



# Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730

FAX (805) 481-6836

## AGENDA FIRE COMMITTEE MEETING

1655 Front Street

Oceano

6:30 P.M.

July 21, 2009

TUESDAY

### COMMITTEE MEMBERS

President Barbara Mann  
Pamela Dean, Director

### STAFF

Kevin D. Walsh, Interim General Manager  
Fire Chief, Mike Hubert

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1. Roll Call
2. Public Comment
3. Approval of Minutes
  - a. Unavailable
4. Report of the Fire Operations
  - a. None
5. New Business
  - a. Fire Personnel Cooperative Agreement
6. Old Business
  - a. Status of RFP for Engine Exhaust Removal System \*  
Update regarding Request for Proposals
  - b. 2009 Fire Hazard Reduction Program  
Update and appeals regarding appeals of the 2009 Program
  - c. Status of Fire Consolidation Efforts
7. General Manager Items/Discussion \*
  - a. Other

8. **Adjourn to Executive Session**

- a. CLOSED SESSION – A closed session pursuant to Government Code Section 64957.6 to meet and confer with the District's designated representative regarding the compensation paid to its represented employees. The District's designated representative is DLC Ryan Fothergill

**Return to Open Session**

9. **Written Communications**

Adjournment

\* Oral Presentation/Discussion

P.O. Box 599, Oceano, CA 93475  
1655 Front Street, Oceano, CA 93445  
(805) 481-6730/FAX (805) 481-6836  
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# Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730

FAX (805) 481-6836

July 21, 2009

TO: Board of Directors, OCSD

FROM: Kevin Walsh, General Manager

**SUBJECT: FIRE PERSONNEL COOPERATIVE AGREEMENT**

## Fire Personnel Cooperative Agreement

The Arroyo Grande, Grover Beach and Oceano Fire Departments operate with a limited number of full time personnel. From time to time each agency experiences temporary vacancies due to injury, illness, vacation, and out of county fire suppression assignments. When this happens, it is not always possible to fill those vacancies with in-house resources. Until the JPA can be formed, the proposed Agreement will allow the agencies during those times of experiencing unusual vacancies to maintain necessary minimum staffing levels by pooling resources and utilizing personnel from other departments.

Each Fire Department will develop its own internal policy to determine when it is necessary to temporarily obtain full time fire captain and fire engineer resources from the others. Requests to fill a vacancy will be made with as much advance notice as possible. The guest captain or engineer shall perform the duties of a fire captain or fire engineer and follow the rules and requirements of the host department under the direction of its commanding officers.

The guest fire captain and fire engineer remain an employee of their original city or district. Each agency shall pay its respective employees for any time worked, including those hours worked as a guest for another city or district. The agencies will reimburse each other the direct costs associated with the guest captain's or engineer's services. Direct costs include (a) the borrowed employee's hourly rate, or time and one/half the hourly rate for those hours considered overtime in the ordinary course of performing services as a captain or engineer, and (b) any and all taxes, including without limitation, withholding, FICA, and SDI taxes. Each agency shall reimburse the other within thirty (30) days of receipt of an invoice.

See attached agreement

**BOARD OF DIRECTORS  
CONSIDERATION OF FIRE CONSOLIDATION AND JOINT FIRE SERVICES  
JULY 21, 2009  
PAGE 2**

**THE RECOMMENDED ACTION BEFORE YOUR BOARD is to:** by Board discussion, public comment, motion, second, and roll-call to approve the Fire Personnel Cooperative Agreement.

## **FIRE PERSONNEL COOPERATIVE AGREEMENT**

This Fire Personnel Cooperative Agreement ("Agreement") is entered into this \_\_\_\_ day of June, 2009 by and between the City of Grover Beach, a municipal corporation ("Grover Beach"), the City of Arroyo Grande, a municipal corporation ("Arroyo Grande"), and the Oceano Community Services District, a California special district ("OCSD"), collectively or individually referred to as "Parties" or "Party".

### **RECITALS**

WHEREAS, each of the Parties operates a fire department with finite personnel resources. From time to time, each of the Parties' fire departments experiences a temporary and unusually high number of vacancies due to injury, illness and vacation and cannot fill those vacancies with in-house resources.

WHEREAS, the purpose of this agreement is to allow the Parties' respective fire departments, during those times when they are experiencing unusual vacancies, to maintain necessary minimum staffing levels by pooling resources and utilizing fire captains and fire engineers from the other departments.

