



1710562_00

CITY OF CLYDE HILL

File Location

Vendor Name

Document Type: Interlocal New

Vendor Name: CITY OF CLYDE HILL

PO# Location: 1710562_000

Effect Date: 01/01/2018

Term Date: 12/31/2027

CR#: 70316

Related CR#: _____

Ordinance: _____

Resolution: 9342

Leg Date: 12/04/2017

Vendor #: 37042

Description: FIRE PROTECTION SERVICES AGREEMENT BETWEEN CITY OF
BELLEVUE AND CITY OF CLYDE HILL
PO 1710562-000

Notes:

Dec 13, 2017 FSU: AS JDE: AS SI: AS ECM: AS

1710562_00
CITY OF CLYDE HILL
12/31/2027
\$00411850

CFR# 70316 DATE 12/13/17 LOC 1710562-000

1710562.000
A ORIGINAL
1 OF 2

**FIRE PROTECTION SERVICES AGREEMENT
BETWEEN THE CITY OF BELLEVUE AND THE CITY OF CLYDE HILL**

THIS AGREEMENT FOR FIRE PROTECTION SERVICES ("Agreement") is made and entered into by and between the CITY OF BELLEVUE, a municipal corporation of the State of Washington ("Bellevue"), and CITY OF CLYDE HILL, a municipal corporation of the State of Washington ("Contracting City"), jointly referred to as the Parties.

WHEREAS, in accordance with RCW 39.34.030, both parties have the authority to provide fire protection, emergency medical, hazardous materials response and emergency management services within their respective corporate boundaries; and

WHEREAS, Bellevue has established and maintains a fire department, and is capable, within reasonable limitations, of providing service to the geographical area of the Contracting City; and

WHEREAS, the parties have previously contracted with one another for the provision of fire service by Bellevue to the Contracting City, and desire to extend the service relationship for an additional ten years through December 31, 2027, for the purpose of enabling the Contracting City to continue to utilize Bellevue's fire protection, emergency medical, emergency management services capabilities, and hazardous materials response in the Contracting City, and thereby continue to avoid unnecessary duplication of effort and expenditures of public funds; and

WHEREAS, substantial investigation and negotiation have occurred in an effort to determine a service fee which is equitable to both parties now and in the future; and

WHEREAS, the service fee established for the Contracting City and the method by which future service fees will be determined, as described herein, are acknowledged by both parties to be fair and equitable; and

WHEREAS, this Agreement is specifically authorized by the Interlocal Cooperation Act set forth in chapter 39.34 of the Revised Code of Washington.

NOW, THEREFORE, in consideration of the terms and provisions herein, the parties agree as follows:

1. Service. Bellevue shall furnish fire protection, emergency medical, emergency management, and fire prevention (the "Services"), which are further defined in Exhibit D, to the Contracting City within the Contracting City's corporate limits. Services shall be provided at substantially the same service level as those rendered to Bellevue. Bellevue shall furnish all materials, equipment, personnel, training, supervision and facilities as necessary to provide the Services. Bellevue shall not discontinue service to the Contracting City, except as provided under this Agreement, unless there are circumstances beyond its control. Bellevue shall not be held liable by the Contracting City if Bellevue is not reasonably able to provide such services in unavoidable circumstances such as natural and/or man-made disasters.

2. Discretion Regarding Manner of Providing Services. In rendering the Services, Bellevue shall have the sole discretion as to the personnel and equipment that will respond to each call for fire protection, emergency medical, hazardous materials response, and emergency management services.

Bellevue shall have complete discretion as to the order of response to calls, and shall be the sole judge as to the most expeditious, efficient and effective manner of handling and responding to calls for service or the rendering thereof, provided that the Contracting City shall have equal priority with Bellevue.

3. **Reporting.** Bellevue shall provide the Contracting City with the following reports regarding Services provided under this Agreement:

a. During or following major fires or major medical emergencies, Bellevue shall make a reasonable effort to contact the Contracting City's Police Chief, Mayor, or other designated responsible official (at home if necessary). During the meeting referenced in Section 7, the Contracting City shall provide the Bellevue Fire Chief with names and phone numbers for this purpose, to be updated annually or more frequently if a change in the designated official occurs,

b. By the first business day following a major fire or major medical emergency, Bellevue shall provide the Contracting City with an oral and/or written report confirming the time and location of the incident, the cause if known, and the general nature and extent of the loss sustained and/or injuries suffered unless otherwise prohibited by law, or where such disclosures could reasonably compromise an investigation or legal matter.

c. On a monthly basis and by the 15th day of each month, Bellevue shall provide the Contracting City with a written report showing the number and type of service calls and average response times for the preceding month, cumulative year-to-date totals, and comparative figures for the prior year.

d. At the end of each six-month period (i.e., June and December), Bellevue shall provide the Contracting City with a written report on the results of fire inspection and new construction activities.

4. **Fees.**

a. **Service Fee.** The Contracting City shall pay an annual Service Fee to Bellevue for the Services, which shall be based upon Bellevue's Total Fire Service Cost of providing such services in the preceding year (e.g. the 2018 Service Fee is based upon 2017 Bellevue budgeted expenses and revenues as adjusted to calculate Bellevue's Total Fire Service Cost). The annual Service Fee shall equal the Contracting City's pro rata share of the Total Fire Service Cost in accordance with the following formula and as stipulated in the definitions set forth in Section 12 and in the exhibits to this Agreement:

Previous year Total Fire Service Cost x Weighted Community Factor

The calculation for the 2018 Service Fee is set forth in Exhibit A and the attachments thereto. The fixed percentages for the Weighted Community Factor elements for each year are also set forth in Exhibit A and the attachments thereto. The weighting of the three community factors (Calls for Service, Population, and Assessed Valuation) used to determine the Weighted Community Factor will remain constant throughout the term of this agreement.

Capital Improvement Program (CIP) costs included in the annual fee calculation are set forth in Exhibit B.

b. **LEOFF I Fee.** The Contracting City shall pay an annual LEOFF I Fee, which shall be based on the Contracting City's proportionate share of the Fire Department Share of LEOFF I Retiree Medical Costs and Reserves, as calculated pursuant to Exhibit C (LEOFF I Fee Payment Procedures and Administration).

c. **New Construction Fire Review & Inspection Fees.** Bellevue shall establish an annual fee schedule for new construction fire review and inspection services and shall be responsible for assessing and collecting such fees from Contracting City customers.

d. **Basic Life Support (BLS) Transport Fee.** Bellevue retains the option to establish and collect fees for Basic Life Support Transport throughout the Service Area, including within the Contracting City boundaries, Bellevue shall be responsible for assessing and collecting any and all fees charged.

e. **Contracting City shall adopt local legislation necessary to permit Bellevue to collect, and for the jurisdiction to pay, any fees associated with this section 4.**

5. **Emergency Medical Services (EMS) Levy.** In the event of a King County EMS Levy failure, all contracting cities in the Extended Bellevue Fire Department Service Area and Bellevue shall meet promptly to discuss how to fund emergency medical services in the future.

