%
FCFA AAL%			21.282%	32.179%	41.825%	48.633%	53.931%	59.044%	61.618%	64.347%	67.185%
City basis for investment gain allocation ³				2,321,534	2,201,139	2,223,881	2,177,252	2,326,490	2,378,377	2,380,522	2,446,467
FCFA basis for investment gain allocation				1,243,912	1,870,321	2,546,668	3,162,873	4,234,851	4,867,641	5,528,615	6,444,512
City Investment Gain%			0.000%	65.112%	54.063%	46.617%	40.772%	35.458%	32.823%	30.098%	27.516%
FCFA Investment Gain%			0.000%	34.888%	45.937%	53.383%	59.228%	64.542%	67.177%	69.902%	72.484%
City share of previous UAAL bases			-	697,696	584,085	719,596	911,650	920,414	1,040,338	1,068,788	1,121,924
FCFA share of previous UAAL bases			-	188,626	132,109	240,131	453,209	446,011	620,715	696,782	861,396
City share of new UAAL bases			734,453	(64,884)	113,798	167,462	(15,406)	98,463	25,998	65,014	(274,097)
FCFA share of new UAAL bases			198,564	(43,700)	96,752	187,781	(39,023)	133,243	46,847	145,674	(716,644)
Total UAAL (CalPERS reports)			933,017	777,738	926,744	1,314,970	1,310,430	1,598,131	1,733,898	1,976,258	992,579
Summary											
City AAL			2,891,099	3,019,230	2,785,225	2,943,477	3,088,902	3,246,904	3,418,715	3,449,310	3,568,391
City Assets			<u>2,156,646</u>	<u>2,386,418</u>	<u>2,087,341</u>	<u>2,056,419</u>	<u>2,192,659</u>	<u>2,228,027</u>	<u>2,352,378</u>	<u>2,315,508</u>	<u>2,720,564</u>
City UAAL			734,453	632,812	697,884	887,058	896,243	1,018,877	1,066,337	1,133,802	847,827
FCFA AAL			781,626	1,432,538	2,002,429	2,786,799	3,616,082	4,680,862	5,488,356	6,225,397	7,305,908
FCFA Assets			<u>583,062</u>	<u>1,287,612</u>	<u>1,773,569</u>	<u>2,358,887</u>	<u>3,201,895</u>	<u>4,101,608</u>	<u>4,820,795</u>	<u>5,382,941</u>	<u>7,161,156</u>
FCFA UAAL			198,564	144,926	228,860	427,912	414,187	579,254	667,561	842,456	144,752

³ Plan's AAL minus Plan's unamortized balance of previous UAAL bases



SECTION 12

DEFINITIONS

- **Present Value of Benefits (PVB):** An actuarial valuation begins with participant data (including active employees, former employees not in payment status, participants and beneficiaries in payment status) at the valuation date. Using this data and actuarial assumptions, the actuary projects future benefit payments. The assumptions model, among other things, when people will retire, terminate, die or become disabled, as well as what future benefits might be, depending on such things as future salary increases and cost of living. Those future benefit payments are discounted, using expected future investment return and the likelihood of receiving a benefit, back to the valuation date. This discounted present value is the plan's present value of benefits. It represents the amount the plan needs as of the valuation date to pay all future benefits – if all assumptions are met and no future contributions (employee or employer) are made.
- **Normal Cost (NC):** The Present Value of Benefits is not funded immediately upon an employee's hire. Instead it is treated as deferred compensation and funded over an employee's working career. The Normal Cost represents the portion of the present value of benefits allocated to, or expected to be earned (on an actuarial, not actual, basis) in the coming year. The Normal Cost is paid by employees and the employer each year as a percentage of PERSable payroll.
- **Actuarial Accrued Liability (AAL):** This represents the portion of the present value of benefits that participants have earned (on an actuarial, not actual, basis) through the valuation date, or allocated are considered to be allocated to periods of past service. This includes the full PVB for retirees and inactive participants, and a portion of the PVB for current active employees.
- **Plan Assets:** This includes funds that have been accumulated in CalPERS' trust fund so they can pay plan benefits and expenses. Amounts are attributable to contributions made by employees and the employer, and to past investment earnings.
- **Unfunded Actuarial Accrued Liability (UAAL):** If all actuarial assumptions had always been exactly met, the accumulated plan assets would equal the actuarial accrued liability. The difference between the actuarial accrued liability and plan assets is the UAAL. It represents the amount of the actuarial accrued liability that must still be funded.

Every year, during the actuarial valuation, the plan actuary calculates the increase or decrease in the UAAL from several sources including investment return and experience different than expected, and plan changes. Each of these is a new UAAL layer which is amortized – paid off over time by additional employer contributions. The total UAAL amortization payment is paid monthly as a separate portion of the employer contribution.





STAFF REPORT

TO: Chair and Board Members **MEETING DATE: June 22, 2023**

FROM: Stephen Lieberman, Fire Chief / Executive Officer
Nicole Valentine, Treasurer

SUBJECT: Consideration of Fiscal Year 2023-24 Budget

RECOMMENDATION

It is recommended that the Board of Directors adopt a Resolution approving the Fiscal Year (FY) 2023-24 Budget.

BACKGROUND

The proposed FY 2023-24 Budget recommends approximately \$8.7 million in expenditures, including operating costs such as salaries, benefits, services, supplies, maintenance, debt service, and capital related items as shown in the consolidated fund summary table 1 shown below:

Table 1 – FY 2023-24 FCFA Budget Summary

FIVE CITIES FIRE AUTHORITY

For the Fiscal Year Ending June 30, 2024

	ACTUALS		Approved Budget	Adjusted Budget	Baker Tilly A-4 Estimate	Proposed Budget	Variance Baker Tilly vs Proposed Better/(Worse)
	2020-21	2021-22	2022-23	2022-23	2023-24	2023-24	
Beginning Fund Balance	\$ 1,005,267	\$ 1,387,744	\$ 1,324,318	\$ 1,324,318	\$ 1,143,000	\$ 1,124,939	\$ (18,061)
Revenues	6,789,777	6,572,902	5,849,718	7,010,580	8,475,000	8,413,610	(61,390)
Expenditures:							
Salaries & Benefits	5,254,729	5,546,681	5,522,800	5,645,100	6,801,000	6,801,000	-
Services & Supplies	905,228	975,437	1,089,075	1,183,775	1,272,000	1,527,143	255,143
Equipment Replacement	146,147	13,013	100,000	227,187	204,000	264,000	60,000
Debt Service	101,197	101,197	153,897	153,897	464,000	153,893	(310,107)
Total Expenditures	<u>6,407,300</u>	<u>6,636,328</u>	<u>6,865,772</u>	<u>7,209,959</u>	<u>8,741,000</u>	<u>8,746,036</u>	<u>5,036</u>
Change in Fund Balance	<u>382,477</u>	<u>(63,426)</u>	<u>(1,016,054)</u>	<u>(199,379)</u>	<u>(266,000)</u>	<u>(332,426)</u>	
Ending Fund Balance	<u>\$ 1,387,744</u>	<u>\$ 1,324,318</u>	<u>\$ 308,264</u>	<u>\$ 1,124,939</u>	<u>\$ 877,000</u>	<u>\$ 792,513</u>	
					10.03%	9.06%	