WHEREAS, each of the Parties is willing to make its fire captain and fire engineer resources available to the other during the above-described circumstances in the interest of providing mutual aid to a neighboring municipality or district.

WHEREAS, this Agreement will facilitate the forgoing and will be to the mutual interest and advantage of all Parties.

NOW, THEREFORE, in consideration of the mutual covenants herein made, the Parties agree as follows:

1. Purpose. This Agreement when executed by the Parties hereto shall provide temporary staffing when vacancies need to be filled at a fire department to maintain minimum staffing levels.

2. Personnel Assistance. Each Party's fire department will develop its own respective internal policy to determine when it is necessary temporarily to obtain fire captain and/or fire engineer resources from the other. Requests shall be made only when in-house personnel are unavailable and the Party cannot satisfy its minimum staffing requirements to meet its public safety obligations. Requests from each Party shall be made with as much advance notice as feasible to the duty chief officer. When a Party is asked to provide assistance pursuant to this Agreement, it shall exercise its best efforts to provide aid subject to fulfilling its obligations to its own constituents; this Agreement does not create an obligation to provide staffing assistance. Each Party understands and acknowledges that while performing for a host fire department, the guest captain or engineer shall be asked to perform the duties of a fire captain or fire engineer pursuant to the rules and requirements of the host department on its premises and under the direction of its commanding officers. The guest captain or engineer shall furnish his or her own personal safety equipment. This Agreement shall only apply to the use of full time fire captains or fire engineers.

3. Cost Reimbursement. The Parties understand that for any and all hours worked by any guest, such guest remains an employee of only his or her original city or district. As a consequence, each Party shall pay its respective employees for any time worked, including those hours worked as a guest for another city or district. The Parties agree to reimburse each other the direct costs associated with the guest captain's or engineer's services (the "Direct Costs"). For purposes of this Agreement, Direct Costs shall include the following: (a) the borrowed employee's hourly rate, or time and one-half the hourly rate for those hours considered overtime in the ordinary course of performing services as a firefighter and (b) any and all taxes, including without limitation, withholding, FICA, and SDI taxes. Reimbursement shall be made within thirty (30) days' of receipt of an invoice.

4. Status of the Parties. The Parties are acting as independent contractors wherein each is providing a service in the nature of mutual assistance to the other. As previously stated, each guest shall remain in the fulltime employ of his or her respective employer, and the host city or district shall have no liability for direct payment to him or her of any compensation or benefits, including but not limited to workers' compensation coverage, in connection with the performance of duties for the host city or district.

5. Term of this Agreement. The term of this Agreement shall commence on June 1, 2009. Either Party may terminate this Agreement at any time, with or without cause, upon thirty (30) days' prior written notice. This Agreement shall automatically terminate upon the full execution of a joint powers authority agreement between the Parties.

6. Non-assignability. This Agreement shall not be assigned by either Party without first obtaining the express written consent of the other Party.

7. Notices. Any notice which either Party may desire to give to the other Party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the Party as set forth below or at any other address as that Party may later designate by notice:

- a. Grover Beach  
Robert Perrault  
City Manager  
154 S. 8th Street  
Grover Beach, CA 93433
- b. Arroyo Grande  
Steven Adams  
City Manager  
214 E. Branch Street  
Arroyo Grande, CA 93420

- c. OCSD  
Kevin D. Walsh  
Interim General Manager  
P.O. Box 599  
Oceano, CA 93445
  
- 8. Mutual Indemnification.
  - a. Arroyo Grande agrees to and shall indemnify, defend and hold Grover Beach and OCSD and their elected and appointed officials, officers, agents, representatives, subcontractors, volunteers or employees harmless from and against all expenses including without limitation reasonable attorney's fees and disbursements, losses or liability, including any liabilities, arising out of or loss alleged to have arisen out of the operations of the Arroyo Grande Fire Department. This indemnity provision shall survive the termination of the Agreement.
  - b. Grover Beach agrees to and shall indemnify, defend and hold Arroyo Grande and OCSD and their elected and appointed officials, officers, agents, representatives, subcontractors, volunteers or employees harmless from and against all expenses including without limitation reasonable attorney's fees and disbursements, losses or liability, including any liabilities, arising out of or loss alleged to have arisen out of the operations of the Grover Beach Fire Department. This indemnity provision shall survive the termination of the Agreement.
  - c. OCSD agrees to and shall indemnify, defend and hold Arroyo Grande and Grover Beach and their elected and appointed officials, officers, agents, representatives, subcontractors, volunteers or employees harmless from and against all expenses including without limitation reasonable attorney's fees and disbursements, losses or liability, including any liabilities, arising out of or loss alleged to have arisen out of the operations of the OCSD Fire Department. This indemnity provision shall survive the termination of the Agreement.
  