6. **Payment Terms for Annual Fees.**

a. **Service Fee.** The Service Fee shall be payable one-half on or before May 15 of the service year, and one-half on or before November 15 of the service year. If payment is not received within forty-five (45) days of billing, a second notice will be sent by certified mail. If payment is not received within thirty (30) days of the date of the second notice, such payment will be subject to an interest charge of ten (10) percent per annum, from the due date of the payment. If payment is ninety (90) days delinquent, service may be withheld until payments, including interest, have been made.

b. **LEOFF I Fee.** Contracting City shall have the option to pay the LEOFF I Fee by either (1) drawing down upon their existing LEOFF I account balance, (2) paying the annual fee as calculated by Bellevue, or (3) paying an amount of their choosing above the calculated annual fee amount. Funds not needed to meet current LEOFF I obligations shall be maintained in the Contracting City's LEOFF I account and will be available to meet future obligations. Once Contracting City's existing LEOFF I account balance is exhausted or insufficient to cover the annual fee, Contracting City shall pay the LEOFF I Fee on an annual basis until the Contracting City's total LEOFF I Liability is exhausted. Contracting City's total LEOFF I Liability shall be calculated as set forth in Exhibit C. Contracting City must notify Bellevue by September 30 of its preferred payment option for the following year. The Contracting City's obligation to pay its share of the total LEOFF I liability shall survive termination or expiration of this Agreement. Such LEOFF I liability shall be based on the most recent actuarial report as of the date of termination or expiration. The Contracting City shall have the option of either making a lump sum payment or entering into a payment plan with Bellevue.

7. Notification to Contracting City Regarding Fees. By no later than August 1 of each year after the initial service year of this Agreement, Bellevue shall provide the Contracting City with notice of the Service Fee and LEOFF I Fee to be charged for the next service year (e.g., the Service Fee and LEOFF I Fee for service year 2019 shall be confirmed by no later than August 1, 2018). Such notice shall include copies of the fee calculation. The parties agree to meet promptly following receipt of the notice of the Service Fee and LEOFF I Fee by Contracting City, for the purpose of reviewing the fee calculations and discussing any significant changes from the prior year. Reasonable efforts shall be made to include representatives of the other contracting cities within the Extended Bellevue Fire Department Service Area at such meeting.

8. Procedure for Review of Extraordinary Increases. If for any service year, Bellevue notifies the Contracting City that the Service Fee to be charged will exceed the preceding year's Service Fee by more than 8% (eight percent), the Contracting City may request a meeting to discuss the proposed increase. Such meeting shall be promptly held, and reasonable efforts shall be made to include representative of the other contracting cities within the Extended Bellevue Fire Department Service Area. The parties shall negotiate in good faith. If the parties are unable to reach agreement on the Service Fee through negotiation, either party may request mediation and follow the procedures as outline in Section 9 of this Agreement entitled Dispute Resolution. If the parties are unable to reach a resolution after mediation, either Party will have the right to terminate this agreement and will be released from any future obligations.

9. Dispute Resolution.

a. Process. The parties agree to make all reasonable efforts to resolve through informal, good faith negotiations any disputes concerning the terms and conditions or performance of this Agreement. In the event of a dispute, notice of the dispute shall be provided in writing and shall be delivered in the manner set forth in the Section 14 of this Agreement. The notice shall set forth with reasonable specificity the factual basis for the claimed dispute. Both Parties shall jointly cooperate to informally resolve any disputes as quickly and efficiently as possible, but in any event not more than sixty (60) calendar days from the date of the notice unless extended by mutual written agreement of the parties.

b. Mediation. If a dispute cannot be resolved through direct discussions, either party may request mediation. A mutually acceptable mediator shall be selected by the parties for the purpose of facilitating the mediation process. The mediator shall be selected based on his/her expertise with the nature of the matter in dispute and ability to facilitate settlement. The parties agree to provide all documentation and information requested by the mediator and in all other regards to cooperate fully with the mediator. The costs of mediation shall be shared equally between the Parties.

c. Third Parties. In order for a third party to join in the mediation, such party must be a city contracting with Bellevue under a contract substantially identical to this Agreement, and must declare its intent to seek mediation of substantially the same issues as the Contracting City, and must agree to share mediation costs in the manner prescribed herein.

d. **Other Relief.** In the event the dispute is not resolved in mediation or the Parties do not agree to mediation, the Parties may pursue any other form of relief provided by law. At all times prior to resolution of the dispute, the Parties shall continue to perform and make any required payments under this Agreement in the same manner and under the same terms as existed prior to the dispute.

10. **Contract Renewal and Termination.** The term of this Agreement shall be from January 1, 2018, through December 31, 2027. If the parties agree in writing prior to December 1, 2026, the term of this Agreement may be extended for an additional ten years, to December 31, 2037. Either party may terminate this Agreement by providing written notice of its intent to terminate at least 30 days prior to commencement of the final service year (e.g., December 1, 2026) for which the service is to be provided. In the event such written notice is given, this Agreement shall terminate and be of no further force and effect on December 31st of such final service year; provided that Sections 4(b) and 6(b) LEOFF I Fee, and Section 11 Hold Harmless shall survive the expiration or termination of this Agreement.

11. **Hold Harmless.** In performing its obligations under this Agreement, the Contracting City shall protect, defend, indemnify and save Bellevue, its officers, employees and agents harmless from any and all costs, claims, judgments or awards of damages, arising out of or in any way resulting from the negligent acts or omissions of the Contracting City, its officers, employees or agents. In performing its obligations under this Agreement, Bellevue shall protect, defend indemnify and save the Contracting City its officers, employees and agents harmless from any and all costs, claims, judgments or awards of damages, arising out of or in any way resulting from the negligent acts or omissions of Bellevue, its officers, employees or agents. In the event of liability for damages arising out of bodily injury or death to persons or damage to property caused by or resulting from the concurrent negligence of both parties, each party's liability hereunder shall be only to the extent of each party's own negligence. Bellevue and Contracting City each agree that its respective obligation under this section extends to any claim, demand or cause of action brought by or on behalf of any of its employees. For this purpose, Bellevue and Contracting City, by mutual negotiation, hereby waive, as respects the other party only, any immunity that would otherwise be available against such claim, demand or cause of action under the Industrial Insurance provisions of Title 51 RCW. The provisions of this section shall survive the termination or expiration of this Agreement.

