

CITY OF MARYSVILLE AGENDA BILL

EXECUTIVE SUMMARY FOR ACTION

CITY COUNCIL MEETING DATE: 10/26/15

AGENDA ITEM: Third Amendment to Agreement for Joint Operation of Fire and Emergency Medical Protection Facilities	
PREPARED BY: Sandy Langdon, Finance Director	DIRECTOR APPROVAL:
DEPARTMENT: Finance	
ATTACHMENTS: Proposed Third Amendment to Agreement for Joint Operation of Fire & Emergency Medical Protection Facilities Second Amendment to Agreement for Joint Operation of Fire & Emergency Medical Protection Facilities First Amendment to Agreement for Joint Operation of Fire & Emergency Medical Protection Facilities Agreement for Joint Operation of Fire & Emergency Medical Protection Facilities dated 8/25/2003	
BUDGET CODE:	AMOUNT:
SUMMARY:	

The proposed third amendment to the Agreement for Joint Operation of Fire and Emergency Medical Protection Facilities would amend Section 12.2 entitled “Financial Contribution By City” for the 2016 city contribution from the Fire District levy rate times the City’s assessed value to the City’s prior year’s contribution increased by 1% and the new construction.

City and Fire District 12 staff met to review the current and proposed financial contribution formulas and agreed to adjust the current formula for the 2016 contribution year.

RECOMMENDED ACTION: City staff recommends that Council approve the Mayor to sign the proposed Third Amendment to Agreement for Joint Operation of Fire and Emergency Medical Protection Facilities.

THIRD AMENDMENT TO AGREEMENT FOR JOINT OPERATION OF FIRE AND EMERGENCY MEDICAL PROTECTION FACILITIES

This Amendment to that certain Agreement between the parties hereto dated August 25, 2003 is entered into between SNOHOMISH COUNTY FIRE PROTECTION DISTRICT NO. 12, a municipal corporation, hereafter referred to as “District 12”, and the CITY OF MARYSVILLE, a municipal corporation, hereafter referred to as “City” as follows:

WHEREAS, the City completed a Fire and Emergency Medical Protection Services Study which recommended adjustment of the “Financial Contribution by City”; and

WHEREAS, the City and District 12 met to review current and proposed financial contribution formulas, and

WHEREAS, the City and District 12 recognize that the financial contribution by the City should be adjusted, NOW, THEREFORE,

The Agreement between the City and District 12 dated August 25, 2003 is hereby amended as follows:

1. Section 12.2 entitled “Financial Contribution By City” is hereby amended to read as follows:

For the period beginning January 1, 2016 to December 31, 2016 the City shall contribute to District 12 an amount calculated as follows:

The City shall contribute annually to District 12 an amount equal the prior year’s contribution multiplied by one percent (1%) plus new construction. New construction amount will be calculated by using the City’s new construction assessed value, as identified by the County Assessor for the 2016 tax year multiplied by the City’s prior year levy rate per \$1,000 of assessed value. Calculated estimates are represented in the following table.

	City New Construction Assess Value	City's Prior Year's Levy Rate	Total
Regular	\$90,586,184	\$2.43693992	\$220,753
EMS	\$90,586,184	\$0.42777746	\$38,751
Total	\$90,586,184	\$2.86471739	\$259,574

	2015 Base	1%	New Construction	Total	Increase
Regular	\$7,035,324	\$70,353	\$220,753	\$7,326,430	\$291,106
EMS	\$2,345,803	\$23,458	\$38,751	\$2,408,012	\$62,209
Total	\$9,381,127	\$93,811	\$259,504	\$9,734,442	\$353,315

The City's contribution shall be paid to District 12 in equal monthly installments.

2. The term of the third amendment to the agreement for joint operation of fire and emergency medical protection facilities will begin for the tax collection year beginning January 1, 2016 and remain in effect until December 31, 2016 or termination of the original agreement, whichever occurs first.
3. Except as provided herein, all other provisions of the agreement between the parties dated August 25, 2003 shall remain in full force and effect, unchanged.

IN WITNESS WHEREOF, the parties have executed this Third Amendment this _____ day of October, 2015.