- 9. Entire Agreement. Grover Beach, Arroyo Grande and OCSD agree that this Agreement constitutes the sole and only Agreement between them representing



personnel compensation and correctly sets forth their obligations and duties with respect to each other.

10. Amendment. This Agreement may be amended only by a written consent of the Parties to the Agreement.

11. No Interpretation Against Drafting. This Agreement has been negotiated at arm's length between the Parties hereto. Accordingly, any rule or law (including California Civil Code § 1635 et seq.) or legal decisions that would require interpretation, or any ambiguities in the Agreement against the Party that has drafted the applicable provision, is not applicable and is waived. The provisions of the Agreement shall be interpreted in a reasonable manner to affect the purpose and intent of the Parties.

12. Execute in Counterparts. The Parties hereto agree that there shall be three originals of this Agreement which shall be identical in all respects, including form and substance. The Parties may execute this Agreement in three or more counterparts, which shall, in the aggregate, be deemed an original, but all of which, together, shall constitute one and the same instrument.

13. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California.

Executed at Arroyo Grande, California, on the date and year first appearing above.

CITY OF ARROYO GRANDE

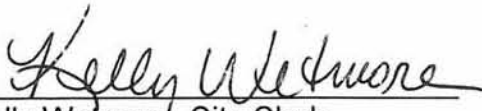
CITY OF GROVER BEACH

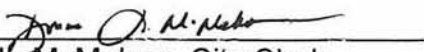
By:   
Tony M. Ferrara, Mayor

By:   
John P. Shoals, Mayor

Attest:

Attest:

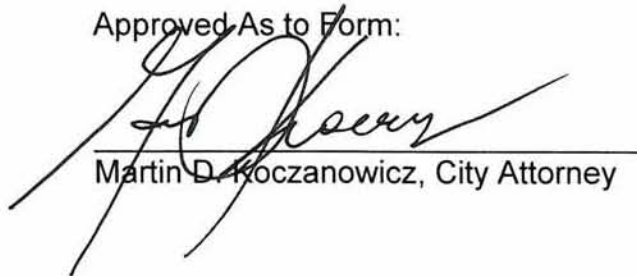
  
Kelly Wetmore, City Clerk

  
Donna L. McMahon, City Clerk

Approved As To Form:

Approved As to Form:

  
Timothy J. Carmel, City Attorney

  
Martin D. Koczanowicz, City Attorney

OCEANO COMMUNITY SERVICES DISTRICT

By: \_\_\_\_\_  
Barbara J. Mann, President

Attest:

\_\_\_\_\_  
Kevin D. Walsh, Interim Board Secretary

Approved As to Form:

\_\_\_\_\_  
Alex Simas, District Legal Counsel



# Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730

FAX (805) 481-6836

July 22, 2009

TO: Board of Directors, OCSD

FROM: Kevin D. Walsh, Interim General Manager

**SUBJECT: WEED ABATEMENT - RESOLUTION 2009-08 CONFIRMING THE COSTS ASSOCIATED WITH THE REMOVAL OF WEEDS FROM VARIOUS PARCELS OF LAND AND DIRECTING STAFF TO FORWARD THE CHARGES TO THE COUNTY AUDITOR FOR COLLECTION**

Pursuant to the Health and Safety Code Section 14190, the Board of Directors is required to conduct a public hearing to receive any objection of any of the property owners liable for weed abatement charges.

The Board conducted such a hearing on July 8, 2009. At that time two people made appeals. The Board approved dismissing the charges for one appellant, and reduced the fees by half on the other. Exhibit A of the Resolution to forward the charges to the County Auditor for collection needs to be revised to show these changes. In addition, one of the parcels, 062-142-001 (Searcy), was previously resolved and was on the list incorrectly.

Therefore the Board should adopt a new resolution with the correct list of parcels.

The attached list includes the name of the appellant whose charges were reduced by half, because payment had not been received at the time the resolution was prepared. If payment is made by the time of the Board meeting, then his name should be removed.

Also, prior to July 8, 2009 hearing, a written appeal was filed by the owner of parcel 61051023 (Davis). After staff review, it was decided that this parcel should also be removed from the list.

