



Eastside Fire & Rescue Interlocal Agreement

January 1, 2015 - December 31, 2021

EASTSIDE FIRE & RESCUE INTERLOCAL AGREEMENT

THIS AGREEMENT is entered into by and between KING COUNTY FIRE PROTECTION DISTRICT NO. 10, King County, Washington ("District 10"), FIRE DISTRICT 38, King County, Washington ("District 38"), the CITY OF ISSAQUAH, Washington ("Issaquah"), the CITY OF NORTH BEND, Washington ("North Bend"), and the CITY OF SAMMAMISH, Washington ("Sammamish"), all Washington municipal corporations (collectively, the "Parties").

RECITALS

- A.** On January 1, 1999, District 10, District 38, Issaquah and North Bend commenced operation of Eastside Fire & Rescue, a fire and emergency medical services joint department, pursuant to Chapter 39.34 RCW. On January 1, 2001, Sammamish joined Eastside Fire & Rescue.
- B.** The original Interlocal Agreement establishing Eastside Fire & Rescue expired on December 31, 2007 ("Original Agreement") (The Original Agreement consisted of the "Agreement for Joint Operation of Fire and Emergency Medical Services" between District 10 and Issaquah, as amended by the "District No. 38 and North Bend Amendment to the Agreement for Joint Operation of Fire and Emergency Medical Services," by the "City of Sammamish Amendment to the Agreement for Joint Operation of Fire and Emergency Medical Services," and by the "Equipment Funding (Separate Ownership) Amendment to Agreement for Joint Operation of Fire and Emergency Medical Services").
- C.** The Parties extended the operation of Eastside Fire & Rescue another seven years to December 31, 2014, by amending and replacing in its entirety the Original Agreement with another agreement ("2008 Agreement").
- D.** The Parties desire to extend the operation of Eastside Fire & Rescue another seven years to December 31, 2021, and to amend and replace in its entirety the 2008 Agreement in accordance with the terms and conditions of this new agreement ("Agreement").

AGREEMENT

The Parties agree as follows:

- 1. Definitions.** The following terms shall have the following meanings:
- 1.1. "Board of Directors" or "Board" means the joint board of the Joint Fire Department, as described in Paragraph 3.
- 1.2. "Fire Chief" means the chief of the Joint Fire Department appointed by the Board of Directors.

47
48 1.3. "Fire Department" or "Joint Fire Department" means the combined
49 operating fire departments of Issaquah, North Bend and Sammamish
50 (collectively, the "Cities") and District 10 and District 38 (collectively, the
51 "Districts"). The Joint Fire Department shall be known as "Eastside Fire &
52 Rescue."

53
54 1.4. "Personal property" means all property that is owned or used by the Joint
55 Fire Department and that is not land or buildings, including but not limited
56 to vehicles, equipment, durable goods, furniture, fixtures, small tools and
57 supplies.

58
59 1.5. "Real property" means all land and buildings that are used by the Joint
60 Fire Department.

61
62 **2. Term.** This Agreement shall be effective on January 1, 2015, and shall terminate
63 on December 31, 2021. It shall be renewed automatically thereafter for
64 successive seven-year terms.

65
66 **3. Board of Directors.**

67
68 3.1. **Authority.** A Board of Directors shall administer, operate, and manage
69 the Joint Fire Department and all jointly owned or separately owned real
70 and personal property of the Parties. The Board's authority shall include
71 execution of contracts on behalf of the Joint Fire Department for the
72 provision of goods and services, including the authority to enter into or
73 amend existing or future employment contracts with the Fire Chief and
74 such other employees as shall be authorized by the Board. The Board
75 further shall have such additional authority as may from time to time be
76 conferred on it by the legislative bodies of all of the Parties. Except as
77 provided in paragraphs 7, 12.3 and 12.4, the Board shall have no authority
78 to modify or revise the terms of this Agreement.

79
80 3.2. **Appointment.** The Board of Directors shall consist of eight elected
81 officials, each of whom shall be currently serving as elected officials of the
82 governing body of one of the Parties. An "elected official" shall be a
83 person elected by the voters to the governing body of one of the Parties,
84 or duly appointed to such an elected position to fill a vacancy on such
85 governing body. The Issaquah City Council shall appoint two Board
86 members, the North Bend City Council shall appoint one Board member,
87 the Sammamish City Council shall appoint two Board members, the
88 District 10 Board of Fire Commissioners shall appoint two Board
89 members, and the District 38 Board of Fire Commissioners shall appoint
90 one Board member. Each Party also shall appoint one of its respective
91 elected officials as an alternate Board member. If a Party must appoint
92 two alternate Board members, the Party may appoint the same elected

93 official to both of the alternate Board member positions. The Board
94 members and the alternates shall serve at the pleasure of each respective
95 Party.
96

97 **3.3. Meetings.** A quorum of the Board of Directors shall consist of five
98 members or their alternates. Unless actions of the Board are required by
99 law to be in the form of a resolution, the actions of the Board may be by
100 motion or resolution. Except as provided otherwise in this Agreement, at
101 least five Board members or alternates shall approve a motion or
102 resolution. The Board shall approve motions or resolutions regarding
103 changes to the revenue formula of paragraph 7 by unanimous vote of the
104 entire membership of the Board. All meetings of the Board shall be held in
105 compliance with the Open Public Meetings Act, Chapter 42.30 RCW. The
106 date, time, and place of the regular meetings of the Board shall be
107 established by resolution of the Board. The Board shall prepare minutes of
108 its meetings, which shall be distributed regularly to the legislative bodies of
109 the Parties.
110