CITY OF MARYSVILLE

SNOHOMISH COUNTY FIRE
PROTECTION DISTRICT NO. 12

Mayor

Chairperson

Attest:

Deputy City Clerk

Commissioner

Commissioner

Approved as to form:

City Attorney

Fire District Secretary

SECOND AMENDMENT TO AGREEMENT FOR JOINT OPERATION OF FIRE AND EMERGENCY MEDICAL PROTECTION FACILITIES

This Amendment to that certain Agreement between the parties hereto dated August 25, 2003 is entered into between SNOHOMISH COUNTY FIRE PROTECTION DISTRICT NO. 12, a municipal corporation, hereafter referred to as "District 12", and the CITY OF MARYSVILLE, a municipal corporation, hereafter referred to as "City" as follows:

WHEREAS, the City completed a Fire and Emergency Medical Protection Services Study which recommended adjustment of the "Financial Contribution by City"; and

WHEREAS, the City and District 12 met to review current and proposed financial contribution formulas, and

WHEREAS, the City and District 12 recognize that the financial contribution by the City should be adjusted, NOW, THEREFORE,

The Agreement between the City and District 12 dated August 25, 2003 is hereby amended as follows:

1. Section 12.2 entitled "Financial Contribution By City" is hereby amended to read as follows:

For the period beginning January 1, 2015 to December 31, 2015 the City shall contribute to District 12 an amount calculated as follows:

The City shall contribute annually to District 12 an amount equal the prior year's contribution multiplied by the percent change (rounded to the nearest tenth) in levy amount calculated as if the City and District 12 were combined. The calculation will follow the Department of Revenue formula. For description purposes the calculation will begin with the combining of the prior year levy amounts for the City and District 12, as determined by the Snohomish County Assessor, to determine the "base amount". The base amount may be increased by 1% or Implicit Price Deflator (IPD), whichever is lower. In addition, new construction and state assessed property increase will be included with the assessed values for new construction multiplied by the prior year agreement levy rate and the current year's state assessed property value less last year's state assessed property value with the remainder multiplied by the prior year agreement levy rate. The agreement calculation will follow any and all limitations to property tax levies regulated by the State. Refunded amounts less than or equal to ten thousand dollars (\$10,000) may be included in the agreement levy rate. Refunded amounts over ten thousand dollars (\$10,000) will be consider by the City upon requested by District 12

ORIGINAL

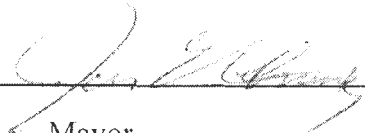
to the City's executive office. Exhibit A provides for the calculation of the City's contribution for the 2015 tax collection period. The City's contribution shall be paid to District 12 in equal monthly installments.

2. The term of the second amendment to the agreement for joint operation of fire and emergency medical protection facilities will begin for the tax collection year beginning January 1, 2015 and remain in effect until termination of the original agreement.
3. Except as provided herein, all other provisions of the agreement between the parties dated August 25, 2003 shall remain in full force and effect, unchanged.

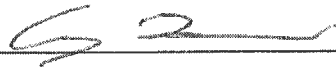
IN WITNESS WHEREOF, the parties have executed this Second Amendment this 30 day of June, 2015.

CITY OF MARYSVILLE

SNOHOMISH COUNTY FIRE
PROTECTION DISTRICT NO. 12

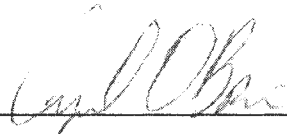


Mayor

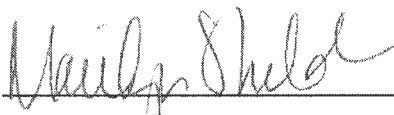


Chairperson

Attest:



Deputy City Clerk




Commissioner



Commissioner

Approved as to form:



City Attorney



Fire District Secretary

EXHIBIT A

Calculation of the City's Contribution for the 2015 Tax Collection Period

PROPERTY TAX MODEL-Fire w/MSVL AV	2012	2013	2014	2015	2016	2017
ASSESSED VALUATION	Actual	Actual	Actual	10/22/2014	10/23/2014	10/24/2014
AV ADJUSTMENTS						
Previous Year AV	1,694,902,877	6,270,690,696	5,888,528,927	6,385,411,332	7,184,856,551	7,593,099,379
Reassessment %	-11.4%	-7.4%	7.4%	11.8%	5.0%	5.0%
Reassessment Value	(193,687,653)	(461,178,569)	433,986,482	752,848,080	359,242,828	379,654,989
Appeals						
Reassessed AV	1,501,215,224	5,809,512,127	6,322,515,409	7,138,259,411	7,544,099,379	7,972,754,348
Other AV Adjustments						
New Construction	57,277,036	79,016,800	60,759,049	46,597,140	49,000,000	49,000,000
State Assessed Utilities	10,276,128		2,136,874			
Annexations	4,701,922,308					
Other Adjustments						
Total Other AV Adjustments	4,769,475,472	79,016,800	62,895,923	46,597,140	49,000,000	49,000,000
CURRENT YEAR AV	6,270,690,696	5,888,528,927	6,385,411,332	7,184,856,551	7,593,099,379	8,021,754,348
BASE TAX COLLECTIONS						
	2,368,537	9,406,036	8,832,793	9,015,465	9,171,410	9,325,672
Bank Increase (not to exceed 1.06)	1.01	1.01	1.01	1.01	1.01	1.01
Bank Base Collection Limit Prior to AV adj	2,392,222	9,500,096	8,921,121	9,105,620	9,263,124	9,418,929
New Construction @ Prior Levy	80,042	159,982	91,139	65,790	62,548	60,181
St. Assessed Utilities @ Prior Levy	14,360	-	3,205	-	-	-
Annexations	7,452,926					
Subtotal Base Collections	9,939,550	9,660,079	9,015,465	9,171,410	9,325,672	9,479,109
Refunds						
Total Base Levy Collections	9,939,550	9,660,079	9,015,465	9,171,410	9,325,672	9,479,109
Previous Year Levy Rate	1.397	1.500	1.500	1.412	1.276	1.228
Unlimited New Levy Rate	1.585	1.640	1.412	1.276	1.228	1.182
New Base Levy (not to exceed 1.50)	1.5000	1.5000	1.4119	1.2765	1.2282	1.1817
Total Allowable Collections	9,406,036	8,832,793	9,015,465	9,171,410	9,325,672	9,479,109
EMS LEVY						
Base	853,178	3,135,345	2,944,264	3,005,155	3,058,505	3,112,151
Increase (not to exceed 1.06)	1.01	1.01	1.01	1.01	1.01	1.01
EMS Collection Limit Prior to AV adj	861,710	3,166,699	2,973,707	3,035,207	3,089,090	3,143,273
New Construction @ Prior Levy	28,639	39,508	30,380	23,299	23,061	20,859
St. Assessed Utilities @ Prior Levy	5,138	-	1,068	-	-	-
Annexations	2,350,961					
Subtotal Base Collections	3,246,447	3,206,207	3,005,155	3,058,505	3,112,151	3,164,131
Refunds						
Total 1.06 EMS Levy Collections	3,246,447	3,206,207	3,005,155	3,058,505	3,112,151	3,164,131
Prior Year EMS Levy Rate	0.50	0.50	0.50	0.50	0.47	0.43
EMS Levy Rate (not to exceed .50)	0.500	0.500	0.471	0.426	0.410	0.394
Total EMS Levy Collections	3,136,345	2,944,264	3,005,155	3,058,505	3,112,151	3,164,131

LEVY RATE SUMMARY	2012	2013	2014	2015	2016	2017
Regular Levy	1.500	1.500	1.412	1.276	1.228	1.182
Total Regular Levy	1.600	1.5000	1.412	1.276	1.228	1.182
Special Levies						
EMS Levy	0.50	0.50	0.47	0.43	0.41	0.39
94 G.O. Refund	-	-	-	-	-	-
Total Special Levies	0.5000	0.5000	0.4706	0.4257	0.4099	0.3944
TOTAL LEVIES	2.000	2.000	1.883	1.702	1.638	1.576
COLLECTIONS SUMMARY	2012	2013	2014	2015	2016	2017
Regular Levy Collections						
Total Regular Levy Collections	9,406,036	8,832,793	9,054,465	9,171,110	9,325,672	9,479,109
Special Levy Collections						
EMS Levy	3,655,345	2,944,264	3,005,655	3,058,505	3,112,611	3,164,131
Voted GO Debt Service	-	-	-	-	-	-
Total Special Levy Collections	3,135,345	2,944,264	3,005,155	3,058,505	3,112,151	3,164,131
TOTAL ESTIMATED COLLECTION	12,541,381	11,777,058	12,020,620	12,229,915	12,437,823	12,643,240
		-6.1%	2.1%	1.7%	1.7%	1.7%