**THE RECOMMENDED ACTION BEFORE YOUR BOARD is to:** Take comments from the public on the Weed Abatement Program; and by Board Discussion, public comment, motion, second, and roll call vote, adopt OCSD Resolution 2009-08, **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OCEANO COMMUNITY SERVICES DISTRICT TO RESCINDING AND RESTATE RESOLUTION 2009-06 AND CONFIRM THE COSTS ASSOCIATED WITH THE REMOVAL OF WEEDS FROM VARIOUS PARCELS OF LAND AND DIRECTING STAFF TO FORWARD THE CHARGES TO THE COUNTY AUDITOR FOR COLLECTION.**

**OCEANO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2009-08**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OCEANO COMMUNITY SERVICES DISTRICT RESCINDING AND RESTATING RESOLUTION 2009-06 AND CONFIRMING THE COSTS ASSOCIATED WITH THE REMOVAL OF WEEDS FROM VARIOUS PARCELS OF LAND AND DIRECTING STAFF TO FORWARD THE CHARGES TO THE COUNTY AUDITOR FOR COLLECTION**

**WHEREAS**, the Board of Directors of the Oceano Community Services District has pursued the Abatement of Hazardous Weeds and Rubbish as defined in Part 5 of the Health and Safety Code commencing at Section 14875;

**WHEREAS**, all property owners who were found to have hazardous weeds that needed to be abated were properly noticed by mail and the property was posted;

**WHEREAS**, all property owners noticed were informed that removal of weeds by District staff would result in their being charged for such services plus an administrative charge and that this charge would, if not paid by the property owner, be placed upon the tax roll;

**WHEREAS**, all properties not having completed the abatement of hazardous weeds by the noticed deadline have had the weeds removed by the District;

**WHEREAS**, The Board of Directors previously passed Resolution No. 2009-06 confirming the costs associated with the removal of weeds from the various parcels of land and directing staff to forward the charges to the County Auditor for collection, which contained the addition of some properties for which charges had previously been settled or otherwise dismissed;

**WHEREAS**, it is necessary to amend Resolution 2009-06 to accurately reflect the properties for which charges are outstanding and should be forwarded to the County Auditor for collection; And,

**WHEREAS**, this resolution does not contain the properties of any property owners whom were not previously on the list and whom did not have an opportunity to protest such charges.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE OCEANO COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:**

1. That the charges and costs incurred in enforcing abatement upon the parcels defined as "**Exhibit 'A'**" to this Resolution are confirmed.
2. Staff is directed to forward a certified copy of this Resolution to the County Auditor to place the charges on the tax roll.

OCEANO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2009-08

Upon the motion of \_\_\_\_\_, seconded by \_\_\_\_\_, and upon the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

RECUSED:

the foregoing Resolution is hereby adopted this 8<sup>th</sup> day of July, 2009.

\_\_\_\_\_  
BARBARA J. MANN, PRESIDENT

ATTEST:

\_\_\_\_\_  
KEVIN D. WALSH, BOARD SECRETARY

**Weed Abatement List  
Final 2009**

APN	Name	Address	AMT
61033003	Lady Adelaide	Railroad Ave & Creek	\$460.00
61081027	Weseloh, George Jr. ETAL	Corner Honolulu & Aloha	\$194.00
61113019	Waller, Robert A	Between Pershing, Truman & Pacific Blvd.	\$328.00
62012005	Roesbery Fmly Trust	17th St & Wilmar Ave (Lot)	\$194.00
62021019	Lee Family Trust	1348 22nd St.	\$162.00
62023016	Heirs of Hector Ramirez	2324 The Pike	\$140.00
62023024	Latzer Living Trust	1346 24th St.	\$108.00
62031009	Victor & Sally Buccola Trst	2421 Wilmar Ave.	\$108.00
62041013	Newberger, Darren	1434 15th St.	\$54.00
62041032	D & Z Holding	1531-61 15th St.	\$126.00
62041038	Delagarza, Trinidad	1501 14th St.	\$108.00
62073002	Camara, Manuel Irrv. Trust	2430 Wilmar Ave. (Lot 2)	\$232.00
62085020	Pflugh, Timothy ETAL	1760 Paso Robles St.	\$120.00
62093013	Cordes, Rosie M.	2140 Ocean St.	\$108.00
62097012	Leebrick, Jeff & Paige	2391 Paso Robles St.	\$108.00
62101012	Terrel, Arvella E	Paso Robles St & 25th St.	\$108.00
62273043	Daniel L. Mattice Inc.	13th St & Belridge Ave.	\$108.00
62282007	Carlos Casteneda Fmly Trst	1350 16th St.	\$108.00
62282034	Moreno, Ramon	1384 Crest St.	\$108.00
62305014	Heirs of Margaret Griffiths	1955 Casitas St.	\$3,916.00
62305064	Greene, Jack & Sherrien	1898 Todos Santos (Under Porch)	\$216.00
<b>Total</b>			<b><u>\$7,114.00</u></b>
	Total Billed (22 parcels)		

Agenda Item 2009 07 22 7.a.



# Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730

FAX (805) 481-6836

July 21, 2009

TO: Board of Directors, OCSD

FROM: Kevin Walsh, General Manager

**SUBJECT: CONSIDERATION OF CONSOLIDATION OF FIRE SERVICES**

## **Background**

The existing fire service organizational structure for Arroyo Grande, Grover Beach and OCSD has been extremely effective in advancing steps to better coordinate services in the Five Cities area. It has allowed individual organizations to maintain control and identity, while achieving the efficiencies of coordinated services, improved response times, sharing of equipment, sharing of staff, and standardizing training and procedures.

However, other inefficiencies and issues continue to exist due to separate employee contracts, informal governance and supervisory structures, and lack of parity in salaries, staffing and benefits. This in turn creates a heavy workload on Fire administration. It would be difficult to maintain the current arrangement on a permanent basis. As a result, while successful, the existing organizational model was intended as a transition toward increased coordination and structural changes that can best sustain joint service delivery on a long-term basis.

## **Discussion**

A detailed draft budget for the JPA has been prepared. The estimated initial annual operating cost for the JPA is approximately \$3,597,000. The Fire Oversight Committee has recommended a formula for allocating costs that is based on population, service calls, assessed value, and number of stations and staffing. Based on this formula, costs would be allocated as follows:

Arroyo Grande	45%
Grover Beach	35%
Oceano Community Services District (OCSD)	20%

Therefore, the initial annual cost to the District would be approximately \$719,400. This amount is well within our projected annual revenues \$800,000, and close to our annual projected annual property tax revenues of about \$721,000. Realize that not all

**BOARD OF DIRECTORS  
CONSIDERATION OF FIRE CONSOLIDATION AND JOINT FIRE SERVICES  
JUNE 23, 2009  
PAGE 2**

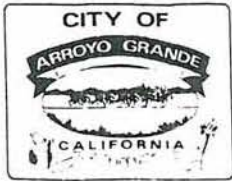
fire functions now performed by OCSD will be given to the new JPA, some residual costs and responsibilities will remain. At this point in time, I would expect that the total cost, both for the JPA, and the OCSD separate cost, would not exceed the \$800,000 figure.

See attached memo dated June 12, 2009 to the Fire Oversight Committee.

**THE RECOMMENDED ACTION BEFORE YOUR BOARD is to:**

By Board discussion, public comment, motion, second, and roll-call: 1) direct staff to proceed with the formation of the Fire Joint Powers Authority (JPA); 2) designate the Fire Oversight Committee as the Interim JPA Board of Directors for the purposes of providing direction to labor negotiators to prepare a Memorandum of Understanding (MOU) with the firefighters' union.





## MEMORANDUM

**TO: FIRE OVERSIGHT COMMITTEE**

**FROM: STAFF FIRE CONSOLIDATION COMMITTEE**

**SUBJECT: CONSOLIDATION RECOMMENDATIONS**

**DATE: JUNE 12, 2009**

### **Background**

At the August 15, 2008 meeting, the Fire Oversight Committee reviewed consolidation structural alternatives, cost allocation formulas, and initial cost estimates presented by staff. It was recommended that formation of a Joint Powers Authority be pursued, which was later confirmed by each of the agency's elected boards. The cost allocation formula later approved is based upon a combination of population, calls for service, assessed value, and stations and staffing level. A copy of the allocation formula data is attached. It resulted in the following allocation of costs:

Arroyo Grande	45%
Grover Beach	35%
OCSD	20%

Staff was then directed to develop more accurate cost data, specific recommendations, and a tentative implementation schedule. Since then, a Staff Fire Consolidation Committee has been formed that includes the Fire Chief and Battalion Chief, City Managers and General Manager, finance and personnel staff, and both career and reserve firefighter personnel from each of the agencies. The Committee has held a number of meetings to review specific issues and develop recommendations.