111 **3.4. Committees and Task Forces.** The Board of Directors shall have
112 authority to form and appoint committees and task forces to assist the
113 Board in the performance of its duties and responsibilities.
114

115 **4. Services.** The Board of Directors shall identify and provide services in
116 accordance with applicable laws and regulations. Services within the boundaries
117 of the Parties include, but are not limited to: fire prevention; fire suppression;
118 emergency medical; rescue; and hazardous materials incident response. Within
119 the boundaries of the Parties, the Board shall provide the following additional
120 services in conformance with City and County ordinances: fire code inspection
121 and enforcement; fire code pre-construction building plan review. The Parties
122 recognize that King County has statutory jurisdiction to enforce the Fire Marshal
123 provisions of the County Code within the unincorporated areas served by the
124 Parties.
125

126 **5. Budget.** The Fire Chief or designee shall prepare a proposed budget for a
127 succeeding calendar year and a multi-year projection pursuant to a process
128 established by the Board of Directors. The process shall meet the service needs
129 and requirements of this Agreement and shall comply with applicable laws and
130 regulations. The legislative bodies of the Parties shall adopt a budget before the
131 end of the calendar year in accordance with applicable laws and regulations. The
132 Board may submit a recommended budget amendment to the legislative bodies
133 of the Parties, which may adopt a budget amendment in accordance with
134 applicable laws and regulations. The Board of Directors shall establish a
135 benchmark to evaluate cost effectiveness.
136

137 **6. Finances -- Special Fund.** The Board of Directors shall create a special
138 operating fund at the King County Financial Management Office for the payment
139 of the operating costs and expenses of the Joint Fire Department. The Board

140 shall be responsible for the proper management and accounting of all funds of
141 the Joint Fire Department. The financial affairs of the Board shall be conducted in
142 accordance with applicable laws and regulations.
143

144 **7. Revenues -- Financial Contributions.** Each Party shall contribute funds to
145 support the maintenance and operation of the Joint Fire Department in
146 accordance with the annual revenue formula of this paragraph. The Parties shall
147 pay the financial contributions in equal monthly installments or as otherwise
148 approved by the Board. The revenue formula for the 2015 annual financial
149 contributions of the Parties is set forth in **Exhibit A**, which is attached and
150 incorporated into this Agreement. Pursuant to paragraph 3.3, the Board of
151 Directors may approve a change in the revenue formula on or before May 30 of
152 the year preceding the calendar year in which the amended revenue formula will
153 become effective. Any amendment to the revenue formula shall take into account
154 the Parties as a whole and individually, considering any criteria deemed
155 appropriate by the Board. The amended revenue formula shall be filed with the
156 Secretary of the Board and shall be attached to this Agreement. A Party that has
157 filed a notice of withdrawal from the Joint Fire Department pursuant to paragraph
158 16.1 shall not participate in any vote regarding the consideration and approval of
159 an amendment to the revenue formula that is effective after the withdrawal. The
160 Parties also shall contribute all emergency medical service taxes.
161

162 **8. Major Capital Expenditures -- Bond Issues.** If the Board of Directors
163 determines that major capital expenditures for real or personal property are
164 necessary for the proper operation of the Joint Fire Department, and should be
165 financed through a bond issue (voter approved or legislative body approved) or
166 levy of excess taxes, the Board shall adopt a report and recommendation and
167 submit it to the legislative bodies of the Parties. If one Party fails to adopt the
168 recommendation, the proposal shall be rejected. If all Parties adopt the
169 recommendation, each Party shall adopt appropriate legislative enactments to
170 authorize a legislative body approved bond issue, or they shall submit
171 appropriate ballot propositions to the voters at an election selected by all Parties.
172 If the ballot proposition is not approved in one jurisdiction, the proposal shall fail.
173

174 **9. Employer.** District 10 shall serve as the employer of all employees and
175 volunteers of the Joint Fire Department, pursuant to applicable laws and
176 regulations. The Parties acknowledge that District 10 serves as the employer of
177 the Joint Fire Department solely for the convenience of the Parties. The adopted
178 budget for the Joint Fire Department shall contain sufficient funds to pay all
179 wages, salaries, employment benefits, payroll taxes, and other expenses of
180 employees and volunteers. The Joint Fire Department shall pay the LEOFF 1
181 benefits that the employer is obligated to pay to the LEOFF 1 firefighters who
182 retired as employees of the fire departments of the Parties prior to
183 commencement of the Joint Fire Department and who retired as employees of
184 District 10 after commencement of the Joint Fire Department ("LEOFF 1
185 Payments"). The LEOFF 1 payments shall be deemed a liability of the Joint Fire
186 Department, for which each Party shall remain liable and responsible after

187 withdrawal from the Joint Fire Department or after expiration of this Agreement,
188 in accordance with the revenue formula provided for in paragraph 7 in effect at
189 the time of notice of withdrawal or the expiration of this Agreement. In addition to
190 the LEOFF 1 payments, District 10 may request the Parties to share other costs,
191 expenses and liabilities for any claims, judgments, damages or expenses arising
192 from District 10's Employer status by filing a written request with the Board of
193 Directors. The Board of Directors shall approve or deny the request within 30
194 days of receipt of the request using procedures and guidelines to be adopted by
195 the Board and subject to the provisions set forth in paragraphs 3.3 and 7.