	Actual	Actual	Actual	Estimate	Estimate	Estimate
City Fire Payment	9,538,951	8,953,050	9,224,313	9,381,126	9,540,605	9,702,796
Fire 12 Taxes Assessed	3,006,377	2,827,493	2,900,448	2,967,343		
Total	12,545,328	11,780,543	12,124,761	12,348,469	9,540,605	9,702,796
Difference	(3,946)	(3,485)	(104,140)	(118,554)		

FIRST AMENDMENT TO AGREEMENT FOR JOINT OPERATION OF FIRE AND EMERGENCY MEDICAL PROTECTION FACILITIES

This Amendment to that certain Agreement between the parties hereto dated August 25, 2003 is entered into between SNOHOMISH COUNTY FIRE PROTECTION DISTRICT NO. 12, a municipal corporation, hereafter referred to as "District 12," and the CITY OF MARYSVILLE, a municipal corporation, hereafter referred to as "City" as follows:

WHEREAS, the CITY completed annexation of an area referred to as "the Central Marysville Annexation" hereafter "CMA Annexation", on December 30, 2009; and

WHEREAS, the financial contribution formula referred to in the current agreement, when paired with a large annexation such as the CMA Annexation results in the unintended consequence of unreasonably escalating the 2011 property tax collected from both City and Fire District 12 in excess of amounts collected without annexation; and

WHEREAS, the City and District 12 recognize that the CMA annexation neither increases nor decreases the combined service area of the Marysville Fire District and both parties desire subsequent tax revenues consistent with prior year collections in addition to mutually agreed to budgetary increases allowed by law, NOW, THEREFORE,

The Agreement between District 12 and the City dated August 25, 2003 is hereby amended as follows:

1. Section 12.2 entitled "Financial Contribution By City" is hereby amended to read as follows:

For the period of January 1, 2011 to December 31, 2011 the City shall contribute to the Marysville Fire District an amount calculated as follows:

A "base amount" shall be established based on the City's 2010 contribution of \$7,709,112 and the Fire District's contribution of \$6,034,988 representing a total combined contribution of \$13,744,100. To determine the City's 2011 contribution to the Marysville Fire District this "base amount" of \$13,744,100, may be increased up to 1% by written mutual agreement of the City and Fire District. The resulting base amount will then be multiplied by the percentage of the City's 2010 assessed value to the sum of the 2010 assessed value for the Fire District and the City (where 2010 AV is the Snohomish County Assessor's 2010 AV for 2011 taxes). By way of example only, the manner in which each party's percentage share is calculated is attached and incorporated as Exhibit A. The City's contribution shall be paid to Marysville Fire District in equal monthly installments.

2. The term of the first amendment to the agreement for joint operation of fire and emergency medical protection facilities is for one year, beginning January 1, 2011 and expiring on December 31, 2011.

3. Except as provided herein, all other provisions of the agreement between the parties dated August 25, 2003 shall remain in full force and effect, unchanged.

IN WITNESS WHEREOF, the parties have executed this First Amendment this 14 day of June, 2010.

CITY OF MARYSVILLE

SNOHOMISH COUNTY FIRE PROTECTION DISTRICT NO. 12

Dennis L. Randall

MAYOR

MRM

Chairperson

ATTEST:

Tracy [Signature]
City Clerk

[Signature]

Commissioner

[Signature]

Commissioner

Commissioner

Approved as to form:

Grant K. Weed

City Attorney

[Signature]
Fire District Secretary

Exhibit A

Using 2010 actual to apply the 2011 payment formula for example:

2010 Fire District 12 taxes received plus 2010 city payment			\$13,744,100
2010 City AV (From assessors' tax rolls)	\$4,437,265,961	56.07%	
2010 Fire District 12 AV (Avg. of EMS & Regular Levy AV) (From assessors' tax rolls)	<u>\$3,476,365,294</u>	<u>43.93%</u>	
Total combined AV of Marysville and Fire District 12	\$7,913,631,255	100.00%	
2010 City Proportionate share (\$13,744,100*56.07%)			\$7,706,317
2010 Fire District 12 Levy (\$13,744,100*43.93%)			\$6,037,783

**AGREEMENT FOR JOINT OPERATION OF
FIRE AND EMERGENCY MEDICAL PROTECTION FACILITIES**

THIS AGREEMENT is entered into between SNOHOMISH COUNTY FIRE PROTECTION DISTRICT NO. 12, a municipal corporation, hereafter referred to as "District 12," and the CITY OF MARYSVILLE, a municipal corporation, hereafter referred to as "City."