### **Costs**

A draft budget for the JPA has been prepared. A comparison by line item with each of the jurisdiction's existing budgets was prepared to verify costs and identify accurate cost impacts. This was a lengthy exercise given the variations in accounting structures and salary and benefit systems between the three agencies. Two cost comparisons were prepared and are attached. The proposed budgets should be used for guidance purposes as we approach consolidation. Please keep in mind that cost

estimates were made based on current assumptions and available information. Costs may be subject to further fluctuation as decisions on the process are made.

The first compares existing budgets to initial projected costs of the JPA based upon July 1, 2009 salary figures. For the purpose of developing an initial cost estimate, current Arroyo Grande salary and benefit ranges were assumed for all staff. Salaries and benefits for each employee were based upon initially transitioning from their pre-consolidation salary to the next highest existing salary step within the Arroyo Grande range. However, actual personnel costs will be based on negotiated salary and benefit agreements.

The second cost analysis calculates personnel costs at top step for each position. Therefore, this analysis is intended to identify future maximum potential costs based upon initial salary ranges.

Items that have been projected, but not fully resolved, include liability insurance, workers' compensation, legal services, personnel and finance administration, dispatch, and cost for use of existing stations. The projections assume 1.5 clerical support positions. The difference between the existing budgets for each agency and the share of future JPA costs are first calculated. Additional current individual cost items or future individual reimbursement items are then added and deducted to arrive at a projected total net cost to each agency. Figures take into account internal administrative costs that are currently charged to the Fire budget, which would now need to be assumed by the utility budgets.

The following is the net projected initial costs by agency:

Arroyo Grande	\$35,108
Grover Beach	\$11,774
OCS D	\$62,723

The future total potential cost impact is as follows:

Arroyo Grande	\$91,570
Grover Beach	\$55,689
OCS D	\$122,594

#### JPA Agreement

A subcommittee has been selected to prepare a draft of the JPA Agreement. Examples from other agencies have been reviewed and a consultant with experience in JPA formation was contacted.

Under the JPA, a Governing Board would be formed, which would consist of one or two elected and/or appointed representatives from each jurisdiction. Using the current agreement in place by the cities of Pleasanton and Livermore, the City Managers and General Manager would be designated as Joint Executive Directors. The Chief would report directly to the Governing Board.

Based on the Committee's research, it is recommended that initially Fire personnel technically become employees of the City of Arroyo Grande. For practical and operational purposes, all work will be directed by the JPA. However, if staff is employed by one of the agencies for administrative purposes, it will reduce both costs and time associated with establishing a new retirement benefit contract with PERS. Most importantly, a new PERS contract may impact the ability to maintain the Reserve program because maximum hours worked by Reserve staff could be limited. Once established, the JPA could work on potentially establishing a new contract with PERS as a future phase in the consolidation process.

It was also tentatively agreed that stations would continue to be owned by the individual agencies and leased to the JPA. Routine building maintenance would be the responsibility of the JPA, but major repairs or upgrades would be paid for by the property owner. Apparatus would all become property of the JPA. However, the Agreement would include provisions specifying that if the JPA were ever dissolved, any equipment existing prior to the formation of the JPA would be returned to the original owner. Any equipment purchased after the JPA was formed would be jointly owned based upon the cost allocation formula. Therefore, the agency housing the equipment would need to be reimbursed by the other two agencies based upon this formula. Any existing leasing payments for equipment will continue to be paid by the agency that is currently obligated for those leases.

#### Implementation Schedule

The following key implementation steps and targeted completion dates have been identified:

Approval to Proceed by City Councils and Board of Directors	July 2009
Agreement with CJPIA for Insurance and Workers Compensation	September 2009
Draft Final JPA Agreement	October 2009
Decision Regarding Joint Dispatch Options	November 2009
Negotiate MOU with Labor Group	February 2010
Personnel Transition Plan	May 2010
Activation	July 2010

#### Recommendations

It is recommended the Fire Oversight Committee recommend to the City Councils and Board of Directors to approve the plan for consolidation and appoint the current Fire Oversight Committee as the Transitional Board primarily for purposes of providing authorization and direction to labor negotiations.