196
197 **10. Employees.** The Fire Chief shall be hired, disciplined and discharged by a
198 majority vote of all members of the Board of Directors. The Fire Chief shall report
199 to and be supervised by the Board. The Board shall conduct annually an
200 evaluation of the performance of the Fire Chief, or more frequently if requested
201 by the Board or the Fire Chief. The Fire Chief shall hire, discipline, discharge and
202 supervise all other employees and all volunteers of the Joint Fire Department.

203 **11. Fire Marshal Appointment.** Each City, in accordance with its respective fire
204 code, shall appoint the Fire Marshal of the Joint Fire Department as the fire
205 marshal and fire prevention officer of the City. The Fire Marshal, while acting as
206 the fire marshal and fire prevention engineer of the City, shall report to and be
207 supervised by the city manager or city administrator, as applicable, of the City.
208 The Fire Marshal shall cooperate with city building officials and the city
209 administrator or city manager, as applicable, to administer, enforce and carry out
210 the City's fire code. All court costs and other legal costs incurred in the
211 enforcement of the City's fire code shall be paid by the City and shall not be
212 considered an operating expense of the Joint Fire Department. Any award of
213 costs, attorneys' fees, penalties or fines in an enforcement action shall be the
214 property of the City.

215 **12. Property Ownership and Funding.** All real and personal property that is
216 acquired by a Party or the Parties for use by the Joint Fire Department shall be
217 owned and funded as follows:

218 **12.1. Real Property Ownership.** All real property that is acquired by a Party
219 prior to becoming a member of the Joint Fire Department shall remain the
220 real property of that Party. Upon becoming a member of the Joint Fire
221 Department, the Party shall file with the Board of Directors an inventory of
222 such before-acquired real property. All real property acquired jointly by two
223 or more Parties after becoming members of the Joint Fire Department
224 shall be the joint real property of those Parties, and all real property
225 acquired separately by a Party after becoming a member of the Joint Fire
226 Department shall be the separate real property of that Party. The Joint
227 Fire Department shall have exclusive access to and control over all real
228 property.

Appendix C

- 229 **12.2. Personal Property Ownership.** Upon becoming a member of the Joint
230 Fire Department, a Party shall file with the Board of Directors an inventory,
231 a statement of fair market value and a depreciation schedule of all
232 personal property acquired by the Party prior to becoming a member of
233 the Joint Fire Department. Exhibit B, which is attached and incorporated
234 into this Agreement, lists and describes personal property of the Parties
235 over which the Joint Fire Department has exclusive access to and control
236 over, and indicates whether the personal property of a Party is considered
237 separate personal property of the Party or joint personal property of the
238 Joint Fire Department.
- 239 **12.3. Personal Property Replacement.** The Board of Directors shall fund,
240 replace, value, and depreciate all personal property as listed and
241 described in **Exhibit B**. **Exhibit B** shall include the establishment and
242 funding of a special account for replacement of personal property. In
243 conjunction with the annual budget process of paragraph 5, the Board
244 may, by motion, amend **Exhibit B**. The motion shall be reduced to writing,
245 shall be filed with the Secretary of the Board, and shall be attached to this
246 Agreement.
- 247 **12.4. Real Property Maintenance and Repair.** The Board of Directors shall
248 fund the maintenance and repair of all real property in accordance with
249 **Exhibit C**, which is attached and incorporated into this Agreement.
250 **Exhibit C** shall include the establishment and funding of a special account
251 for maintenance and repair of real property. In conjunction with the annual
252 budget process of paragraph 5, the Board may, by motion, amend **Exhibit**
253 **C**. The motion shall be reduced to writing, shall be filed with the Secretary
254 of the Board, and shall be attached to this Agreement.
- 255 **12.5. Improvements to Real Property.** The Board of Directors shall determine
256 and carry out all improvements to real property. Upon request by a Party
257 or Parties, the Board may carry out improvements to separate real
258 property that are paid for entirely by a Party or Parties.
- 259 **13. Indemnification and Hold Harmless.** Each Party shall protect, defend,
260 indemnify, and hold harmless all other Parties to this Agreement, and their
261 officers, employees and agents, from any and all costs, claims, judgments or
262 awards of damages, arising out of or in any way resulting from the negligent acts
263 or omissions of such Party, and its officers, employees and agents, in performing
264 or administering this Agreement. This indemnification and hold harmless shall
265 not apply to the acts and omissions of the Party that serves as the employer
266 pursuant to paragraph 9 of this Agreement.
- 267 **14. Insurance.** The Board of Directors shall provide insurance coverage for all
268 operations, facilities, equipment, and personnel of the Joint Fire Department.

269 **15. Operational Rules and Regulations.** The Board of Directors shall, from time to
270 time, adopt and implement necessary rules and regulations consistent with this
271 Agreement to govern operations of the Joint Fire Department.