12. **Definitions.** The following definitions shall apply for purposes of this Agreement:

a. The "Total Fire Service Cost" to be used in calculating the Service Fee payable by the Contracting City for a particular service year shall equal the sum of the following calculation based on the Bellevue Budget:

Fire Department Budget – Fire Department Budgeted Revenues +
Non General Fund Fire Department Costs

i. Fire Department Budget shall mean the budget for the Fire Department administrative, operations, support services and emergency management divisions as adjusted by the five-year average of the difference between budgeted and actual expenditures including the Fire Department's share of internal service refunds.

ii. Fire Department Budgeted Revenues includes revenues for intergovernmental emergency medical services (basic and advanced), BLS Transport

Fee, New Construction Fire Review & Inspection Fees as adjusted by the five-year average of collections.

iii. **Non General Fund Fire Department Costs include:**

A. The "Fire Department Share of Support Service Costs" for a particular service year means the Fire Department's share of budgeted general overhead expenses, including, without limitation, those for the City Attorney's Office, City Council, City Manager's Office, Finance, Information Services, Human Resources and General Liability Self-Insurance Fund, as allocated to the Fire Department each year as direct and indirect overhead charges for the Department in the Bellevue Budget, provided, however, that such overhead expenses shall not exceed the agreed rate of 12.8 percent of all budgeted expenses included in the "Fire Department Budget" for the year preceding that service year. This rate shall be reviewed and may be revised by the City of Bellevue prior to any extension of the term of this Agreement. The methodology and calculations used to determine the overhead expense rate may be reviewed by the Contracting City.

B. The "Annual CIP Allocation" included in the annual fee calculation shall be limited to the schedule set forth in Exhibit B.

iv. Grant expenditures and revenue will continue to be accounted for separately in Bellevue's Operating Grants and Donations Fund. The expenses and revenues associated with grants that benefit the Fire Department are excluded from this calculation.

The total Fire Service Cost excludes the Fire Department Share of LEOFF I Retiree Medical Costs and Reserves.

b. The "Bellevue Budget" used in calculating the Service Fee payable for particular service year shall mean the official budget adopted by the City of Bellevue for the preceding fiscal year including any Council-approved ordinance amendments to such budget or City budget practice, duly enacted on or before the 30th day of June of such budget year. In the event that Bellevue changes the form or substance of the budget categories used in this Agreement, the definitions, calculations, and formulas used in this Agreement shall be amended to achieve the same substantive results.

c. The "Extended Bellevue Fire Department Service Area" shall mean that total service area comprised of the following cities and towns for which Bellevue provides fire protection services, as their boundaries presently exist or as such boundaries may hereafter be modified by annexation, together with any additional areas Bellevue may elect to provide fire protection services for in the future:

Bellevue
Beaux Arts
Clyde Hill
Hunts Point
Medina
Newcastle
Yarrow Point

It is the intent of the parties that the Contracting City shall benefit from the full fire system resources of Bellevue, as they may be developed by Bellevue in its discretion pursuant to Sections 1 and 2 of this Agreement. It is further the intent of the parties that if additional territory is added to the Extended Bellevue Fire Department Service Area, it will be accomplished in a manner which would be expected to provide benefit to the fire system overall, including the Contracting City. Bellevue agrees to meet with the Contracting City to explain any agreements for expansion of the Extended Bellevue Fire Department Service Area, promptly upon reaching any such agreements, and their impact, if any, on future Service Fees.

d. "Weighted Community Factor" shall be based on each city or town's relative portion of Population, Assessed Valuation, and Calls for Service when compared to the Extended Bellevue Fire Department Service Area. The formula for determining each city or town's "Weighted Community Factor" is the sum of:

a city or town's Population % X Weighting for Population (37.5%)+
a city or town's Assessed Valuation % X Weighting for Assessed Valuation (12.5%)+
a city or town's Calls for Service % X Weighting for Calls for Service (50.0%).

1. The "Population" of any incorporated city or town for purposes of calculating the Service Fee due for a particular service year, shall mean its population as officially certified the preceding service year by the Washington State Office of Financial Management or its successor agency.

2. "Assessed Valuation" of any incorporated city or town for the purposes of calculating the Service Fee due for any particular service year, shall mean its Assessed Valuation (AV) of real and personal property for the preceding service year as calculated and published by the King County Department of Assessments, or its successor agency, in its Annual Statistical Reports.

3. "Calls for Service" of any incorporated city or town for the purposes of calculating the Service Fee due for any particular service year, shall mean the average of the preceding five years of the incidents reported and responded to by the Bellevue Fire Department for each city or town as reported by the Bellevue Fire Department

e. The "Fire Department Share of LEOFF I Retiree Medical Costs and Reserves" shall mean the estimated present value of all future medical and long-term care benefits to be paid on behalf of current and retired LEOFF I firefighters based on the most recent actuarial study, as further described in Exhibit C.

f. "Fire Department LEOFF I Retirees" shall mean those retired firefighters formerly employed by the Bellevue Fire Department, eligible under state law to receive Law Enforcement Officers and Fire Fighters I (LEOFF I) retirement benefits from Bellevue. "Fire Department LEOFF I Eligible Employees" shall mean the total number of Bellevue Fire Department personnel, both currently employed and retired, that are or will be eligible for LEOFF I benefits.

g. "LEOFF I Medical Fund" shall mean the Fund established by the City of Bellevue, into which are deposited monies for the purpose of paying current and future police and fire personnel LEOFF I retiree medical benefits, payable pursuant to RCW 41.26.150 et seq.

h. "LEOFF I Fee" shall mean the amount chargeable annually to Contracting City as its proportionate share of the Fire Department Share of LEOFF I Retirees Medical Costs and Reserves, as calculated annually pursuant to Exhibit C (LEOFF I Fee Payment Procedures and Administration), hereby incorporated by reference as it fully set forth herein.

13. Agreement. This Agreement together with Exhibits A through D (and attachments thereto), which are hereby incorporated by reference as if fully set forth herein, represents the entire and integrated Agreement between the parties hereto and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended, modified or added to only by written instrument properly signed by the authorized representatives of both parties hereto.