#### Attachments:

1. Cost Allocation Formula
2. Consolidation Cost Analysis – Cost Comparison
3. Consolidation Cost Analysis – Future Potential Costs

## FIRE CONSOLIDATION COST ALLOCATION FORMULA

### Calculation of Formula:

*Population: (Customer Base)*

	Population	Percentage
Arroyo Grande	17,036	44%
Grover Beach	13,213	34%
OCSD	8,178	21%
<b>Total</b>	<b>38,427</b>	<b>100%</b>

*2007 Service Calls: (Service Volume)*

	Calls	Percentage
Arroyo Grande	1,779	44%
Grover Beach	1,447	36%
OCSD	812	20%
<b>Total</b>	<b>4,038</b>	<b>100%</b>

*Assessed Value: (At Risk Property Protected)*

	Assessed Value	Percentage
Arroyo Grande	\$2,337,735,349	55%
Grover Beach	\$1,371,849,316	32%
OCSD	\$554,167,421	13%
<b>Total</b>	<b>\$4,263,752,086</b>	<b>100%</b>

*Stations/Dedicated Engine Company Staffing: (Direct Service Level Within Community Boundary)*

	Stations	Percentage	Staffing	Percentage	Total
Arroyo Grande	1	33%	6	40%	37%
Grover Beach	1	33%	6	40%	37%
OCSD	1	33%	3	20%	27%
<b>Total</b>	<b>3</b>	<b>100%</b>	<b>15</b>	<b>100%</b>	<b>100%</b>

*Combination:*

	Percentage
Arroyo Grande	45%
Grover Beach	35%
OCSD	20%
<b>Total</b>	<b>100%</b>

**CONSOLIDATION COST ANALYSIS - COST COMPARISON**

<u>Item</u>	<u>AG</u>	<u>GB</u>	<u>OCSD</u>	<u>Total</u>	<u>JPA</u>	<u>Difference</u>
Salaries - Full Time	\$712,042	\$403,700	\$143,172	\$1,258,914	\$1,309,232	\$50,318
Salaries - Part-Time	\$40,300	\$0	\$0	\$40,300	\$55,000	\$14,700
Reserves	\$150,000	\$128,200	\$66,274	\$344,474	\$350,000	\$5,526
Special Pay	\$4,758	\$3,500	\$0	\$8,258	\$20,220	\$11,962
FLSA Overtime	\$12,000	\$41,700	\$69,795	\$123,495	\$27,583	-\$95,912
Overtime	\$20,000	\$92,700	\$34,000	\$146,700	\$90,000	-\$56,700
Holiday Pay	\$24,100	\$18,600	\$7,159	\$49,859	\$45,652	-\$4,207
Leave Buy Back	\$21,600	\$0	\$0	\$21,600	\$21,600	\$0
Uniform Allowance	\$7,200	\$5,700	\$5,000	\$17,900	\$28,000	\$10,100
PERS	\$247,900	\$52,900	\$30,970	\$331,770	\$444,100	\$112,330
Social Security	\$61,700	\$42,000	\$10,400	\$114,100	\$99,800	-\$14,300
PARS	\$0	\$0	\$0	\$0	\$900	\$900
SDI	\$5,200	\$0	\$0	\$5,200	\$11,400	\$6,200
Deferred Comp.	\$2,400	\$300	\$0	\$2,700	\$2,400	-\$300
Health Insurance	\$112,400	\$70,900	\$16,400	\$199,700	\$259,000	\$59,300
Dental Insurance	\$9,000	\$8,400	\$0	\$17,400	\$18,000	\$600
Vision Insurance	\$2,000	\$0	\$0	\$2,000	\$5,100	\$3,100
Disability Insurance	\$5,700	\$1,300	\$0	\$7,000	\$2,000	-\$5,000
Life Insurance	\$1,300	\$0	\$0	\$1,300	\$4,000	\$2,700
Workers' Comp.	\$31,689	\$67,900	\$35,000	\$134,589	\$134,589	\$0
Unemployment	\$0	\$0	\$3,400	\$3,400	\$5,000	\$1,600
Employee Assistance	\$300	\$0	\$0	\$300	\$600	\$300
Office Supplies	\$4,000	\$2,400	\$2,500	\$8,900	\$7,600	-\$1,300
Postage	\$0	\$850	\$500	\$1,350	\$1,500	\$150
EMS Supplies	\$6,000	\$0	\$0	\$6,000	\$13,000	\$7,000
Spec. Dept. Supplies	\$12,400	\$6,000	\$3,000	\$21,400	\$13,000	-\$8,400
Safety Clothing	\$15,400	\$0	\$3,000	\$18,400	\$18,400	\$0
Small Tools	\$1,500	\$4,000	\$250	\$5,750	\$3,000	-\$2,750
Advertising	\$0	\$100	\$1,000	\$1,100	\$1,100	\$0
Contractual Services	\$13,400	\$0	\$1,000	\$14,400	\$23,400	\$9,000
Printing	\$0	\$600	\$0	\$600	\$5,000	\$4,400
Physicals	\$3,000	\$0	\$0	\$3,000	\$9,500	\$6,500
Recruitment	\$0	\$0	\$0	\$0	\$1,000	\$1,000
Forensic Services	\$4,800	\$0	\$0	\$4,800	\$5,000	\$200
Hazmat Program	\$3,100	\$0	\$0	\$3,100	\$5,100	\$2,000
Utilities	\$0	\$1,650	\$2,600	\$4,250	\$8,000	\$3,750