This agreement is entered into by the City under the authority of RCW 35A.11.040 and District 12 under the authority of RCW 52.12.031 and in conformity with Chapter 39.34 RCW, the Interlocal Cooperation Act.

The City and District 12 previously each maintained and operated their own fire department to provide fire protection, fire suppression and emergency medical services in its respective area.

The City and District 12 determined that it is in the best interest of each of the municipal corporations to establish a Consolidated Fire Department to be operated under the control and direction of a Board of Directors as defined by this agreement.

The City and District 12 initially entered into an Agreement for Joint Operations of Fire and Emergency Medical Protection Facilities on October 16, 1991 with updates on September 15, 1993 and have now determined that further updates and revisions to the agreement are appropriate and necessary. Accordingly, the parties wish to enter into this agreement and any amendments thereto.

To carry out the purposes of this agreement and in consideration of the benefits to be received by each party, it is agreed as follows:

1. **DEFINITIONS.** The following terms, when used in this agreement, shall be defined as follows:
 - 1.1 "City" shall mean the City of Marysville.
 - 1.2 "District 12" shall mean Snohomish County Fire Protection District No. 12.
 - 1.3 "Department", "Fire Department" "District" or "Consolidated Fire Department" shall mean the combined operating fire departments of the City and District 12, hereinafter referred to as the "Marysville Fire District."

1.4 "Fire Chief" shall mean the chief of the Fire Department appointed by the Board of Directors.

1.5 "Board of Directors" or "Board" shall mean the joint board composed of three appointees of the City and up to six appointees of the District as further described in paragraph 4 below.

2. **TERM.** This agreement shall be effective August 1, 2003 and shall continue for a minimum term of four (4) years. In the event either party shall desire to terminate this agreement after the expiration of the term, such party shall give to the other party thirty-six (36) months' advance written notice of termination. The thirty-six (36) month period is established to provide adequate time for the Board of Directors to discontinue the joint operation and for each party to reestablish its own fire department.

3. **RENEGOTIATION OF TERMS.** With the exception of the term of this agreement provided in paragraph 2, either party that wishes to renegotiate any provision of this agreement may give to the other party twelve (12) months' written notice of such intent, setting forth the provisions to be renegotiated. The parties agree that in the event of such notice, they shall engage in good faith negotiation. This agreement may be revised at any time by agreement of the parties.

4. **BOARD OF DIRECTORS.** The operations of the Department necessary to carry out the purposes of this agreement shall be administered by a Board of Directors consisting of a minimum of six members, and a maximum of nine members, as defined in this agreement. The City shall appoint three members to the Board of Directors, provided that the appointees shall consist of three City Council members or two city council members and the Mayor. District 12 shall appoint no less than three and no more than six members to the Board of Directors. Provided, that the appointees shall consist of Commissioners of District 12. Pursuant to the merger of Fire District No. 20 into Fire District No. 12, District 12 will, initially, appoint 6 members to the Board of Directors and reduce its Board membership down to three in accordance with RCW 52.06.085. The Board shall have the authority to administer and manage the operations of the Marysville Fire District, all jointly owned properties and equipment and all properties and equipment of each party used by the Marysville Fire District. The Board shall have the authority and powers granted by this instrument and such additional authority and powers as may from time to time be conferred on it by the legislative bodies of both parties. A quorum of the Board shall consist of a simple majority of the appointed members. Actions of the Board shall require the affirmative vote of the majority of the members of the Board present. The Fire Chief shall report to and operate under the supervision and control of the Board of Directors.