The proposed FY 2023-24 budget includes the Baker Tilly A-4 Estimate as a basis for the changes instead of comparing the Proposed FY 2023-24 Budget to the Adjusted FY 2022-23 Budget. The FY 2023-24 expenditures total \$8,746,036 and reflects changes to individual line-item budgets based on staff's review of the ongoing operational needs of the department and foreseeable one-time expenditures. Key assumptions included in the budget are as follows:

- Two 3-person companies, one 2-person company, and 1 additional battalion chief
 - These increases will fund an additional 3.5 full-time equivalent (FTE) positions including 2.0 FTE Firefighter Engineers, 1.0 FTE Battalion Chief, and 0.5 FTE administrative staff. This staffing level will enable a 24x7 2- person third company to better serve the FCFA service area along with the existing two 3-person companies.
- OCSD contribution totaling \$1,150,000
- Estimated Salary Assumptions, while the results of the salary survey are pending
- Contract for a Standards of Cover and Community Risk Assessment study
- Upgrade Station Alerting system at Stations 1 & 2
- Replacement Extrication Equipment
- Replacement Fleet Vehicle
- Reduction in Debt Service budget in FY 2023-24, financing will be secured closer to the completion date of equipment, order will be placed in FY 2023-24

FISCAL IMPACT

The estimated fund balance at the end of FY 2023-24 is \$792,513 or 9.06%. The Baker Tilly study suggested that the new Board establish a fund balance policy of 10%. The proposed FY 2023-24 Budget recommends approximately \$8.7 million in expenditures, including operating costs such as salaries, benefits, services, supplies, maintenance, debt service, and capital related items. Revenues are anticipated to be \$8.4 million based on the JPA Agreement between Arroyo Grande and Grover Beach, the OCSD contribution, and other anticipated revenues.

ALTERNATIVES

The following alternatives are provided for the Board's consideration:

1. Adopt a Resolution approving the FY 2023-24 Budget.
2. Do not approve the Budget and provide further direction to staff.

ATTACHMENTS

Proposed FY 2023-24 Budget Packet
Resolution

PREPARED BY

S. Lieberman, Fire Chief/Executive Officer
N. Valentine, Treasurer

Five Cities Fire Authority

Fiscal Year 2023-24 Budget

DRAFT



Five Cities Fire Authority
140 Traffic Way
Arroyo Grande, California 93420
805.473.5490
fivecitiesfireauthority.org

Our Vision

The Five Cities Fire Authority is committed to serving our communities by providing emergency response, fire prevention and public education. We strive to accomplish this vision by ensuring that we will provide for all Fire Authority needs and professional development through a stable revenue source. We honor the respect we hold within our communities and are committed to maintaining that trust.

Our Mission

The Mission of the Five Cities Fire Authority is to provide the highest level of service possible by mitigating threats to life, property and the environment while meeting the growing needs of our communities.

Our Core Values

Serve with pride, professionalism and integrity;
Treat all people with respect and honor;
Maximize community service through efficient resource management; and
Strive for constant improvement.

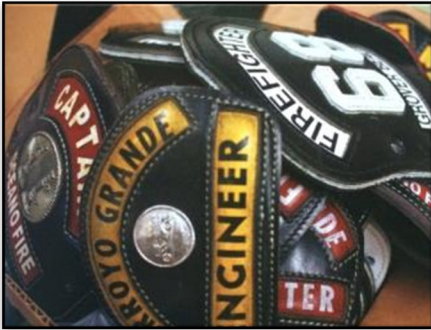


Table of Contents

Five Cities Fire Authority at a Glance	1
Joint Powers Agreement Organizational Structure.....	2
Budget Message	4
Budget Assumptions – 2022-23 Fiscal Year	5
Goals and Objectives – 2022-23 Fiscal Year	6
Budget Summary	7
Revenue Detail	8
Expenditure Detail	9

DRAFT

Five Cities Fire Authority at a Glance



In 2004, the cities of Arroyo Grande and Grover Beach collaboratively entered into an agreement to share one fire chief and training officer. This agreement was expanded over the next several years to include equipment sharing, a consolidation of the reserve firefighter program and the introduction of "boundary drops," meaning that the closest fire resource would be dispatched to a 9-1-1 call without consideration of community boundary. In 2009, the Oceano

Community Services District (OCSD) joined the other communities and on July 9, 2010, a complete fire department consolidation took place, resulting in the creation of the Five Cities Fire Authority (FCFA).

As was anticipated in 2010, the communities have increased their demand for service, commercial and residential development projects have continued with multiple projects being three stories in height. As calls for services have increased, so has the cost of providing the service. After two failed revenue measure attempts, the OCSD filed an application with the Local Agency Formation Commission (LAFCO) for the Divestiture of Fire Protection Services, with a planned departure date from the FCFA of June 30, 2023. Acknowledging that the divestiture process will likely extend beyond June 30, 2023, the FCFA will provide a short-term contract for services with the OCSD (12 months), allowing adequate time for the LAFCO application process to reach a conclusion.