272 **16. Withdrawal by Party.**

273 **16.1. Right to Withdraw.** Any Party may withdraw from the Joint Fire
274 Department at the end of the initial seven-year term, or at the end of any
275 successive seven-year term, by filing with the other Parties a notice of
276 withdrawal in January of the seventh year of the initial term or any
277 succeeding term, as applicable.

278 **16.2. Responsibility and Liability Upon Withdrawal.** If the employer of the
279 Joint Fire Department lays off employees as a result of the withdrawal, the
280 withdrawing Party shall be responsible for payment of accrued employee
281 benefits, continuation of employee benefits required by law and
282 unemployment compensation for a period not to exceed two years. For
283 purposes of this paragraph, "employee" means an individual whose
284 employment with the Joint Fire Department has been terminated as a
285 direct result of the party withdrawing from the Joint Fire Department. If the
286 withdrawing Party establishes its own fire department upon withdrawal, it
287 shall give preference in hiring to all laid off employees, if authorized by
288 law. After withdrawal, the withdrawing Party shall remain liable and
289 responsible for its pro rata share of all liabilities, payments and obligations
290 incurred by or attributed to the Joint Fire Department during the
291 membership of the withdrawing Party in the Joint Fire Department, in
292 accordance with the revenue formula provided for in paragraph 7 in effect
293 at the time of notice of withdrawal. Within 30 days after the date of
294 withdrawal, the Joint Fire Department shall settle with the withdrawing
295 Party all liabilities, payments and obligations that became fixed on or
296 before the date of withdrawal. Within 30 days after any liabilities,
297 payments or obligations become fixed after the date of withdrawal, the
298 Joint Fire Department shall settle such liabilities, payments and obligations
299 with the withdrawing Party.

300 **16.3. Return of Property.** The Board shall return all separate real property and
301 separate personal property to the withdrawing Party on or before the
302 effective date of withdrawal. The Board shall determine the fair market
303 value of all joint real property and joint personal property. The withdrawing
304 Party on or before the effective date of withdrawal shall receive or pay, as
305 applicable, in cash or property, its percentage or ratio of the net fair
306 market value of the joint real property and the joint personal property, in
307 accordance with the withdrawing Party's equity in the Joint Fire
308 Department as determined by the financial statements of the Joint Fire
309 Department for the year of withdrawal. If the withdrawing Party disputes
310 the Board's determination of fair market value of the joint real property or
311 joint personal property, the withdrawing Party shall pay for and accept an

312 appraisal of the fair market value of the property by an appraiser selected
313 by the Party and the Board.

314 **17. Termination by All Parties.** Upon expiration of this Agreement, including
315 automatic renewals thereof, the Parties shall be governed by the following
316 provisions:

317 17.1. **Preference in Hiring.** Any Party that establishes a new fire department
318 upon expiration of this Agreement shall give preference in hiring to all laid-
319 off employees of the Joint Fire Department, if authorized by law.

320 17.2. **Liability.** A Party shall remain liable and responsible for its pro rata share
321 of all liabilities, payments and obligations incurred by or attributed to the
322 Joint Fire Department during the membership of the Party in the Joint Fire
323 Department, in accordance with the revenue formula of paragraph 7 for
324 the last year of the Joint Fire Department.

325 17.3. **Return of Property.** The Board shall return all separate real and
326 personal property to each Party. The Board shall determine the fair market
327 value of all joint real property and all joint personal property. Each Party
328 shall receive or pay, as applicable, in cash or property, its percentage or
329 ratio of the net fair market value of the joint real property and personal
330 property, in accordance the Party's equity in the Joint Fire Department as
331 determined by the financial statements of the Joint Fire Department for the
332 last year of the Joint Fire Department. If a Party disputes the Board's
333 determination of fair market value of the property, the Party shall pay for
334 and accept an appraisal of the fair market value of the property by an
335 appraiser selected by the Party and the Board.

336 **18. Annexations.** The Parties acknowledge that upon annexation by a City of the
337 territory of a District, the provisions of RCW 35.02.190, 35.02.200, 35.02.205,
338 35A.14.380, 35A.14.801 and 35A.14.400 require, in some cases, the transfer of
339 assets and/or payment of cash, properties or contracts for services between the
340 City and the District. The Parties agree that the asset transfer and payment
341 required by such statutes shall be accounted for on the financial statements and
342 audit reports of the Joint Fire Department, and that the final accounting for the
343 asset transfer and payment shall occur on withdrawal of a City or a District from
344 the Joint Fire Department or on expiration of this Agreement, as applicable. The
345 Parties further agree that the annual financial contributions of the City and the
346 District involved in the annexation, pursuant to the revenue formula, shall be
347 changed for the annexed territory on the date that the City is entitled to receive
348 property taxes from the annexed territory.

349 **19. Incorporations.** If a city formed subsequent to execution of this Agreement
350 incorporates within all or a portion of a District, all powers, duties and decisions
351 to be made by the District pursuant to Chapters 35.02, 35A.14 and 52.04 RCW,

352 as presently existing or as amended, shall be exercised by the Board of Fire
353 Commissioners rather than the Board of Directors.