14. Notice. All notices required by this Agreement shall be in writing and shall be deemed to have been given at the time of delivery if personally delivered, or three calendar days after the time of mailing, if mailed by first class, postage pre-paid. All notices and other material to be delivered under this Agreement shall be delivered or mailed to the following addresses:

a. Notice to the City shall be sent to:

City of Bellevue Fire Department
Attn: Fire Chief
PO BOX 90012
Bellevue, WA98009-9012

b. Notice to the Contracting City shall be sent to:

*City of Clyde Hill
Attn: Mitch Wasserman
9605 NE 24th St.
Clyde Hill, WA 98004*

15. Compliance with Laws. Bellevue and Contracting City shall comply with all applicable state, federal and local laws in carrying out the terms of this Agreement.

16. Assignment. No assignment or other transfer of any right or obligation under this Agreement shall be made by either party, and any attempt to so assign or transfer such right or obligation shall be a breach of this Agreement and the assignment shall be of no effect.

17. Severability. If any provisions of this Agreement are held invalid by a court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby if such remainder would then continue to serve the purposes and objectives originally contemplated.

18. Laws and Venue. This Agreement shall be interpreted in accordance with the laws of the State of Washington in effect on the date of execution of this Agreement.

19. Effective Date. Upon execution by both parties, this Agreement shall take effect on January 1, 2018.

IN WITNESS whereof, the parties acting in their official capacities have herby executed this Agreement by affixing thereto the signature of the proper officers on the dates below indicated.

CITY OF BELLEVUE

By [Signature]
Its Deputy City Manager
Date: 12-7-2017

CITY OF CLYDE HILL
By [Signature]
Its MAYOR
Date: 11-25-17

APPROVED AS TO FORM:
[Signature]
City Attorney

APPROVED AS TO FORM:
- on file -
CITY ATTORNEY

LIST OF EXHIBITS

- EXHIBIT A – Service Fee Calculation
- EXHIBIT B – CIP Costs to Include in Annual Fee Calculation
- EXHIBIT C – LEOFF I Fee Payment Procedures and Administration
- EXHIBIT D – Fire Protection Services

EXHIBIT A

Service Fee Calculation

Exhibit A Page 1 -

Comparison of 2016 to 2017 Total Fire Service Cost

	2017 Budget	2016 Budget	\$ Change	% Change
1) Fire Department Budget:				
Administration (Attachment 1)	\$1,734,629	\$1,730,700	\$3,929	0.23%
Operations (Attachment 1)	36,686,477	35,297,528	1,388,949	3.93%
Support Services (Attachment 1)	3,734,267	3,498,379	235,888	6.74%
Emergency Management (Attachment 1)	423,400	425,108	(1,708)	-0.40%
Sub-Total	42,578,773	40,951,715	1,627,058	3.97%
5-year Avg. Expenditure Adjustment (Attachment 3)	(97,931)	(217,044)	119,113	-54.88%
Adjusted Fire Department Budget	42,480,842	40,734,671	1,746,171	4.29%
2) Fire Department Budgeted Revenue (Attachment 4)	14,226,539	13,409,704	816,835	6.09%
5-year Average Revenue Adjustment (Attachment 5)	554,835	418,383	136,452	32.61%
Total Revenue	14,781,374	13,828,087	953,287	6.89%
3) Non-General Fund Fire Department Budget				
Support Services Costs (Attachment 2)	3,982,914	3,879,254	103,660	2.67%
Annual CIP Allocation (Exhibit D)	2,000,000	633,314	1,366,686	215.80%
Total Non-Fire Department Budget	5,982,914	4,512,568	1,470,346	32.58%
Total Fire Service Cost	\$ 33,682,382	\$ 31,419,151	\$ 2,263,230	7.20%

Exhibit A Page 2 - Community Factors

Calls for Service (CFS) (1)

	2012	2013	2014	2015	2016	5 Year Average	% of Total
Beaux Arts	29	14	14	12	14	17	0.1159%
Clyde Hill	209	191	208	186	212	201	1.4044%
Hunts Point	42	35	29	30	29	33	0.2303%
Medina	201	213	194	170	219	199	1.3918%
Newcastle	656	656	742	742	839	727	5.0744%
Yarrow Point	48	69	39	52	68	55	0.3853%
Belleuve and FD#14	12,328	12,564	13,196	13,609	13,775	13,094	91.3979%
Total	13,513	13,742	14,422	14,801	15,156	14,327	100.0000%

	Population (2)	% of Total	Assessed Valuation (AV) (3)	% of Total
Beaux Arts	300	0.1876%	149,196,486	0.2471%
Clyde Hill	3,015	1.8849%	2,271,208,849	3.7617%
Hunts Point	415	0.2594%	1,038,460,004	1.7200%
Medina	3,205	2.0037%	3,627,489,971	6.0081%
Newcastle	11,280	7.0520%	2,698,646,327	4.4697%
Yarrow Point	1,040	0.6502%	1,092,502,529	1.8095%
Belleuve	140,700	87.9622%	49,499,063,373	81.9839%
Total	159,955	100.0000%	\$ 60,376,567,539	100.0000%

Sources

- (1) Calls for Service - Belleuve Fire Department Records Management System
- (2) Population - Cities population, State of Washington OFM April 1 Population Estimate.
- (3) Assessed Valuation - King County Assessor's Office, annual statistical reports (Exhibit B)

2018 Fire Service Contract Fee - New Model

Exhibit A Page 4 - Total Fee Summary

	2018 Service Fee	2018 LEOFF I Payment	Total
Beaux Arts	\$ 53,618	-	\$ 53,618
Clyde Hill	632,976	-	\$ 632,976
Hunts Point	143,967	-	\$ 143,967
Medina	740,440	-	\$ 740,440
Newcastle	1,933,508	-	\$ 1,933,508
Yarrow Point	223,201	-	\$ 223,201
Bellevue	29,954,672	-	\$ 29,954,672
Total	\$ 33,682,382	\$ -	\$ 33,682,382

Note
2018 LEOFF I Payment is equal to the minimum required payment.