Area Served: 10 square miles, encompassing the communities of Arroyo Grande, Grover Beach and Oceano

Population Served: 37,000

Number of Stations: 3

Call Volume (2022): 4,495 (includes Automatic and Mutual Aid responses outside of service area)
8.2% Increase over 2021

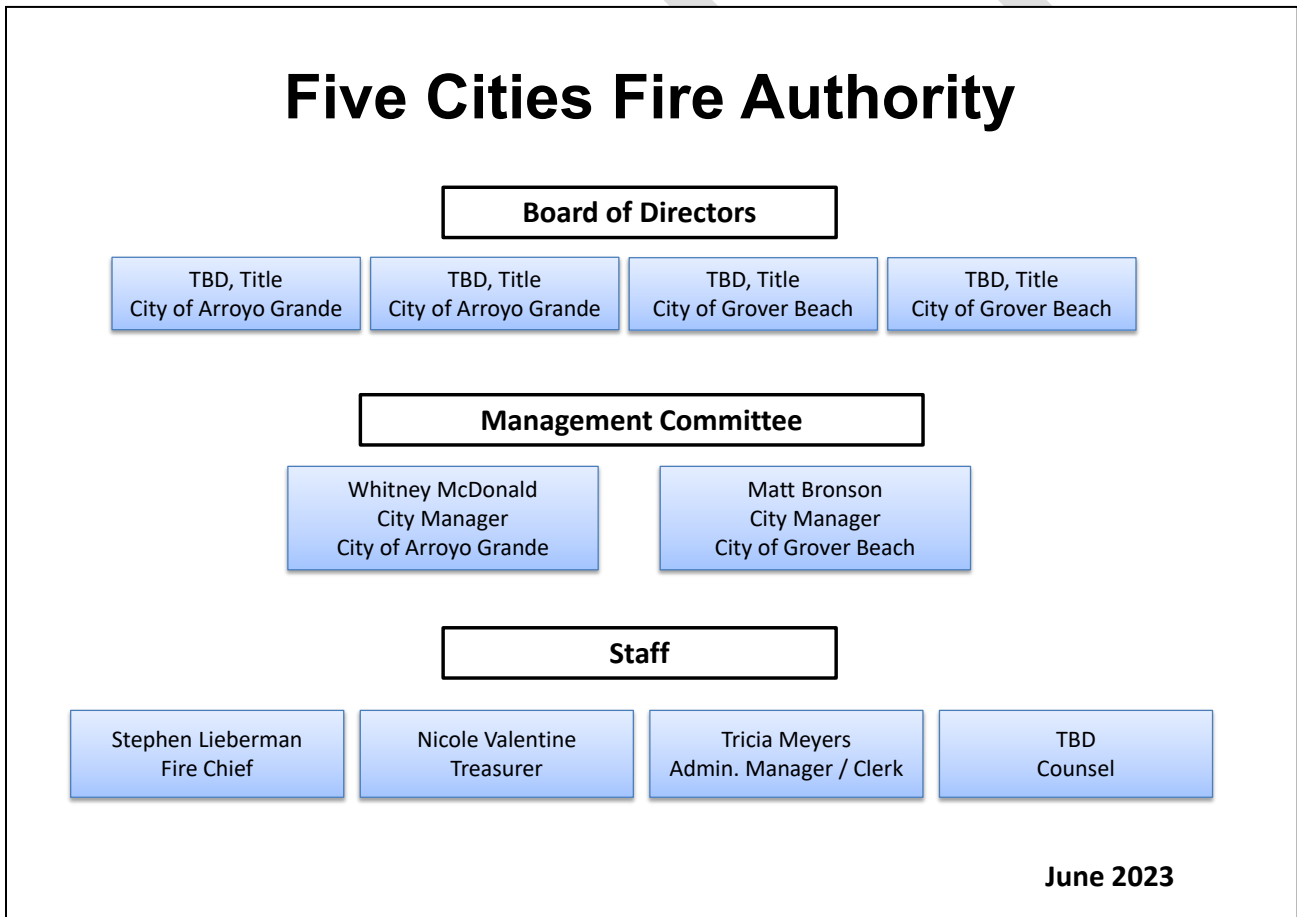
Fire:	92	2.0%
Emergency Medical Services:	2,422	53.9%
Hazardous Conditions:	91	2.0%
Public Service:	506	11.3%
Good Intent:	981	21.8%
False Alarm:	165	3.7%
Auto/Mutual Aid:	235	5.2%
Other:	3	0.1%

Organizational Structure

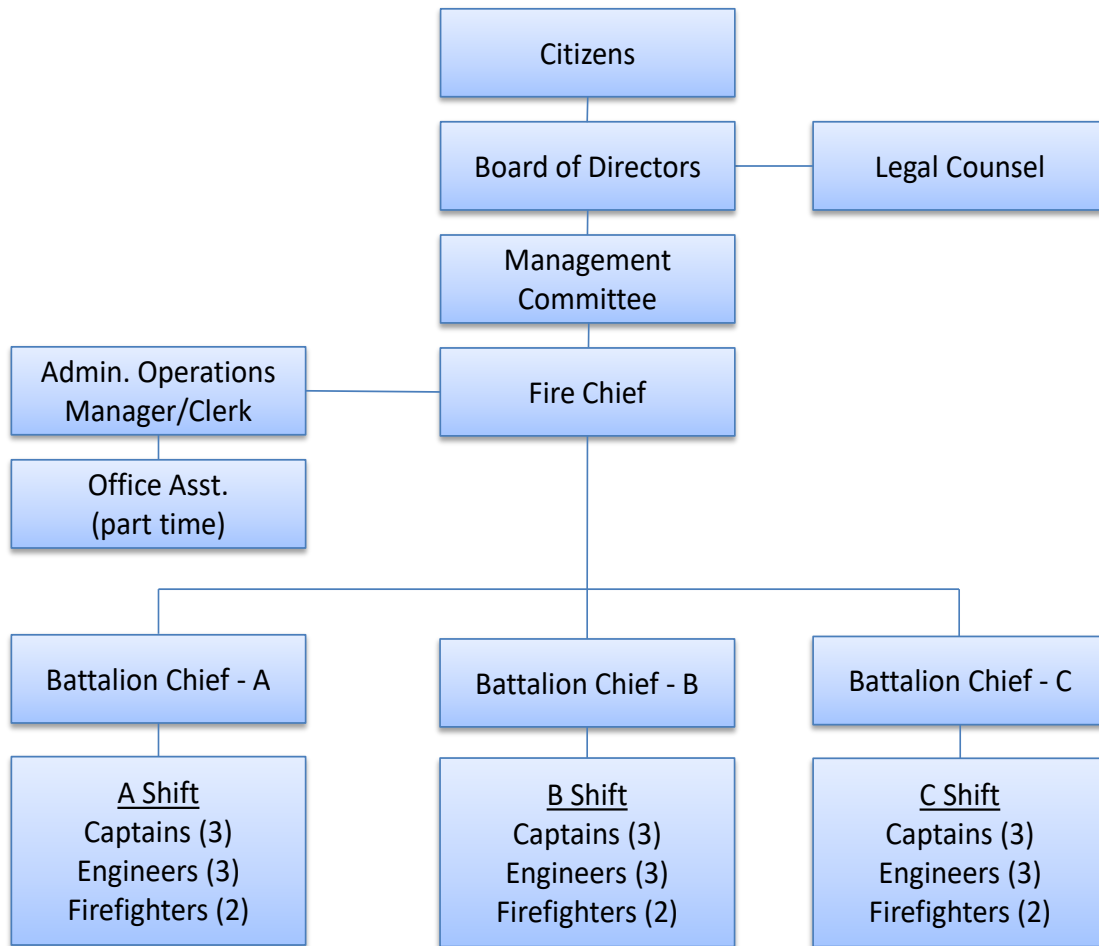
On July 9, 2010, the Five Cities Fire Authority (FCFA) was created. On June 13, 2023, a successor agreement between the cities of Arroyo Grande and Grover Beach was approved. The Authority is governed by the Board of Directors, comprised of two Councilmember’s from the City of Arroyo Grande, and two Councilmember’s from the City of Grover Beach.