5. **MEETINGS OF BOARD OF DIRECTORS.** All meetings of the Board of Directors shall be held in compliance with the Open Public Meetings Act, chapter 42.30 RCW. The date and time of the regular monthly meeting of the Board of Directors shall be established by resolution of the Board.
6. **LIMITATION OF THE BOARD OF DIRECTORS.** The Board of Directors shall have no authority to modify or revise the terms of this agreement. In the event the Board of Directors shall be unable to reach an agreement on any matter before it, such matter shall be referred to the City Council and the Board of Commissioners of District 12 for resolution.
7. **CITY SERVICES.** The Board of Directors shall provide the following services within the City limits:
 - 7.1 Fire prevention services.
 - 7.2 Fire suppression services.
 - 7.3 Emergency medical services.
 - 7.4 Hazardous materials incident response services.
 - 7.5 Uniform Fire Code inspection services.
 - 7.6 Uniform Fire Code preconstruction building plan review services.
 - 7.7 Uniform Fire Code investigation services.
 - 7.8 Technical Rescue Services.
8. **DISTRICT 12 SERVICES.** The Board of Directors shall provide the following services within the boundaries of District 12.
 - 8.1 Fire prevention services.
 - 8.2 Fire suppression services.
 - 8.3 Emergency medical services.
 - 8.4 Hazardous materials incident response services
 - 8.5 Technical Rescue Services.
9. **LEVEL OF SERVICES.** Fire prevention, fire suppression, emergency medical, technical rescue and hazardous materials incident response services shall be provided at the same level to each of the parties under the terms of this agreement. In the event of simultaneous emergencies within the City and District 12 whereby the resources of the Department are taxed beyond its ability to render equal protection, the officers and agents of the Department shall determine how to allocate the resources of the Department.

The parties recognize that Snohomish County has the statutory jurisdiction to enforce the provisions of the Uniform Fire Code within the boundaries of District 12 rather than District 12 itself.

10. **BUDGET.** The Fire Chief shall prepare and present a proposed operating budget to the Board of Directors for the Marysville Fire District in accordance with the Budgeting, Accounting and Reporting System (BARS) established by the Washington State Auditor's Office, establishing the annual income and expense requirements of the Department and the capital expenditures required for the operation of the Department. The Board of Directors shall review the proposed budget and submit an estimate of the City's cash contribution amount to the City and the District not later than October 1 of each year. Approval of the budget shall require a majority vote of the Board of Directors. After a budget is adopted by the Board of Directors, a copy shall be submitted to the Marysville City Council and District 12 Commissioners. In the event the Board of Directors cannot agree on a Budget, the Board shall notify each of the parties to this agreement. The parties to this agreement shall negotiate a compromise on the budget or budget item(s), and shall have authority to approve such on behalf of the Marysville Fire District. In the event the parties to this agreement cannot reach a compromise, the parties agree to utilize arbitration as outlined in section 29-Dispute Resolution of this agreement.

In the event it shall be necessary, during any calendar year, for the budget to be amended, the Fire Chief shall prepare a budget amendment and submit it to the Board for review. Upon approval by the Board of Directors, the amendment shall be submitted to the governing body of each party for approval in the event the amendment shall require an additional contribution of funds by either party.

11. **SPECIAL FUND.** The Board of Directors shall create a special operating fund with the County Treasurer's office to be used for the payment of the operating costs of the Fire Department. The Board of Directors shall be responsible for the proper management and accounting of all funds coming into the possession of the Board of Directors. The financial affairs of the Board of Directors shall be conducted in accordance with applicable federal and state laws and regulations.

12. **FUNDING OF SPECIAL FUND.** Each of the parties agrees to fund the operations of the Department under the following provisions:

- 12.1 **Financial Contribution by District 12.** District 12 agrees to levy regular real property taxes, as determined by its Board of Commissioners, on taxable property located within the District. The Board of Directors shall provide sufficient funds for the following District 12 operations:

- 12.1.1 Commissioners' fees pursuant to RCW 52.14.010.
- 12.1.2 Membership fees for state and local municipal corporation associates and commissioners' associations.
- 12.1.3 Board of Directors' travel expenses and expenses incurred in attending meetings, legislative and administrative hearings and all other such functions.
- 12.1.4 Attorneys', accountants', auditors' and investment officers' fees and costs.
- 12.1.5 Election expenses.
- 12.1.6 Such other reasonable and necessary expenses as may be incurred from time to time by District 12 and its Board of Commissioners that are not attributable to the operation of the Department.

12.2 **Financial Contribution By City.** The City shall contribute annually to the Board of Directors an amount equal to the levy rate for regular real property taxes assessed by District 12 multiplied by the total assessed value of taxable properties located within the City limits, including new construction and utilities calculated on the same basis as District 12. The City shall further contribute all other Fire Department revenues including, but not limited to, contract income, revenue received from the state for impact funds and fire fighting and emergency services, and any fees or charges for permits issued by the Fire Marshal. The contribution shall be paid to the Board of Directors in equal monthly installments.

12.3 **District Regular Tax Limitations.** District 12 agrees that it will not seek voter approval of the lifting of the LID limitation on its regular or emergency medical services regular real property tax levy without the consent of the City. District 12 agrees that it will not voluntarily lower its regular or emergency medical services regular real property tax levy without the consent of the City.