Exhibit A Attachment 1 - Fire Department Budget

Business Units	Description	Included in Support Service Cost		Not Included in Support Service Costs		Adjusted Budget
		Fire General Fund Budget as of 6/30/2017	Premiums	Less GSI	Less	
51000	Administration	\$ 1,483,127	\$ (12,300)	\$ (72,981)	\$ -	\$ 1,397,846
51001	Fire Community Outreach	358,189	(2,980)	(18,428)	-	336,783
	Total Administration	1,841,316	(15,280)	(91,407)	-	1,734,629
51030	Suppression	15,788,227	(123,895)	(486,339)	-	15,177,993
51040	Basic Life Support	13,478,087	(123,895)	(469,806)	-	12,884,386
51042	Bellevue Fire CARES	115,906	(1,118)	(9,325)	-	105,463
51050	Advance Life Support	8,640,536	(65,302)	(294,807)	-	8,280,427
51081	Operations Training	99,796	-	-	-	99,796
51100	ALS Supplies/Equipment	114,330	-	-	-	114,330
51300	Fire Hydrant Maintenance	-	-	-	-	-
51130	SCBA Equipment/Repair	24,082	-	-	-	24,082
	Total Operations	38,260,964	(314,210)	(1,260,277)	-	36,686,477
51070	Fire Prevention	2,360,882	(22,364)	(126,068)	-	2,212,450
51080	Fire Training	750,146	(5,964)	(47,804)	-	696,578
51090	Fire Facilities	807,707	(2,684)	(18,648)	-	786,375
51140	Central Stores	38,864	-	-	-	38,864
500102001-7	EMTG	245,965	-	-	-	(245,965)
	Total Support Services	4,203,564	(31,012)	(192,320)	-	3,734,267
51020	Emergency Management	487,517	(8,498)	(55,619)	-	423,400
51010	EOC Operations	169,171	-	-	(169,171)	-
	Total Emergency Management	656,688	(8,498)	(55,619)	(169,171)	423,400
	TOTAL	\$ 44,962,532	\$ (369,000)	\$ (1,599,623)	\$ -	\$ (169,171)
						\$ (245,965)
						\$ 42,578,773

Exhibit A Attachment 2 - Fire Department Support Service Costs

Included in Fire Department General Fund Budget	
General Self Insurance (GSI) Fund Premiums	\$ 369,000
Information Technology (IT) & Copier/Copy Center Overhead	1,599,623
Subtotal	1,968,623

Plus

City-wide Indirect Overhead 2,014,291

Total Support Service Costs \$ 3,982,914

Support Service Costs as a % of the

Support Service Costs \$ 3,982,914

Fire Department Adjusted Budget (Exhibit A Attach 1) \$ 42,578,773

Support Service Costs as a % of Adjusted Budget 9.35%

2018 Fire Service Contract Fee - New Model

9/28/2017 4:09 PM

Exhibit A Attachment 3 -
Fire Department 5-Year Average Expenditure Adjustment

	2012	2013	2014	2015	2016
Fire Department Budget	\$ 39,279,981	\$ 40,548,365	\$ 41,823,975	\$ 43,681,341	\$ 44,830,969
Fire Department Expenditures	39,468,761	41,045,169	41,670,810	44,440,712	44,354,298
Plus Changes to Interfunds	(691,810)	(335,453)	(135,482)	(80,943)	(29,083)
Adjusted Expenditures	\$ 38,776,951	\$ 40,709,716	\$ 41,535,328	\$ 44,359,770	\$ 44,325,215
% Expended	98.72%	100.40%	99.31%	101.55%	98.87%

100.00%	5-year average budget expended
99.77%	5-year average budget expended
-0.23%	5-year average expenditure adjustment (%)
\$42,578,773	2016 Adjusted Budget
-0.23%	5-year average expenditure adjustment (%)
(\$97,931)	5-year average expenditure adjustment

**Exhibit A Attachment 4 -
Fire Department Budgeted Revenue**

<u>Account Number</u>	<u>Description</u>	<u>2017 Budget</u>
100.349220.0000	New Construction Plans Review & Inspection	\$ 1,043,137
100.342600.0001	Basic Life Support (BLS) Transport	1,531,000
100.338260.0001	I/G Emerg. Aid - Basic Life Support	2,371,774
100.338260.0002	I/G Emerg. Aid - Advance Life Support	9,041,769
Various	Miscellaneous Revenues	238,859
		<u>\$ 14,226,539</u>

2018 Fire Service Contract Fee - New Model

9/28/2017 5:10 PM

Exhibit A Attachment 5 -
Fire Department 5-Year Average Revenue Adjustment

	Five - Year Average				
	2012	2013	2014	2015	2016
Budgeted Revenue					
100.349220.0000 New Construction Plans Review & Inspector	\$ 664,200	\$ 540,732	\$ 739,860	\$ 865,800	\$ 999,600
100.342600.0001 Basic Life Support (BLS) Transport	1,000,000	1,100,000	1,300,000	1,407,000	1,385,000
100.338260.0001 I/G Emerg. Aid - Basic Life Support	2,034,416	2,076,523	2,115,040	2,128,113	2,184,074
100.338260.0002 I/G Emerg. Aid - Advance Life Support	7,417,355	7,908,357	8,146,829	8,254,851	8,513,039
100.XXXXXX.XXX Miscellaneous Revenues	112,000	47,288	45,000	45,000	327,991
Total Budgeted Revenue	\$ 11,227,971	\$ 11,672,900	\$ 12,346,729	\$ 12,700,764	\$ 13,409,704

Actual Revenue					
100.349220.0000 New Construction Plans Review & Inspector	\$ 503,065	\$ 611,218	\$ 683,513	\$ 879,329	\$ 1,124,382
100.342600.0001 Basic Life Support (BLS) Transport	1,062,503	1,446,215	1,421,525	1,360,043	1,360,781
100.338260.0001 I/G Emerg. Aid - Basic Life Support	2,026,469	2,094,983	2,094,983	2,369,673	2,191,255
100.338260.0002 I/G Emerg. Aid - Advance Life Support	7,887,095	8,149,202	8,123,589	8,637,924	8,687,117
100.XXXXXX.XXX Miscellaneous Revenues	44,860	47,580	53,812	536,455	354,707
Total Actual Revenue	\$ 11,523,992	\$ 12,349,198	\$ 12,377,422	\$ 13,783,424	\$ 13,718,242

100.00%	2016 Budgeted Revenue
103.90%	5-year average revenue collected
3.90%	5-year average revenue adjustment (%)
\$14,226,539	2016 Budgeted Revenue
3.90%	5-year average revenue adjustment (%)
\$554,835	5-year average revenue adjustment

EXHIBIT B

CIP Costs to Include in Annual Fee Calculation

Exhibit B - CIP Costs to Include in Annual Fee Calculation

Contract Year	Year	Amount
1	2018	\$2,000,000
2	2019	\$2,100,000
3	2020	\$2,200,000
4	2021	\$2,300,000
5	2022	\$2,400,000
6	2023	\$2,500,000
7	2024	\$2,600,000
8	2025	\$2,700,000
9	2026	\$2,800,000
10	2027	\$2,900,000

EXHIBIT C

LEOFF I FEE PAYMENT PROCEDURES AND ADMINISTRATION

The purpose of this Exhibit C is to set forth the manner of calculating the total LEOFF I Liability and annual LEOFF I Fee and to establish procedures for administering such payments. The goal of the LEOFF I Fee as set forth herein is to generally match the payment obligation attributable to costs for LEOFF I eligible firefighters to those persons receiving benefit of the service of those firefighters, and to set aside the necessary funds for this purpose in roughly equal annual amounts.