The City Managers of Arroyo Grande and Grover Beach serve as the Management Committee, responsible for overall executive management of the FCFA. Reporting to the Management Committee, the Fire Chief is responsible to the Board of Directors for the proper and efficient operation of the FCFA. The Administrative Services Director for the City of Arroyo Grande serves in the capacity of Treasurer to the Authority, and the FCFA Administrative Operations Manager serves as Secretary/Clerk to the Board.



Five Cities Fire Authority



June 2023

Total Budgeted Headcount

Full Time	29
Part Time	1
Total	30

Budget Message



Honorable members of the Board of Directors, the Management Committee, Fire Chief, and employees of the Five Cities Fire Authority (FCFA) are pleased to present the draft budget for Fiscal Year 2023-24. An operating budget is typically based upon a series of assumptions, driven by community expectation, policy direction, operational need, all balanced by available funding.

The proposed budget is a result of significant Arroyo Grande and Grover Beach City Council policy direction related to the review and deliberation of the results of an independent organizational analysis performed by a professional firm. The results of the “Baker Tilly Study” identified operational challenges faced by the FCFA that were exacerbated over a 4-year period of fixed funding levels. The member communities have made a significant investment to increase response capacity, to provide adequate supervision and support of the duty crews, and to replace obsolete equipment.

The drought-ending storms of 2023 created significant vegetation growth that is rapidly losing moisture. The new growth adds fuel to drought-deadened trees and plants. The FCFA has performed the annual weed abatement process and is working with “Friends of Five Cities Fire Authority,” a 501c3 non-profit to produce a “READY SET GO” educational campaign focused on neighborhoods impacted by the Wildland Urban Interface. FCFA recently took delivery of a new Type III Wildland Engine which will be ready to respond to vegetation fires locally and statewide.

The Five Cities Fire Authority is proud to serve our communities.

Whitney McDonald, City Manager Arroyo Grande

Matt Bronson, City Manager Grover Beach

Stephen Lieberman, Fire Chief

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke, positioned to the right of the name Stephen Lieberman.

Budget Assumptions

Listed below are key assumptions applied to the development of the proposed 2023-24 fiscal budget:

- Maintain professional fire safety, emergency medical, and public assistance services.
- Implement additional staffing related to Baker Tilly study:
 - Two Fire Engineer positions – implement consistent daily staffing levels.
 - One Battalion Chief - transition to shift-based Battalion Chief program.
- Place order for replacement Ladder Truck and Type I Fire Engine (3+ Year Build Time).
- Replace obsolete Station Alerting systems in Arroyo Grande and Grover Beach stations.
- Replace obsolete Extrication Equipment (Grant applications pending).
- Contract for Community Risk Assessment/Standards of Cover study.
- Replace EMS Defibrillators.
- On-going replacement of Personal Protective Equipment.
- Cost Increase for Dispatch Services (based on increased calls for service and increased contract labor/benefit costs).
- Anticipate fiscal impact of labor negotiations (One-year Memorandum of Understanding).



Goals & Objectives

Listed below is a summary of goals and objectives for fiscal year 2023-24:

- Keep our communities safe and prepared.
- Maintain adequate staffing levels.
- Update 5-Year Strategic Plan based on outcome of Standard of Cover study.
- Review 2-station deployment model and optimize response decision making (Standards of Cover study).
- Pursue grant opportunities for needed equipment.



Budget Summary

FIVE CITIES FIRE AUTHORITY
For the Fiscal Year Ending June 30, 2024

	ACTUALS		Approved Budget	Adjusted Budget	Baker Tilly A-4 Estimate	Proposed Budget	Variance Baker Tilly vs Proposed Better/(Worse)
	2020-21	2021-22	2022-23	2022-23	2023-24	2023-24	
Beginning Fund Balance	\$ 1,005,267	\$ 1,387,744	\$ 1,324,318	\$ 1,324,318	\$ 1,143,000	\$ 1,124,939	\$ (18,061)
Revenues	6,789,777	6,572,902	5,849,718	7,010,580	8,475,000	8,413,610	(61,390)
Expenditures:							
Salaries & Benefits	5,254,729	5,546,681	5,522,800	5,645,100	6,801,000	6,801,000	-
Services & Supplies	905,228	975,437	1,089,075	1,183,775	1,272,000	1,527,143	255,143
Equipment Replacement	146,147	13,013	100,000	227,187	204,000	264,000	60,000
Debt Service	101,197	101,197	153,897	153,897	464,000	153,893	(310,107)
Total Expenditures	<u>6,407,300</u>	<u>6,636,328</u>	<u>6,865,772</u>	<u>7,209,959</u>	<u>8,741,000</u>	<u>8,746,036</u>	<u>5,036</u>
Change in Fund Balance	<u>382,477</u>	<u>(63,426)</u>	<u>(1,016,054)</u>	<u>(199,379)</u>	<u>(266,000)</u>	<u>(332,426)</u>	
Ending Fund Balance	<u>\$ 1,387,744</u>	<u>\$ 1,324,318</u>	<u>\$ 308,264</u>	<u>\$ 1,124,939</u>	<u>\$ 877,000</u>	<u>\$ 792,513</u>	
					10.03%	9.06%	