**CONSOLIDATION COST ANALYSIS - COST COMPARISON**

Telephone	\$1,400	\$2,000	\$1,200	\$4,600	\$4,800	\$200
Travel/Training	\$6,700	\$11,100	\$6,000	\$23,800	\$25,500	\$1,700
Member./Subscript.	\$2,500	\$3,700	\$3,300	\$9,500	\$4,500	-\$5,000
Public Relations	\$2,100	\$600	\$0	\$2,700	\$3,000	\$300
Rent Equipment	\$0	\$100	\$0	\$100	\$100	\$0
Liability Insurance	\$25,000	\$19,750	\$11,000	\$55,750	\$55,750	\$0
Weed Abatement		\$0	\$5,000	\$5,000	\$15,000	\$10,000
Vehicle Maint.	\$23,300	\$7,800	\$9,000	\$40,100	\$52,000	\$11,900
Office Equip. Maint.	\$1,600	\$5,050	\$0	\$6,650	\$4,100	-\$2,550
Machinery Maint.	\$10,000	\$0	\$4,000	\$14,000	\$15,000	\$1,000
Building Maint.	\$0	\$800	\$1,500	\$2,300	\$5,000	\$2,700
Grounds Maint.	\$500	\$0	\$0	\$500	\$2,800	\$2,300
Radio Maint.	\$0	\$12,525	\$1,000	\$13,525	\$6,200	-\$7,325
Gas & Oil	\$12,800	\$11,800	\$9,000	\$33,600	\$30,700	-\$2,900
Legal/Personnel	\$0	\$0	\$0	\$0	\$20,000	\$20,000
IT	\$0	\$0	\$0	\$0	\$7,500	\$7,500
Payroll/Finance/HR	\$0	\$0	\$0	\$0	\$17,500	\$17,500
Audit	\$0	\$0	\$0	\$0	\$6,000	\$6,000
Rent of Buildings	\$0	\$0	\$0	\$0	\$225,000	\$225,000
IT Equipment	\$0	\$0	\$0	\$0	\$2,500	\$2,500
Computer Software	\$0	\$300	\$750	\$1,050	\$25,000	\$23,950
Machinery & Equip.	\$13,200	\$10,900	\$49,777	\$73,877	\$15,000	-\$58,877
Meetings	\$0	\$1,250	\$0	\$1,250	\$0	-\$1,250
Emp. Recognition	\$0	\$300	\$0	\$300	\$3,600	\$3,300
Miscellaneous	\$0	\$850	\$500	\$1,350	\$2,000	\$650
Other (Contingency)	\$0	\$0	\$10,000	\$10,000	\$0	-\$10,000
Subtotal	\$1,634,289	\$1,042,225	\$547,447	\$3,223,961	\$3,597,326	\$373,365
Dispatch	0	0	\$18,240	\$18,240	90,762	72,522
Total	\$1,634,289	\$1,042,225	\$565,687	\$3,242,201	\$3,688,088	\$445,887
JPA Cost Share	\$1,618,797	\$1,259,064	\$719,465	\$3,597,326		
Difference	-\$15,492	\$216,839	\$172,018	\$373,365		
Fire Administration	\$150,600	-\$98,065	-\$52,535	\$0		
Dispatch	\$0	\$0	\$18,240	\$18,240		
Rent of Buildings	-\$75,000	-\$75,000	-\$75,000	-\$225,000		
Vehicle Maint.	\$0	-\$12,000	\$0	-\$12,000		
Fin./Legal/IT/HR	-\$25,000	-\$20,000	\$0	-\$45,000		
<b>Final Difference</b>	<b>\$35,108</b>	<b>\$11,774</b>	<b>\$62,723</b>	<b>\$109,605</b>		