1. **LEOFF I Fee Calculation Formula.** The Contracting City's annual LEOFF I Fee shall be based on the Fire Department Share of LEOFF I Retiree Medical Costs and Reserves, as determined by Bellevue based on the most recent actuarial study approved by the Bellevue City Council, a proportionate share of which shall be annually allocated and charged to the Contracting City in accordance with the following formula:

Total LEOFF I Liability = (Population Factor x Base Service Years Component) + (Population Factor x Post – 1996 Service Years Component)

WHERE:

"Population Factor" = Population of Contracting City divided by Population of Extended Bellevue Fire Department Service Area

"Base Service Years Component" =

for City of Newcastle: zero (0);

for any other Contracting City (or Bellevue): (1,588 divided by Total Estimated LEOFF I Service Years) x Fire Department Share of LEOFF I Retiree Medical Costs and Reserves

"Total Estimated LEOFF I Service Years" = In any year, the total number of years of employment with the Bellevue Fire Department reasonably estimated to be served by all LEOFF I eligible Bellevue Fire Department employees from the date of their employment with Bellevue through the date of their retirement, as such number is periodically updated by Bellevue to account for deaths, retirements, extended service years, and similar factors over time. 1,588 is the number of service years served by Bellevue Fire Department LEOFF I Eligible Employees prior to 1997 (e.g., through 1996).

"Post 1996 Service Years Component" = [1 minus (1,588 divided by Total Estimated LEOFF I Service Years) x Fire Department Share of LEOFF I Retiree Medical Costs and Reserves]

The calculation for the 2012 LEOFF I Fee using this formula is set for the on Attachments 1, 2 and 3 to this Exhibit C. "Fire department Shares of LEOFF I Retiree Medical Costs and Reserves," is defined in the Agreement, and further described in this Exhibit C.

2. **Accounting.** Bellevue shall maintain a distinct line item within Bellevue's LEOFF I Medical Reserve Fund for the Contracting City.

3. **Bellevue Commitment to Contribute to LEOFF I Medical Reserve Fund; and to Maintain Fund.** Bellevue commits to deposit funds in the LEOFF I Medical Reserve Fund towards payment of the Fire Department Share of LEOFF I Retiree Medical Costs and Reserves. Bellevue's LEOFF I Fee shall be calculated using the LEOFF I Fee formula described herein. Bellevue shall have the same LEOFF I Fee payment options as Contracting City, as set forth in Section 6(b) to this Agreement.

4. **Investing and Ownership of Monies in LEOFF I Medical Reserve Fund.** All funds deposited in the "LEOFF I Medical Reserve Fund" and the line items therein shall be the property of Bellevue. Bellevue shall be responsible for investing all funds held in Bellevue's "LEOFF I Medical Reserve Fund" in accordance with Bellevue's investment policy, as that policy may be changed by Bellevue From time to time. Bellevue shall provide Contracting City with a copy of Bellevue's investment policy annually.

5. **Administration of Funds in LEOFF I Medical Reserve Fund.** Bellevue shall maintain the LEOFF I Medical Reserve Fund, until such time as all costs and expenses have been paid, or refunded pursuant to Section 9 of this Exhibit C. Bellevue shall have sole authority to make payments out of the LEOFF I Medical Reserve Fund, and shall apply funds deposited by the Contracting City and held therein only for eligible LEOFF I Medical costs, insurance or other legally required or permitted LEOFF I benefits or expenses. Bellevue shall have sole and complete discretion as to the administration of its LEOFF I benefits program for police and fire employees, subject to requirements of state law. From time to time as necessary, Bellevue shall (i) make direct payments or (ii) transfer funds from the LEOFF I Medical Reserve Fund to another Bellevue Fund for the purpose paying for LEOFF I medical payments due in the then current year for Fire Department LEOFF I Retirees and police department LEOFF I Retirees. Amounts shall be withdrawn from the line item attributable to the Contracting City's payments only for payment of Fire Department LEOFF I Retiree medical costs, insurance or other legally required or permitted LEOFF I benefits or expenses, and shall be withdrawn in amounts corresponding to the ratio of the Contracting City's LEOFF I Fee to the Fire Department Share of LEOFF I Retiree Medical Costs and Reserves for that year. In the event amounts in the LEOFF I Medical Reserve Fund are not adequate to pay current year expenses, such expenses shall be factored into the LEOFF I Fee calculation for the following year and future actuarial updates.

6. **Reporting.** Within 90 days of the end of each calendar year quarter, Bellevue will prepare and provide Contracting City with a written summary of the status of monies in the LEOFF I Medical Reserve Fund, identifying the "project" line item for the Contracting City, including the balance in, interest earnings on, and withdrawals from such "project" line item.

7. **Review of LEOFF I Medical Reserve Fund.** Each Contracting City shall have the right to inspect the City's LEOFF I Medical Reserve Fund records, after providing reasonable advance notice to Bellevue.

8. **Actuarial Study Updates.** Bellevue shall use a professional actuarial firm to periodically estimate the total LEOFF I medical liability for police and fire personnel in order to have the most accurate funding level of the LEOFF I Medical Reserve Fund. An actuarial study of the LEOFF I liability will be conducted in accordance to the Government Accounting Standards Board (GASB) recommendations. The actuarial firm will be directed to provide its "best estimate" rather than a "worst

case scenario" or "most optimistic scenario." Similarly, Bellevue shall use its "best estimate" rather than a "worst case scenario" or "most optimistic scenario" in providing information for the actuary's use. The actuary's estimate will be the basis for determining the Fire Department Share of LEOFF I Retiree Medical Costs and Reserves. It is understood and agreed that this amount may increase or decrease as new actuarial studies are conducted, and that the annual LEOFF I Reserve Fund payment will be calculated based on the most actuarial study.