Revenue Detail

FIVE CITIES FIRE AUTHORITY
BUDGET
 For the Fiscal Year Ending June 30, 2024

ACT	ACCOUNT NAME	FY 2020-21	FY 2021-22	Approved	Adjusted	Proposed
		Actual	Actual	Budget	Budget	Budget
		2022-23	2022-23	2022-23	2022-23	2023-24
REVENUES						
4301	INTEREST	\$ 2,812	\$ 992	\$ 700	\$ 700	\$ 6,800
4422	ARROYO GRANDE FIRE REIMBURSEMENT	2,580,955	2,580,955	2,580,955	2,580,955	3,796,000
4422	ARROYO GRANDE FIRE REIMBURSEMENT	-	-	-	887,401	-
4428	FEMA REVENUE	-	-	-	-	-
4443	GROVER BEACH FIRE REIMBURSEMENT	2,015,115	2,015,115	2,015,115	2,015,115	2,812,000
4444	OCEANO FIRE REIMBURSEMENT	1,138,148	1,138,148	1,138,148	1,138,148	1,150,000
4458	STATE GRANT	28,520	700	3,800	3,800	3,800
4491	SAFER GRANT	-	-	-	-	-
4462	LOCAL GRANT	18,354	8,141	-	13,500	-
4705	INSPECTIONS	111,429	89,814	87,000	87,000	181,010
4726	FIRE IMPACT FEES	3,892	5,365	-	-	-
4729	FIRE-FIRST RESPONDER SUPPORT	24,993	8,559	24,000	24,000	24,000
4730	STRIKE TEAM REIMBURSEMENT	742,033	705,963	-	249,961	440,000
4803	SALES-EQUIPMENT/MATERIALS	41,500	-	-	-	-
4807	EXPENSE RECOVERY	82,026	19,150	-	-	-
4809	DONATIONS	-	-	-	10,000	-
4816	PROCEEDS FROM DEBT ISSUANCE	-	-	-	-	-
GRAND TOTAL REVENUES		\$ 6,789,777	\$ 6,572,902	\$ 5,849,718	\$ 7,010,580	\$ 8,413,610

Expenditure Detail

FIVE CITIES FIRE AUTHORITY
BUDGET
 For the Fiscal Year Ending June 30, 2024

ACT	ACCOUNT NAME	FY 2020-21	FY 2021-22	Approved	Adjusted	Proposed
		Actual	Actual	Budget	Budget	Budget
				2022-23	2022-23	2023-24
	EXPENDITURES					
5101	SALARIES FULL-TIME	1,803,998	1,896,061	2,789,900	2,684,400	3,104,880
5102	SALARIES PERMANENT PART-TIME	10,097	501	32,100	15,000	12,300
5103	SALARIES TEMPORARY PART-TIME	120,294	53,236	51,400	18,000	-
5105	SALARIES OVERTIME	790,173	857,273	667,000	800,000	919,000
5106	SALARIES - STRIKE TEAM OVERTIME	488,621	445,491	-	173,900	314,000
5108	HOLIDAY PAY	116,038	125,830	117,900	117,900	143,200
5109	SICK LEAVE PAY	55,131	60,839	-	-	-
5110	ANNUAL LEAVE BUY BACK	8,307	9,540	9,000	9,000	10,000
5111	VACATION BUY BACK	43,926	38,173	56,700	46,400	45,000
5112	SICK LEAVE BUY BACK	2,703	764	2,000	700	2,235
5113	VACATION LEAVE PAY	58,905	98,555	-	-	-
5114	COMPENSATION PAY	118,456	137,266	-	-	-
5115	ANNUAL LEAVE	29,791	62,404	-	-	-
5121	PERS RETIREMENT	526,763	553,308	518,200	518,200	843,700
5122	SOCIAL SECURITY	260,144	259,293	215,900	280,000	267,800
5123	PARS RETIREMENT	151	13	1,300	1,300	200
5126	STATE DISABILITY INS. (SDI)	24,811	31,253	23,600	23,600	28,600
5127	DEFERRED COMPENSATION	3,009	3,009	3,000	3,000	4,200
5128	UAL (UNFUNDED ACCRUED LIABILITY)	123,920	152,812	185,400	179,200	177,500
5131	HEALTH INSURANCE	408,057	424,265	499,900	425,000	535,300
5132	DENTAL INSURANCE	23,304	24,252	25,600	25,600	30,400
5133	VISION INSURANCE	6,428	6,548	7,000	7,000	8,200
5134	LIFE INSURANCE	2,925	3,035	3,300	3,300	3,900
5135	LONG TERM DISABILITY INSURANCE	8,876	8,876	9,200	9,200	10,400
5136	RETIRES HEALTH INSURANCE	12,660	13,137	13,000	13,000	14,528
5141	WORKERS COMPENSATION	206,611	235,600	235,600	235,600	263,300
5142	UNEMPLOYMENT INSURANCE	-	-	5,000	5,000	5,588
5143	UNIFORM ALLOWANCE	-	45,347	50,000	50,000	55,875
5147	EMPLOYEE ASSISTANCE PROGRAM	630	-	800	800	894
	Subtotal Salaries & Benefits	5,254,729	5,546,681	5,522,800	5,645,100	6,801,000