354 **20. Volunteers.** The Joint Fire Department acknowledges the role and need for
355 volunteer responders, and shall make available opportunities for citizens of the
356 Parties to volunteer in their communities by taking active efforts to recruit, train
357 and maintain volunteers.

358 **21. Addition of Parties.** The legislative body of a governmental agency or entity
359 that either abuts or is in close proximity to a Party may adopt and file with the
360 Board of Directors a resolution to join the Joint Fire Department. Upon receipt of
361 the request, the Board of Directors, by affirmative vote of a majority of the entire
362 membership of the Board, may by motion or resolution authorize consideration of
363 the request through a plan and process adopted by such motion or resolution.
364 The plan and process shall include necessary amendments to this Agreement
365 and a schedule for and components of such consideration, which schedule and
366 components shall include, but not be limited to a written report of the operational
367 and financial impact on and philosophical compatibility with the Joint Fire
368 Department. The Board, by affirmative vote of a majority of the entire
369 membership of the Board, shall submit its recommendation regarding the request
370 to the governing bodies of all Parties. To be effective, a request to join the Joint
371 Fire Department, and any necessary amendments to this Agreement, shall be
372 approved by resolution of all of the governing bodies of the Parties. If a Party has
373 filed a notice of withdrawal from the Joint Fire Department pursuant to paragraph
374 16.1, that withdrawing Party shall not participate in any vote regarding the
375 consideration and approval of a new Party of the Joint Fire Department. The
376 membership of the Parties, for voting purposes on the request to join the Joint
377 Fire Department, shall be determined without the participation of the withdrawing
378 Party.

379 **22. Liaison/Administrator.** The Fire Chief shall assign one employee to serve as a
380 Fire Liaison/Administrator to each party. The fire liaison/administrator shall
381 perform duties as requested by the Fire Chief, which may include attendance at
382 Party governing body or staff meetings; provided, that these duties shall not, in
383 the opinion of the Fire Chief, interfere with or be disruptive to the overall
384 operation and management of the Joint Fire Department.

385 **23. Notices.** All notices, requests, demands and other communications required by
386 this Agreement shall be in writing and, except as expressly provided elsewhere in
387 this Agreement, shall be deemed to have been given at the time of delivery if
388 personally delivered or three calendar days after the time of mailing if mailed by
389 first class mail, postage prepaid.

390 **24. Severability.** If any provision of this Agreement or its application is held invalid,
391 the remainder of this Agreement or the application of the remainder of this
392 Agreement shall not be affected.

393 **25. Survivorship.** The rights and duties of paragraphs 9, 13, 16.2 and 17.2 shall
394 survive expiration of this Agreement.

395 **26. Entire Agreement -- Modification.** This Agreement represents the entire
396 agreement between the Parties. No change, termination or attempted waiver of
397 any of the provisions of this Agreement shall be binding on any of the Parties
398 unless executed in writing by authorized representatives of all of the Parties. This
399 Agreement shall not be modified, supplemented or otherwise affected by the
400 course of dealing between the Parties.

401 **27. Benefits.** This Agreement is entered into for the benefit of the Parties to this
402 Agreement only and shall confer no benefits, direct or implied, on any third
403 persons.

404 **28. Amendment of Original Agreement and 2008 Agreement.** The 2008
405 Agreement is amended and replaced in its entirety by this Agreement; provided,
406 that the property inventories filed by the Parties pursuant to the Original
407 Agreement or the 2008 Agreement shall remain valid, unless modified by Section
408 12.2 of this Agreement, and the indemnification and hold harmless provisions of
409 the Original Agreement and the 2008 Agreement shall survive.

410
411 **CITY OF ISSAQUAH**

KING COUNTY FIRE DISTRICT NO. 10

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413
414 By [Signature]
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416 Date 1/29/14
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By [Signature]
Date 1/24/2014

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420 **CITY OF NORTH BEND**

FIRE DISTRICT 38

421
422
423 By [Signature]
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425 Date JANUARY 21, 2014
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By [Signature]
Date January 22, 2014

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429 **CITY OF SAMMAMISH**

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432 By [Signature]
433
434 Date 1/27/2014
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1 **EXHIBIT A**

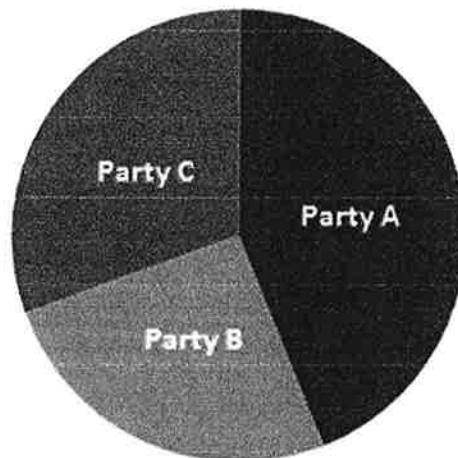
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3 Eastside Fire & Rescue
4 Funding Model & Member/Party's Equity
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6 **The Funding Model (Revenue Formula)**

7 Eastside Fire & Rescue (EF&R) prepares an annual budget for operations,
8 equipment replacement, and capital facilities maintenance. A funding model,
9 which is referred to in Section 7 of the Interlocal Agreement as the "revenue
10 formula," is then used to decide the monthly contribution of each Party in support
11 of the maintenance and operation of EF&R. The funding model is as follows:
12