13. **EMPLOYMENT OF PERSONNEL.** District 12 shall be the employer of all personnel required to perform the services provided for in this agreement. The Board of Directors shall provide funds to the District to pay all wages, salaries, employment benefits, payroll taxes and any other expenses associated with the paid personnel. It is further agreed that future medical benefits required by statute to be provided to LEOFF I personnel whose employment is transferred from the City to District 12 shall be funded by the Board of Directors. District 12 assigns its authority to manage, supervise, employ, terminate and contract with employees to the Board of Directors.

14. **ASSIGNMENT OF PERSONNEL AND EQUIPMENT.** Under the provisions of the Board of Directors, the chief shall be responsible for the supervision, employment, termination, assignment and stationing of all personnel and equipment of the Department. In exercising such authority, the Fire Chief shall consult with the Board of Directors to insure that an adequate level of protection is provided within the geographical boundaries of each of the parties.
15. **FIRE CHIEF AND FIRE MARSHAL.** The City agrees that it will recognize the Fire Chief and Fire Marshal of the District as the Fire Chief and Fire Marshal of the City. The Fire Chief and Fire Marshal shall cooperate with the City building officials and the City's Director of Community Development to enforce the provisions of the Uniform Fire Code. The City agrees that all court costs and other legal costs incurred in the enforcement of the Uniform Fire Code within the City limits shall be paid by the City and shall not be considered an operating expense of the Department. In the event the City shall be awarded its costs, attorneys' fees, penalties or fines in such enforcement action, the recovery shall remain the property of the City.
16. **PROPERTY OWNERSHIP.** Except as provided in paragraph 24, all property owned by District 12 to enable it to perform the services required under this agreement shall remain the property of District 12 in the event of the termination of this agreement. All property owned by the City to enable it to perform the services required under this agreement shall remain the property of the City in the event of the termination of this agreement. All jointly owned and jointly purchased property acquired under the terms of this agreement shall be disposed of on an equitable basis and in such manner as may be agreed upon between the City and District 12 in the event of the termination of the joint operation.
17. **MAJOR CAPITAL IMPROVEMENTS.** In the event the Board of Directors shall determine that a major capital improvement, not included in the annual budget, is necessary for the proper operation of the Department, the Board of Directors shall prepare a report and recommendation to be submitted to the legislative body of each of the parties for review. The parties agree to review any recommendation of the Board of Directors, and, if necessary, to consider the issuance and sale of general obligation bonds to fund needed capital improvements. In the event it shall be necessary to obtain voter approval to incur indebtedness or levy excess taxes, the parties agree to cooperate to jointly submit such requests to the voters of the City and District 12. In the event any such ballot measure shall be approved in one jurisdiction but not in the other, the jurisdiction in which it failed shall submit the measure at another election during the same calendar year if an election date is available. If the measure shall fail the second time, the jurisdiction submitting the measure may consider funding the improvements through any other source of funding that may be available. All funds received as a result of special levies, sale of bonds, or the like for the

benefit of the Marysville Fire District shall be tendered to the accounts of the Department as soon as practical.

18. **MAINTENANCE OF STATIONS.** The Board of Directors shall be responsible to provide for the normal maintenance and repair of all station facilities exclusively operated by the District. The Board of Directors shall enter into a use agreement with the City to provide for normal maintenance, repair and operating expenses of any jointly operated, City owned station facilities.
19. **HOLD HARMLESS.** Each of the parties shall, at all times, be solely responsible for the acts or the failure to act of its personnel that occur or arise in any way out of the performance of this agreement by its personnel only and to save and hold the other party and its personnel and officials harmless from all costs, expenses, losses and damages, including cost of defense, incurred as a result of any acts or omissions of the party's personnel relating to any activities of such party that may have occurred prior to the effective date of this agreement.
20. **INSURANCE.** The Board of Directors shall provide insurance coverage for all operations, facilities, equipment and personnel of the Department. The insurance shall include all risk property insurance, insuring District 12 and City equipment and District 12 buildings at replacement cost; comprehensive general liability insurance with a minimum policy limit of \$2,000,000.00 per occurrence; errors and omissions insurance including civil rights coverage covering the actions of the Board of Directors and the legislative bodies of District 12 and the City; auto insurance, including comprehensive and collision coverage at agreed replacement cost and liability coverage with a minimum policy limit of \$2,000,000.00 per occurrence; boiler and machinery insurance and a fidelity bond covering the actions of Department personnel. The City shall provide insurance coverage for all jointly operated city owned facilities. The Board of Directors shall furnish to District 12 and the City appropriate documentation showing that such coverage is in effect and that District 12 and the City are named insureds on the policies on or before the effective date of the joint operation. The Board of Directors is authorized, consistent with the above provisions, to contract with the Washington Cities Insurance Authority or such other insurance provider as it deems appropriate.
21. **OPERATIONAL RULES AND REGULATIONS.** The Board of Directors shall, from time to time, adopt and implement rules and regulations to govern the operations of the Department.
22. **EMPLOYMENT ON TERMINATION.** In the event, as a result of the notice of termination or expiration of this agreement, District 12 must terminate any of its employees, the City agrees that it will, if positions are available, hire the qualified employees terminated by District 12 before it employs additional personnel. Subject to the provisions of any collective bargaining agreement to which District 12 or the Board of Directors may be a party, the determination of which District 12 employees will be