Expenditure Detail

FIVE CITIES FIRE AUTHORITY
BUDGET
 For the Fiscal Year Ending June 30, 2024

ACT	ACCOUNT NAME	FY 2020-21	FY 2021-22	Approved Budget	Adjusted Budget	Proposed Budget
		Actual	Actual	2022-23	2022-23	2023-24
<u>EXPENDITURES</u>						
5201	SUPPLIES - OFFICE	6,403	6,163	7,140	7,140	7,354
5206	SUPPLIES - EMS	15,164	17,699	20,600	20,600	21,556
5208	POSTAGE/MAILING	3,657	3,086	3,000	3,000	3,090
5255	SPECIAL DEPARTMENT SUPPLIES	20,040	20,701	18,480	28,480	27,034
5272	PROTECTIVE/SAFETY CLOTHING	55,135	9,943	35,983	73,183	60,000
5273	SMALL TOOLS	2,792	2,945	3,060	3,060	3,152
5276	UNIFORMS	28,535	3,313	5,000	5,000	5,150
5301	ADVERTISING	415	-	-	-	-
5303	CONTRACTUAL SERVICES	272,057	324,429	395,772	427,272	621,045
5306	PRINTING SERVICES	2,553	762	3,000	3,000	3,000
5315	PRE-EMPLOYMENT PHYSICALS	1,741	15,828	30,520	30,520	31,000
5316	JOB RECRUITMENT EXPENSE	-	32	-	-	-
5324	FORENSIC MANDATE SERVICES	-	2,050	1,000	1,000	9,000
5325	HAZMAT/SAFETY PROGRAM	14,504	12,984	15,800	15,800	15,800
5401	UTILITIES	55,381	61,412	50,000	50,000	60,000
5403	TELECOMMUNICATIONS	26,416	25,061	25,000	25,000	31,000
5501	CONFERENCE/TRAINING	15,850	11,120	14,240	14,240	19,667
5503	MEMBERSHIPS & SUBSCRIPTIONS	3,395	1,505	3,000	3,000	3,090
5504	PUBLIC RELATIONS	3,334	4,135	5,100	5,100	5,253
5508	MISC EXPENSE	2,021	2,257	12,000	12,000	3,160
5512	TRAVEL	15,994	9,970	2,100	2,100	2,163
5553	RENT-BUILDING AND LAND	15,000	15,000	15,000	15,000	-
5555	BANK CHARGES	1,473	497	1,006	1,006	1,036
5576	LIABILITY INSURANCE-JPA SHARE	23,051	41,103	49,320	49,320	51,200
5599	WEED ABATEMENT	24,747	22,067	12,240	12,240	12,607
5601	MAINTENANCE - VEHICLES	133,554	162,506	125,000	125,000	156,500
5602	MAINTENANCE - OFFICE EQUIPMENT	2,236	2,313	5,000	5,000	5,150
5603	MAINTENANCE - MACH & EQUIP	15,571	58,459	90,400	90,400	197,612
5604	MAINTENANCE - BUILDINGS	9,960	9,494	10,000	10,000	10,300
5605	MAINTENANCE - GROUNDS	408	818	1,000	1,000	3,530
5606	MAINTENANCE - RADIO COMMUNICATIONS	18,651	5,133	8,364	8,364	8,615
5607	MAINTENANCE - COMPUTER SOFTWARE	44,330	43,507	55,150	61,150	81,305
5608	GAS & OIL	44,029	57,525	50,800	60,800	52,324
5702	DATA PROCESSING EQUIPMENT	26,831	21,620	15,000	15,000	15,450
Subtotal Services & Supplies		905,228	975,437	1,089,075	1,183,775	1,527,143

Expenditure Detail

FIVE CITIES FIRE AUTHORITY
BUDGET
 For the Fiscal Year Ending June 30, 2024

ACT	ACCOUNT NAME	FY 2020-21	FY 2021-22	Approved	Adjusted	Proposed
		Actual	Actual	Budget	Budget	Budget
				2022-23	2022-23	2023-24
EXPENDITURES						
5803	LEASE PURCHASE PAYMENTS	101,197	101,197	153,897	153,897	153,893
	Subtotal Debt Service	101,197	101,197	153,897	153,897	153,893
6101	DATA PROCESSING EQUIPMENT	-	-	-	-	-
6103	COMPUTER LICENSING SOFTWARE	7	-	-	-	-
6201	MACHINERY & EQUIPMENT	45,112	-	-	-	204,000
6301	VEHICLES	101,028	13,013	100,000	227,187	60,000
	FUTURE VEHICLE REPLACEMENT	-	-	-	-	-
	Subtotal Equip Replacement	146,147	13,013	100,000	227,187	264,000
	GRAND TOTAL EXPENDITURES	\$ 6,407,300	\$ 6,636,328	\$ 6,865,772	\$ 7,209,959	\$ 8,746,036

DRAFT

**Cost Allocation -
Based on Successor JPA Agreement and Contract for Services**

DRAFT

**Cost Allocation -
Based on Successor JPA Agreement and Contract for Services**

DRAFT

RESOLUTION NO. 2023-04

A RESOLUTION OF THE BOARD OF THE FIVE CITIES FIRE AUTHORITY AUTHORIZING ADOPTION OF THE FIVE CITIES FIRE AUTHORITY ANNUAL 2023-24 FISCAL YEAR BUDGET AND APPROPRIATION OF REVENUE

WHEREAS, the Five Cities Fire Authority Board desires to have a fiscal plan for the Five Cities Fire Authority in order for the Authority to operate during FY 2023-24; and

WHEREAS, the Board finds that the Five Cities Fire Authority budget is funded in accordance with the formula as identified in the Joint Exercise of Powers Agreement, dated June 13, 2023.

NOW, THEREFORE, BE IT RESOLVED that the Five Cities Fire Authority Board does hereby adopt the Five Cities Fire Authority budget for the FY 2023-24 and makes all appropriations necessary to achieve the subject 2023-24 fiscal year budget, which is hereby incorporated by reference herein.

BE IT ALSO RESOLVED that the Clerk to the Board shall certify the passage and adoption of this Resolution and enter it into the book of original Resolutions.

On motion by _____, seconded by _____, and on the following roll call vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

the foregoing Resolution was passed and adopted at the regular meeting of the Board of the Five Cities Fire Authority, this 22nd day of June, 2023.

BOARD CHAIR

ATTEST:

TRICIA MEYERS, CLERK TO THE BOARD

APPROVED AS TO CONTENT:

STEPHEN C. LIEBERMAN, FIRE CHIEF

APPROVED AS TO FORM:

ISAAC ROSEN, GENERAL COUNSEL

OFFICIAL CERTIFICATION

I, TRICIA MEYERS, Clerk to the Board of the Five Cities Fire Authority, County of San Luis Obispo, State of California, do hereby certify under penalty of perjury, that Resolution No. 2023-04 is a true, full, and correct copy of said Resolution passed and adopted at the regular meeting of the Board of the Five Cities Fire Authority on the 22nd day of June, 2023.

WITNESS my hand and the Seal of the Five Cities Fire Authority affixed this 22nd day of June, 2023.

TRICIA MEYERS, CLERK TO THE BOARD



TAFF REPORT

TO: Chair and Board Members **MEETING DATE:** June 22, 2023

FROM: Stephen C. Lieberman

SUBJECT: Consideration of Authorization to Purchase a Replacement Type I Engine and Ladder Truck

RECOMMENDATION

It is recommended that the Board of Directors:

- 1) Authorize the Fire Chief to execute a purchase order, and related purchasing agreements, not to exceed \$3,955,674.35 issued to South Coast Fire Equipment, Inc. / Pierce Manufacturing, Inc. for the purchase of one Type I Fire Engine and one Ladder Truck;
 - 2) Authorize the Fire Chief to solicit a Lease/Purchase Financing Agreement for this purchase with PNC Equipment Finance 6 months prior to delivery;
 - 3) Adopt a Resolution Authorizing the Purchase and Financing for a Replacement Type I Fire Engine and Ladder Truck.
-

BACKGROUND

The Type I Fire Engine (E6691) has reached the 15-year replacement cycle (2022). Originally purchased by the City of Arroyo Grande (2007 model year), title to the engine was transferred to the Five Cities Fire Authority (FCFA) in 2010. Ladder Truck (T6645) is nearing the 15-year replacement cycle (2025) and has been plagued with recurring and costly mechanical problems and repairs. The truck was originally funded by an Assistance for Firefighters Grant (AFG) at 75% of purchase price, with the three communities financing the remaining 25%. Currently, build time of this specialized equipment is over 3 years (40 months).