9. Refunds. It is the intent of the parties that the amount in the LEOFF I Medical Reserve Fund over time be adequate to pay all LEOFF I medical costs payable by the City, with minimal balances remaining after all such costs have been paid. In the event there are funds remaining after all expenses have been paid (after the death of the last LEOFF I Eligible Employee), the amount remaining in the Contracting City's "project" within the LEOFF I Medical Reserve Fund shall be promptly remitted to the Contracting City. This obligation shall survive the expiration of this Agreement.

Exhibit C Attachment 1 - LEOFF 1 Calculations

LEOFF I Reserve Payment Procedures and Administration

Calculation of Fire Department Share of Annual LEOFF I Contribution:

Total LEOFF I Net Present Value of Funding Needed: **\$42,466,000**

Fire Department Share of LEOFF I Liability Based on Fire's Estimated % of Total LEOFF I Service Years of Active and Retired LEOFF I Employees:

	Svc. Yrs.	Percent
Fire	1,966	51.10%
Police	1,881	48.90%
Total	3,847	100.00%

Fire Department Share of Total LEOFF I Liability **\$21,700,126**

Fire Department LEOFF I Liability Split Between Service Provided Before 1997 and After 1996:

	Svc. Yrs.	Percent
LEOFF I Service Years Prior to 1997:	1,588	80.77%
LEOFF I Service Years Projected after 1996:	378	19.23%
Total LEOFF I Service Years:	1,966	100.00%

Fire Department share of LEOFF I Net Present Value of Funding **\$17,527,192**

Attributable to service prior to 1997 :

Fire Department share of LEOFF I Net Present Value of Funding **\$4,172,934**

Attributable to service after 1996 :

Exhibit C Attachment 2 - LEOFF 1 Calculations (continued)

	Pre 1997 Component		Post 1996 Component		Total	
	Population	Service Years	Population Factor	Service Years	LEOFF 1 Liability	% of Total
Pre 1997 Component						
Beaux Arts	300	17,527,192	0.2018%	43,198	35,370	0.1017%
Clyde Hill	3,015	17,527,192	2.0279%	434,090	355,434	1.0222%
Hunts Point	415	17,527,192	0.2791%	59,743	48,918	0.1407%
Medina	3,205	17,527,192	2.1557%	461,447	377,834	1.0866%
Yarrow Point	1,040	17,527,192	0.6995%	149,735	122,603	0.3526%
Subtotal Points	7,975	17,527,192	5.3640%	294,275	208,054	0.6093%
Bellevue	140,700	16,587,033	94.6360%	4,172,934	16,587,033	48.8999%
Subtotal	148,675	17,527,192	100.0000%	4,172,934	17,527,192	100.0000%
Post 1996 Component						
Beaux Arts	300	4,172,934	0.1876%	7,828	4,172,934	7.828
Clyde Hill	3,015	4,172,934	1.8849%	78,656	4,172,934	78.656
Hunts Point	415	4,172,934	0.2594%	10,825	4,172,934	10.825
Medina	3,205	4,172,934	2.0037%	83,613	4,172,934	83.613
Yarrow Point	1,040	4,172,934	0.6502%	27,132	4,172,934	27.132
Subtotal Points	7,975	4,172,934	4.9858%	208,054	4,172,934	208.054
Newcastle	11,280	4,172,934	7.0520%	294,275	4,172,934	294.275
Bellevue	140,700	4,172,934	87.9622%	3,670,605	4,172,934	3,670.605
Subtotal	159,955	4,172,934	100.0000%	4,172,934	4,172,934	4,172.934
Total Liability						
Beaux Arts	35,370	43,198	7,828	43,198	43,198	0.1017%
Clyde Hill	355,434	434,090	78,656	434,090	434,090	1.0222%
Hunts Point	48,918	59,743	10,825	59,743	59,743	0.1407%
Medina	377,834	461,447	83,613	461,447	461,447	1.0866%
Yarrow Point	122,603	149,735	27,132	149,735	149,735	0.3526%
Newcastle	0	294,275	294,275	294,275	294,275	0.6930%
Bellevue Fire (& FD14)	16,587,033	20,257,638	3,670,605	20,257,638	20,257,638	47.7033%
Bellevue Police	0	20,765,815	0	20,765,815	20,765,815	48.8999%
Total	17,527,192	42,465,941	4,172,934	42,465,941	42,465,941	100.0000%

2018 Fire Service Contract Fee - New Model

9/28/2017 4:38 PM

Exhibit C Attachment 3 - Estimated LEOFF 1 Retiree Medical Liability Fee Based on 2016 Actuarial Study

Pay-as-you-go Option Calculated As Indicated by Contract Cities

Payments by City	Total/Actual Payments for LEOFF 1 Member Medical Benefits																				
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Belleuve Police	1,068,158	1,574,170	1,816,960	1,853,513	1,602,237	1,745,331	1,821,628	1,890,372	1,804,829												
Belleuve Fire	984,811	769,646	799,980	899,008	922,584	785,329	780,192	789,328	686,488												
Beaux Arts	97,329	749,918	948,778	893,152	633,076	946,176	969,512	1,016,090	1,038,194												
Clyde Hill	240	1,863	2,389	2,245	1,486	2,195	2,113	2,199	2,252												
Hunts Point	2,056	16,966	21,361	20,043	14,734	21,970	21,795	22,563	23,173												
Medina	409	2,857	3,531	3,315	1,956	2,965	2,994	3,154	3,360												
Newcastle	2,163	17,767	22,537	21,074	14,704	22,176	22,123	23,185	24,095												
Yarrow Point	1,464	9,420	12,349	11,738	8,729	(23,291)	15,368	16,169	19,360												
	686	5,833	7,325	6,938	4,968	7,812	7,530	7,884	7,907												

Projected Annual Expenditures	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	1,980,506	2,044,922	1,955,781	1,993,598	2,066,471	2,084,697	2,145,725	2,197,407	2,236,946	2,269,687	2,291,486	2,302,616
% change	5.69%	3.15%	-4.56%	1.90%	3.53%	0.87%	2.84%	2.35%	1.86%	1.35%	0.95%	0.48%