13 **1 – Establish Party/Station Areas:** Through the use of GIS software, the areas
14 within the EF&R boundaries that each career station (a station staffed by full-time
15 employees) responds to first ("first due area") will be determined and merged
16 with jurisdictional boundary data to establish Party/Station areas within EF&R.
17

Station X First Due Area by Party

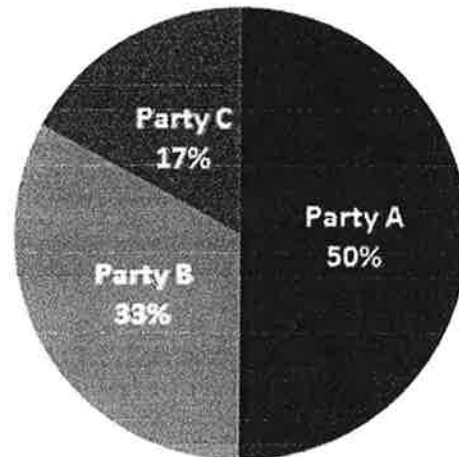


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20 **2 – Establish Value, Coverage, and Responsibility of Parcels:** Through the
21 use of GIS software, Member/Station Areas derived in Step 1 will be merged with
22 King County parcel data and King County Assessor data to establish Station
23 Coverage, Party Responsibility and Assessed Value (AV) for each parcel.
24

25 **3 – Establish Each Party's Station Assessed Value Coverage Percentage:**
26 Using the data derived in Step 2, calculate the total AV of each Party within each
27 station "first due area," and divide that by the total AV of all parcels covered by
28 that station. This establishes each Party's percentage of the Assessed Value
29 Coverage for each station.
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31 **Ex:** Station X covers \$3b in AV. Of the \$3b in AV, Party A has \$1.5b,
 32 Party B has \$1b, and Party C has \$0.5b. Party A's Assessed Value
 33 Coverage Percentage is 50% (\$1.5b/\$3b), Party B's is 33%, and Party C's
 34 is 17%. These percentages will be used in Step 10 to calculate each
 35 Party's Assessed Value Coverage costs for each station.
 36

Assessed Value Coverage Percentage



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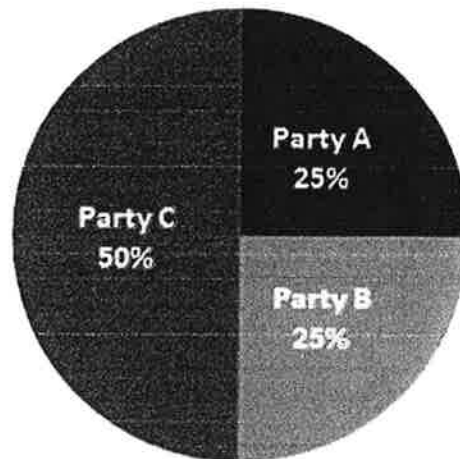
39 **4 – Establish Type, Coverage, and Ownership of Incidents:** Through the use
 40 of GIS software, NORCOM dispatch data will be merged with Party/Station Areas
 41 derived in Step 1 to establish Station Coverage, Party Responsibility, and
 42 Incident Type (Fire or EMS) for every incident.
 43

44 **5 – Assign Fire-to-EMS Incident Weighting (75%-25%):** Multiply the number of
 45 Fire incidents in each Party/Station area by 3, and add the number of EMS
 46 incidents in each Party/Station Area. This will establish the Total Weighted
 47 Incident values within each Party/Station Area derived in Step 1.
 48

49 **6 – Establish Each Party's Weighted Incident Coverage Percentage:** Using
 50 the data derived in Steps 4 and 5, calculate the total Weighted Incidents for each
 51 Party within each station "first due area," and divide that by the total Weighted
 52 Incidents covered by that station. This establishes each Party's percentage of the
 53 Weighted Incident Coverage for each station.
 54

55 **Ex:** Station X covers a total of 800 weighted incidents. Of the 800
 56 weighted incidents, Party A has 200, Party B has 200, and Party C has
 57 400. Party A's Weighted Incident Coverage Percentage is 25% (200/800),
 58 Party B's is 25%, and Party C's is 50%. These percentages will be used in
 59 Step 11 to calculate each Party's Weighted Incident Coverage costs for
 60 each station.

Weighted Incident Coverage Percentage



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7 – Calculate Base Station Cost: Divide the Party's total operating contribution to the EF&R budget by the number of career stations. This determines the Base Station Cost for each station.

8 – Calculate Total Station Costs: For Stations 72 and 81, multiply the Base Station Cost by .75. This establishes the Total Station Cost for those two Regional Stations. For all other career stations, their Total Station Cost is determined using the formula **Base Station Cost + (.5*Base Station Cost/n)**, (where "n" is the total number of career stations minus 2 (72 and 81)).

9 – Calculate Assessed Value and Weighted Incident Coverage Costs: Multiply each station's Total Station Cost by .85 to establish the station's Assessed Value Coverage Cost. Multiply each station's Total Station Cost by .15 to establish the station's Weighted Incident Coverage Cost.

Ex: Station X has a \$2m Total Station Cost. It therefore has an Assessed Value Coverage Cost of \$1.7m (.85*\$2m) and an Incident Coverage Cost of \$0.3m (.15*\$2m).