The Fire Chief convened an in-house working group to develop the specifications for both vehicles. The replacement fire engine specification will be based on current engines 6692 and 6693 with slight modifications. The replacement ladder truck will be based on a "tiller" design platform. The current truck was originally contemplated to also be a tiller, but with the reliance on a Reserve Firefighter program with heavy turnover, then management opted for the "Quint" design. A tiller requires operators both in the cab and at the back of the vehicle (the tiller operator). Advantages of this design include increased equipment storage, and specifically maneuverability, increased access to structures, and a faster speed of ladder deployment. In the case of the FCFA, the tiller design will eventually allow for the consolidation of two vehicles into one (T6645 and Rescue 6652). This will allow the FCFA to avoid ordering a replacement rescue vehicle at over \$1 Million in the near future.

Equipment Manufacturer

FCFA staff recommends a sole-source vendor selection for Pierce Manufacturing as the FCFA does not employ certified mechanics and relies exclusively on the South Coast Fire Equipment service center located in Paso Robles which is a Pierce Manufacturer certified service and warranty center. Having emergency/after-hours access to mechanics and specialized parts is a vital need for an emergency response organization to minimize down time for specialized equipment. There are no other fire apparatus dealer certified service centers within 100 miles of the FCFA (FCFA Purchasing Policy Section VI(C) Sole Source Procurement). As stated in the purchasing policy, "The justification for the need to use sole source procurement should be recorded in a memorandum describing the reason for making a sole source purchase by the Fire Captain, Battalion Chief or Fire Chief depending on the category of purchase." If approved, the Fire Chief will create such a memorandum.

- **Warranty and Long-Term Maintenance** – FCFA relies upon South Coast Fire Equipment (a Pierce dealer) for routine and emergency repairs and maintenance on the existing fleet. South Coast maintains a service facility and staff in Paso Robles in terms of warranty needs, South Coast / Pierce is a "one-stop shop" for the entire vehicle.
- **Fleet Configuration Consistency** – The Pierce Type I Engine will utilize the same pump, firefighting foam system, and the pump panel will be color-coded and configured identically to the remainder of the FCFA fleet. While perhaps a subtle differentiator, allowing the fire engineer a seamless transition from one type of equipment to another will maintain efficiencies and avoid potential time delays in field operations. The ladder truck will also have much of the same functionality as the rest of the fleet. Being a tiller design, significant training will be required of staff, and that training cost has been built into the purchase price. The replacement truck will not have a pump or water tank to reduce weight and length of the vehicle. The truck will have a firefighting foam system like the rest of the FCFA fleet.

Equipment Financing

Due to the cost of this specialized equipment, the FCFA has historically entered into 10-year lease/purchase agreements. This past practice was based on favorable interest rates. With the current interest rate approximately 5.86%, and economic forecasts indicating that interest rates may decrease in the future, Staff has discussed an option with Pierce Manufacturing and PNC Equipment Finance that would defer nearly \$1,000,000 in lease payments over the 3 years by delaying entering into a lease agreement until closer to the date of completion of the vehicles. Should the Board support this concept and direct the Fire Chief to enter into a purchase agreement with Pierce Manufacturing, no down payment or other upfront cost would be incurred. The lease purchase model would likely remain a 10-year period but would not start for 3 years. During this period, existing lease payments on Engines 6692 and 6693 will end, resulting in approximately \$100,000 returning to the fund balance. Staff continues to recommend PNC Equipment Finance for the following reasons:

- PNC has an exclusive relationship with Pierce Manufacturing

- PNC agreement contains a “3 Party Agreement” which creates pressure for an on-time delivery by the manufacturer
- PNC will “own” the loan for the entire term and not sell it to another organization

FISCAL IMPACT

The FCFA operating budget does not include long-term capital equipment replacement funding. These prices do not include estimated sales tax (7.75% - Arroyo Grande = \$284,513.35), and fees (\$21.00).

Pierce Type I Fire Engine	\$1,273,825
Pierce Ladder Truck	\$2,397,315

Closer to the completion date of the vehicles, a financing program would generate interest expense over the potential 10-year financing period.

ALTERNATIVES

The following alternatives are provided for the Board’s consideration:

1. Approve the recommendation as submitted.
2. Direct Staff to structure the purchase to modify terms or pay all costs up front.
3. Direct Staff to solicit additional proposals.
4. Defer the replacement of the current Type I Fire Engine (16 years old) and Ladder Truck (13 years old).
5. Provide other direction to staff.

ATTACHMENTS

1. South Coast (Pierce Manufacturing) Type I Engine Proposal
2. South Coast (Pierce Manufacturing) Truck Proposal
3. Resolution

PREPARED BY

Stephen C. Lieberman, Fire Chief
Nicole Valentine, Treasurer

PROPOSAL FOR FURNISHING FIRE APPARATUS

June 12, 2023

Five Cities Fire Authority
140 Traffic Way
Arroyo Grande, CA



The undersigned is prepared to provide for you, our customer, upon an order being placed by you, for final acceptance by South Coast Fire Equipment, Inc., at its corporate office in Ontario, California, the apparatus and equipment herein named and for the following prices:

	Each	Extension
One (1) Enforcer Pierce Ultimate Configuration 2000 GPM Triple Combination Pumping Engine	\$ 1,273,825.00	\$ 1,273,825.00
Sales Tax @ 7.750%	\$ 98,721.44	\$ 98,721.44
APPARATUS COST WITH TAX	\$ 1,372,546.44	\$ 1,372,546.44
Performance Bond Not Required	\$ -	\$ -
California Tire Fee	\$ 10.50	\$ 10.50
Consortium Fee Not Applicable	\$ -	\$ -
TOTAL PURCHASE PRICE	\$ 1,372,556.94	\$ 1,372,556.94

PLEASE NOTE THE FOLLOWING ABOUT THIS QUOTATION:

Payment options are available and are included under separate cover. One of these options may save your department a significant amount of money!