terminated and employed by the City shall be negotiated by the parties. The negotiations shall take into consideration a fair and equal apportionment of the employees based on the length of service, experience, qualifications and rank of the employees.

23. **ANNUAL RETREAT.** The Board of Directors shall hold an annual retreat to review the operation of the Fire Department during the preceding year, to discuss planning, the operating budget and capital improvement budget for the following year and to review any provisions of this agreement that either party may wish to modify. This meeting shall be scheduled at an agreeable time on or before October 1 of each year. The results of the retreat may be reviewed by the Marysville City Council if desired.
24. **ANNEXATIONS.** In the event that the City, during the term of this agreement, shall, in single annexations, annex areas of District 12 that contain more than five percent (5%) of the area of District 12, the City agrees that it will not invoke the provisions of RCW 35A.14.380 and .400, as presently exists or as may be hereafter amended, relating to ownership of assets for each such annexation. District 12 agrees, during the term of this agreement, that the percentage of the assessed value of District 12 contained in each such annexation shall be cumulated and that the City shall be entitled to invoke the statutory provisions for all such prior annexations which occurred during the term of this agreement at the time of the termination of this agreement and prior agreements.
25. **NOTICES.** All notices, requests, demands and other communications required by this agreement shall be in writing and, except as expressly provided elsewhere in this agreement, shall be deemed to have been given at the time of delivery if personally delivered or at the time of mailing if mailed by first class, postage prepaid and addressed to the party at its address as stated in this agreement or at such address as any party may designate at any time in writing.
26. **SEVERABILITY.** If any provision of this agreement or its application is held invalid, the remainder of the agreement or the application of the remainder of the agreement shall not be affected.
27. **MODIFICATION.** This agreement represents the entire agreement between the parties. No change, termination or attempted waiver of any of the provisions of this agreement shall be binding on either of the parties unless executed in writing by authorized representatives of each of the parties. The agreement shall not be modified, supplemented or otherwise affected by the course of dealing between the parties.
28. **BENEFITS.** This agreement is entered into for the benefit of the parties to this agreement only and shall confer no benefits, direct or implied, on any third persons.

29. **DISPUTE RESOLUTION.** In the event of a disagreement between the parties relating to the interpretation of the terms of this agreement, the parties agree that such dispute shall be resolved by binding arbitration. The arbitration shall be conducted by a panel of three (3) arbitrators. Each party shall appoint an arbitrator, and the two arbitrators shall appoint a third arbitrator. Unless different rules are adopted by the Board of Arbitrators, the rules of the American Arbitration Association shall apply with respect to the arbitration proceedings.
30. **PRIOR AGREEMENTS.** This Agreement is solely intended to update and replace the Agreement for Joint Operation of Fire and Emergency Medical Protection Facilities dated September 15, 1993

DATED THIS 25th DAY OF August, 2003

CITY OF MARYSVILLE

**SNOHOMISH COUNTY FIRE
PROTECTION DISTRICT NO.12**

David Weiss
Mayor

Dean Reynolds
Chairperson

Paul E. Rohm
Commissioner

Perry Becker
City Clerk

Margaret N. Nottved
Commissioner

Robertson Smith
Commissioner

Anna M. Wiegert
Commissioner

Paul G. King
Commissioner

Approved
ATTEST AS TO FORM:

Grant K. Weed
City Attorney

Amy Conn
Fire District Secretary