10 – Calculate Party Assessed Value Coverage Cost Obligation: For each station, multiply the Party Assessed Value Coverage Percentage derived in Step 3 by the Assessed Value Coverage Cost derived in Step 9 to determine each Party's Assessed Value Coverage Cost Obligation for each station.

Ex: In Step 3, Party A's Assessed Value Coverage Percentage for Station X was 50%, and in Step 9 the Assessed Value Coverage Cost of Station X was \$1.7m. Therefore, Party A's Assessed Value Coverage Cost Obligation for Station X is \$850k (.5*\$1.7m).

92 **11 – Calculate Party Weighted Incident Coverage Cost Obligation:** For each
 93 station, multiply the Party Weighted Incident Coverage Percentage derived in
 94 Step 6 by the Weighted Incident Coverage Cost derived in Step 9 to determine
 95 each Party's Weighted Incident Coverage Cost Obligation for each station.
 96

97 **Ex:** In Step 6, Party A's Weighted Incident Coverage Percentage for
 98 Station X was 25%, and in Step 9 the Weighted Incident Coverage Cost of
 99 Station X was \$0.3m. Therefore, Party A's Weighted Incident Coverage
 100 Cost Obligation for Station X is \$75k (.25*\$0.3m).
 101

102 **12 – Calculate Total Individual Party Costs for Each Station:** Add the
 103 Coverage Costs determined in Steps 10 and 11 to calculate the Total Party Cost
 104 for each station.
 105

106 **Ex:** In Step 10, Party A's cost was \$850k, and in Step 11 it was \$75k.
 107 Therefore, Party A's Total cost for Station X is \$925k (\$850k+\$75k).
 108

109 **13 – Calculate Total Party Costs:** Add each Party's individual cost for each
 110 station to determine its Total Costs for all stations.
 111

112 **14 – Phase In/Calculation Years:** Incident weighting is phased in over two
 113 periods, 7 1/2% in 2015 and 15% in 2016 through 2021, using the ratios
 114 determined by the 2013 AV and 2012 NORCOM dispatch incidents to apply to
 115 2015, 2016, 2017, and 2018 budgets to determine Party contributions. In 2018,
 116 before May 30th, the funding formula ratios shall be recalculated based on 2016
 117 NORCOM dispatch incidents and 2017 King County AV Data and used for the
 118 2019, 2020, and 2021 Party contribution calculations.
 119

120 **Adjustment to the Funding Model for Annexation:**

121 In the event a Party annexes another Party's area after July 1, 2007, the
 122 funding model will reallocate the costs as of the effective date that the property
 123 tax collections accrue to the annexing party. The following is an example:

124 Party A is a fire district with AV of \$1.2 billion. Party B is a city with AV of
 125 \$0.8 billion. The two Parties share the use of one station. Party B annexes \$0.2
 126 billion of AV from Party A on March 1st and gives notice that the annexation is
 127 effective on April 1st. The cost center cost is \$2 million of which Party A pays \$1.2
 128 million (60%) and Party B pays \$800 thousand (40%).

129 EF&R would adjust the funding model to reflect the annexation
 130 administratively. Responsibility for payment of the costs associated with the
 131 annexed area shall transfer to the annexing Party upon the effective date of the
 132 shift of payment of property tax collections from one Party to the other. In the
 133 example above, when Party B begins receiving the real property taxes on the
 134 newly annexed \$200 million in AV, Party B shall pay an increased percentage of
 135 the station cost.
 136

137 In the event of an annexation by a non-Party city of an area of a Party, or
138 in the event of an annexation by a Party of an area outside of the total area of all
139 Parties, the AV shall be recalculated in and for the year that the annexation
140 becomes effective, consistent with this section, and shall continue for all
141 succeeding years.

142

143 **Comment regarding EF&R's Financial Statement - Party's Equity of**
144 **Operating Fund and all assets not addressed in Exhibit B or C:**

145 According to the Washington State Auditor, EF&R is a joint venture
146 partnership operating under the equity accounting section of the Budget,
147 Accounting and Reporting Systems (BARS). This means that as a "Partner," all
148 value contributed by each Party, including cash, equipment, or facilities, is
149 treated as that Party's equity in the Partnership. This begins with the first dollar
150 and continues forward cumulatively each year.

151 The footnotes in EF&R's annual financial statement identify each Party's
152 percentage of the EF&R total equity at the end of each year. The percentage,
153 when applied to the net worth of the EF&R total equity, expresses each Party's
154 ownership in dollars.

155 It does not matter that some of the equity is in equipment (not including
156 equipment listed in Exhibit B), or the Reserve Fund (not including reserves listed
157 in Exhibit B or C).

158

159

160

EXHIBIT B

Goals & Objectives

Provide management a tool for timely, coordinated equipment replacement. Each Member will maintain ownership and title of titled personal property and non-titled personal property listed in this Exhibit. Titled and non-titled property owned by EF&R will be the joint property of all of the parties to this Agreement. This Exhibit provides a management tool for efficient equipment rotation maximizing coverage, maintenance and future needs planning.