Said apparatus and equipment are to be built by the manufacturer and shipped in accordance with the specifications hereto attached, delays due to strikes, war or international conflict, failures to obtain chassis, materials, or other causes beyond our control not preventing, within about **40-43** calendar months after receipt of this order and the acceptance thereof at our office in Ontario, California, and to be delivered to you at **Five Cities**

The specifications herein contained shall form a part of the final contract and are subject to changes desired by the purchaser, provided such alterations are interlined prior to the acceptance by the company of the order to purchase, and provided such alterations do not materially affect the cost of the construction of the apparatus.

The proposal for fire apparatus conforms with all Federal Department of Transportation (DOT) rules and regulations in effect at the time of bid, and with all National Fire Protection Association (NFPA) guidelines for Automotive Fire Apparatus as published at time of bid, except as modified by customer specifications. Any increased costs incurred by the first party because of future changes in or additions to said DOT or NFPA standards will be passed along to the customer as an addition to the price set forth above. Unless accepted within 30 days from the specified date, the right is reserved to withdraw this proposition.

Respectfully Submitted,

South Coast Fire Equipment, Inc.

A handwritten signature in black ink that reads "Bryden M. Newell".

Bryden Newell
Sales Representative

PROPOSAL FOR FURNISHING FIRE APPARATUS

June 12, 2023

Five Cities Fire Authority
 140 Traffic Way
 Arroyo Grande, CA



The undersigned is prepared to provide for you, our customer, upon an order being placed by you, for final acceptance by South Coast Fire Equipment, Inc., at its corporate office in Ontario, California, the apparatus and equipment herein named and for the following prices:

	Each	Extension
One (1) Enforcer Tractor Drawn Aerial w/ tool mounting installation	\$ 2,397,315.00	\$ 2,397,315.00
Sales Tax @ 7.750%	\$ 185,791.91	\$ 185,791.91
APPARATUS COST WITH TAX	\$ 2,583,106.91	\$ 2,583,106.91
Performance Bond Not Required	\$ -	\$ -
California Tire Fee	\$ 10.50	\$ 10.50
Consortium Fee Not Applicable	\$ -	\$ -
TOTAL PURCHASE PRICE	\$ 2,583,117.41	\$ 2,583,117.41

PLEASE NOTE THE FOLLOWING ABOUT THIS QUOTATION:

Payment options are available and are included under separate cover. One of these options may save your department a significant amount of money!

Said apparatus and equipment are to be built by the manufacturer and shipped in accordance with the specifications hereto attached, delays due to strikes, war or international conflict, failures to obtain chassis, materials, or other causes beyond our control not preventing, within about **41-44** calender days after receipt of this order and the acceptance thereof at our office in Ontario, California, and to be delivered to you at **Five Cities**

The specifications herein contained shall form a part of the final contract and are subject to changes desired by the purchaser, provided such alterations are interlined prior to the acceptance by the company of the order to purchase, and provided such alterations do not materially affect the cost of the construction of the apparatus.

The proposal for fire apparatus conforms with all Federal Department of Transportation (DOT) rules and regulations in effect at the time of bid, and with all National Fire Protection Association (NFPA) guidelines for Automotive Fire Apparatus as published at time of bid, except as modified by customer specifications. Any increased costs incurred by the first party because of future changes in or additions to said DOT or NFPA standards will be passed along to the customer as an addition to the price set forth above. Unless accepted within 30 days from the specified date, the right is reserved to withdraw this proposition.

Respectfully Submitted,

South Coast Fire Equipment, Inc.

Bryden Newell
 Sales Representative

RESOLUTION NO. 2023-05

A RESOLUTION OF THE BOARD OF THE FIVE CITIES FIRE AUTHORITY TO CONSIDER ENTERING INTO A PURCHASE AGREEMENT FOR THE ACQUISITION OF EQUIPMENT

Purchase Price: **\$3,955,674.35**

WHEREAS, Five Cities Fire Authority is a California Joint Powers Authority of the State of California (“State”) and is duly organized and existing pursuant to the laws of the State.

WHEREAS, pursuant to applicable law, the governing body of the Authority (“Governing Body”) is authorized to acquire, dispose of, and encumber real and personal property, including, without limitation, rights and interest in property, leases, and easements necessary to the functions or operations of the Authority.

WHEREAS, the Governing Body hereby finds and determines that the execution of one or more Purchase Orders and related Purchase Agreements not exceeding the amount stated above for the purpose of acquiring the property (“Equipment”) is appropriate and necessary to the functions and operations of the Authority.

WHEREAS, the Governing Body hereby finds and determines that the proposed purchase satisfies the Sole Source Procurement requirements of the Authority’s Purchasing Policies and Procedures Manual, and the Fire Chief shall create a justification memorandum for this purchase.

WHEREAS, the Governing Body hereby finds and determines that securing a Lease-Purchase Agreement at interest rates more favorable to the Authority during the estimated fabrication period of 40-44 months in a principal amount not exceeding the amount stated above for the purpose of acquiring the property (“Equipment”) is appropriate and necessary to the functions and operations of the Authority.

NOW, THEREFORE, BE IT RESOLVED NOW, by the Governing Body of the Authority:

Section 1. The Fire Chief acting as the “Authorized Representative” acting on behalf of the Authority, is hereby authorized to negotiate, issue purchase orders, enter into, and execute purchase documents. All documents shall be available for public inspection at the office of the Authority.

Section 2. The Fire Chief shall present to the Governing Body of the Authority

RESOLUTION NO. 2023-05
PAGE 2

proposals for a Lease Purchase financing program for consideration at least six (6) months prior to completion of the fabrication of the Equipment.

Section 3. This resolution shall take effect immediately upon its adoption and approval.
ADOPTED AND APPROVED on this June 22, 2023.

BE IT ALSO RESOLVED that the Clerk to the Board shall certify the passage and adoption of this Resolution and enter it into the book of original Resolutions.

On motion by _____, seconded by _____, and by the following roll call vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

BOARD CHAIR

ATTEST:

TRICIA MEYERS, CLERK TO THE BOARD

APPROVED AS TO CONTENT:

STEPHEN C. LIEBERMAN, FIRE CHIEF

APPROVED AS TO FORM:

ISAAC ROSEN, GENERAL COUNSEL

OFFICIAL CERTIFICATION

I, TRICIA MEYERS, Clerk to the Board of the Five Cities Fire Authority, County of San Luis Obispo, State of California, do hereby certify under penalty of perjury, that Resolution No. 2023-05 is a true, full, and correct copy of said Resolution passed and adopted at the meeting of the Board of the Five Cities Fire Authority on the 22nd day of June, 2023.

WITNESS my hand and the Seal of the Five Cities Fire Authority affixed this 22nd day of June, 2023.

TRICIA MEYERS, CLERK TO THE BOARD