In General

This fund provides a pooling of equipment replacement dollars into a separate fund for equipment replacement. Scheduled replacements of existing equipment would be provided by annual scheduled funding from member plus accrued interest earned on the carry over fund balance. Management of scheduled replacements and funding is accomplished through the equipment replacement schedule.

Schedule Mechanics

Each piece of equipment is listed on its like kind schedule which identifies and tracks its useful life. An equipment cost replacement schedule tracks the cost of each like kind replacement piece over time accounting for estimated average cost increases, placing the appropriate cost into the replacement schedule (Urban Engine Replacement Schedule, etc.). The funding schedule denotes the annual need contribution each year to completely fund the replacements as scheduled by balancing the cash accumulated with current year purchases. The funding schedule (and the entire model) provides an annual "snapshot" of equipment replacement and funding, that rolls forward into a 15 year estimate, year by year. The schedule is a rolling model, in that adjustments in a current or future year roll forward into subsequent years, and a "snapshot" is available for each scheduled year.

Member Agency Fund Withdrawal Calculation

At the time of withdrawal from the Agency, the member will take all vehicles that are titled to them, along with the cash that has been collected to replace the vehicle at the end of its useful life.

Example:

Vehicle	Type	Year purchased	Member titled to	Cash accumulated to date for replacement 2014
App 9810	Elevated Stream	2009	Issaquah	\$ 293,148
App 3807	Tender	2002	District 10	\$ 160,863
App 7832	Aid Car	2000	Sammamish	\$ 172,447

In this example: Issaquah would withdraw with apparatus 9810, plus \$293,148 in cash.
 District 10 would withdraw with apparatus 3807, plus \$160,863 in cash.
 Sammamish would withdraw with apparatus 7832, plus \$172,447 in cash.

For vehicles titled to the Agency (EF&R), each member will have an equity interest in them, equivalent to the cash contributions paid into the fund since its inception. See ERF Funding Summary for percentages.

Example:

Vehicle	Type	Year purchased	Member	Member percentage
5818	Small Pickup	2012	District 10	37.89%
			District 38	6.76%
			Issaquah	22.75%
			North Bend	4.11%
			Sammamish	28.48%
				<u>100.00%</u>

In this example: The member would own a percentage of the vehicle based on the percentages noted above.

For equipment that was brought into the Agency when the member joined or was purchased by the member for the Agency to use, the ownership of the equipment will be maintained and be returned to the member upon time of withdrawal, along with the cash that has been collected to replace the equipment at the end of its useful life.

Example:

Equipment	Year purchased	Member titled to	Cash accumulated to date for replacement
SCBA Air Compressor	2002	Issaquah	\$ 16,729

In this example: Issaquah would withdraw with the SCBA Air compressor at 73, plus \$16,729 in cash.

For equipment that was purchased by the Agency, each member would have an equity interest percentage based on the cash contribution paid in to the fund since its inception. See ERF Funding Summary for percentages.

Example:

Equipment	Year purchased	Member	Partner percentage
Radios	2008	District 10	37.89%
		District 38	6.76%
		Issaquah	22.75%
		North Bend	4.11%
		Sammamish	28.48%
			<u>100.00%</u>

In this example, the member would own a percentage of the Radios based on the percentages noted above.

Exhibit C
Real Property Maintenance and Repair Fund

Goals & Objectives

Provide management a tool for timely, coordinated repairs and maintenance. Provide management a tool for efficient repairs and maintenance maximizing party contributions, and maintaining safe and efficient work place. Provide management and the Board annual and long term budgeting tools. Provide the parties budgeting and planning tools. Provide the parties retention of titled ownership of real property.

In General

The fund provides a pooling of maintenance and repair dollars into a separate fund for repairs and maintenance. Scheduled replacements of items listed in the Exhibit would be provided by annual scheduled funding from the parties plus accrued interest earned on the carry over fund balance. Management of scheduled replacements and funding is accomplished through the maintenance and repair schedule. Administration of the schedule is managed by the Administration at the behest and directive of the Board.

Funding will be by real property according to funding model use. For example if real property is used by two parties and the funding model split of that property is 40% to one and 60% to the other, then the maintenance cost of that property would be divided 40/60 and billed to those two parties accordingly.

Schedule Mechanics

Each piece of real property is listed on a schedule which identifies the useful life of items that need to be maintained. A maintenance cost schedule tracks the cost of maintenance over time accounting for estimated average cost increases, placing the appropriate cost into the maintenance schedule (Station 71, roof, HVAC, paint, etc.). The funding schedule denotes the annual need contribution each year to completely fund the maintenance as scheduled by balancing the cash accumulated with current year purchases. The funding schedule (and the entire model) provides an annual "snapshot" of maintenance and funding, that rolls forward into a 15 year estimate, year by year. The schedule is a rolling model, in that adjustments in a current or future year roll forward into subsequent years, and a "snapshot" is available for each scheduled year.

Each year during the budget process the Administration will recommend projects to be funded in the succeeding years budget. After the budget is approved, the Administration will notify the owner of the real property of the projects funded over \$10,000 and will give the owner 30 days to identify those projects that the owner would like to manage and an estimated date that the work will be performed. Unless EF&R is notified otherwise, if the project is not started by the owner by the projected date, EF&R will begin work on the project within 30 days. Emergency repairs will be managed by EF&R.

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