Estimated Payments by Agency	Contract Calculation	Estimated Payment 2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Belleuve Police	48.9000%	969,060	1,000,579	956,376	974,868	1,010,503	1,019,415	1,049,258	1,074,530	1,094,843	1,109,875	1,120,535	1,125,978
Belleuve Fire	47.703%	942,909	973,577	932,971	951,011	985,774	984,468	1,023,581	1,048,235	1,068,050	1,082,715	1,093,114	1,098,423
Beaux Arts	0.1022%	2,095	2,163	1,990	2,028	2,102	2,121	2,183	2,235	2,278	2,309	2,331	2,342
Clyde Hill	1.0222%	21,093	21,779	19,992	20,379	21,124	21,310	21,934	22,462	22,887	23,201	23,424	23,537
Hunts Point	0.141%	2,863	2,957	2,751	2,805	2,907	2,933	3,019	3,091	3,150	3,193	3,224	3,239
Medina	1.087%	21,617	22,320	21,252	21,663	22,455	22,653	23,316	23,878	24,329	24,663	24,900	25,021
Newcastle	0.693%	13,743	14,190	13,553	13,815	14,320	14,446	14,869	15,227	15,515	15,728	15,879	15,956
Yarrow Point	0.353%	7,125	7,356	6,896	7,029	7,286	7,351	7,566	7,748	7,895	8,003	8,080	8,119

2018 Fire Service Contract Fee - New Model

Estimated Interest Rate	2016	2017*	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	1.25%	1.90%	2.40%	3.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Pay-as-you-go projected

Beaux Arts

	2016 Actuals	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Beginning Balance	15,608	15,605	15,902	16,283	16,772	17,359	17,966	18,595	19,248	19,919	20,617	21,338
Plus Contributions	2,095	2,183	1,990	2,028	2,102	2,121	2,183	2,235	2,278	2,309	2,331	2,342
Plus Interest Earnings	154	286	382	488	587	608	629	661	674	697	722	747
Minus Expenses	2,252	2,163	1,990	2,028	2,102	2,121	2,183	2,235	2,278	2,309	2,331	2,342
Ending Fund Balance	15,605	15,902	16,283	16,772	17,359	17,966	18,595	19,248	19,919	20,617	21,338	22,085

Glyde Hill

	2016 Actuals	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Beginning Balance	142,385	291,892	297,438	304,577	313,714	324,694	336,058	347,820	359,994	372,594	385,635	399,132
Plus Contributions	171,093	21,779	19,992	20,379	21,124	21,310	21,934	22,462	22,887	23,201	23,424	23,537
Plus Interest Earnings	1,586	5,546	7,139	9,137	10,980	11,364	11,762	12,174	12,600	13,041	13,497	13,970
Minus Expenses	23,173	21,779	19,992	20,379	21,124	21,310	21,934	22,462	22,887	23,201	23,424	23,537
Ending Fund Balance	291,892	297,438	304,577	313,714	324,694	336,058	347,820	359,994	372,594	385,635	399,132	413,101

Hunts Point

	2016 Actuals	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Beginning Balance	12,212	11,892	12,057	12,346	12,716	13,162	13,622	14,099	14,592	15,103	15,632	16,179
Plus Contributions	2,863	2,967	2,761	2,805	2,907	2,933	3,019	3,091	3,150	3,193	3,224	3,239
Plus Interest Earnings	117	225	289	370	445	481	477	493	511	529	547	566
Minus Expenses	3,380	2,967	2,761	2,805	2,907	2,933	3,019	3,091	3,150	3,193	3,224	3,239
Ending Fund Balance	11,832	12,057	12,346	12,716	13,162	13,622	14,099	14,592	15,103	15,632	16,179	16,745

Medina

	2016 Actuals	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Beginning Balance	67,426	43,967	44,802	45,877	47,254	48,908	50,619	52,391	54,225	56,123	58,087	60,120
Plus Contributions	0	22,320	21,262	21,663	22,455	22,653	23,316	23,878	24,329	24,663	24,900	25,021
Plus Interest Earnings	636	836	1,075	1,376	1,654	1,712	1,772	1,834	1,898	1,964	2,033	2,104
Minus Expenses	24,095	22,320	21,252	21,663	22,455	22,653	23,316	23,878	24,329	24,663	24,900	25,021
Ending Fund Balance	43,967	44,802	45,877	47,254	48,908	50,619	52,391	54,225	56,123	58,087	60,120	62,224

Newcastle

	2016 Actuals	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Beginning Balance	21,589	29,977	30,546	31,279	32,218	33,345	34,512	35,720	36,970	38,264	39,604	40,990
Plus Contributions	27,486	14,190	13,563	13,815	14,320	14,446	14,869	15,227	15,515	15,728	15,879	15,956
Plus Interest Earnings	262	570	733	938	1,128	1,187	1,208	1,250	1,294	1,339	1,386	1,435
Minus Expenses	19,360	14,190	13,563	13,815	14,320	14,446	14,869	15,227	15,515	15,728	15,879	15,956
Ending Fund Balance	29,977	30,546	31,279	32,218	33,345	34,512	35,720	36,970	38,264	39,604	40,990	42,424

Yarrow Point

	2016 Actuals	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Beginning Balance	52,649	52,384	53,379	54,660	56,300	58,270	60,310	62,421	64,605	66,867	69,207	71,629
Plus Contributions	7,125	7,366	6,896	7,029	7,286	7,361	7,566	7,746	7,895	8,003	8,080	8,119
Plus Interest Earnings	517	995	1,281	1,640	1,970	2,039	2,111	2,185	2,261	2,340	2,422	2,507
Minus Expenses	7,907	7,356	6,896	7,029	7,286	7,361	7,566	7,748	7,895	8,003	8,080	8,119
Ending Fund Balance	52,384	53,379	54,660	56,300	58,270	60,310	62,421	64,605	66,867	69,207	71,629	74,136

EXHIBIT D

FIRE CONTRACT SERVICES

1. **Fire Protection:** Respond to all reported and confirmed fires and potentially hazardous conditions.
 - a. **Types of Fire Responses:**
 - i. **Fire** – All types of fires, including building, vehicle, debris and vegetation fires.
 - ii. **Hazardous Conditions** – Hazardous materials incidents including leaks and spills that may threaten life and property. The Bellevue Fire Department responds as part of the Eastside Hazardous Materials Consortium.
 - iii. **Service Call** – Requests for assistance other than Fire or EMS, including broken water pipes, people stuck in elevators, etc.
 - iv. **Good Intent** – Includes fire incidents dispatched but cancelled prior to arriving on scene, incidents where steam or another gas is mistaken for smoke, smoke from barbeques, etc.
 - v. **False Alarms** – All false alarms including accidental, malicious, and system malfunctions.
 - vi. **Weather Related Calls** – Calls related to major weather events, including wind and snow storms, flooding and earthquakes.

2. **Emergency Medical:** Respond to all medical emergencies after being triaged at NORCOM that are either life threatening or non-life threatening as directed by the King County Medical Program Director.
 - a. **Types of EMS Responses:**
 - i. **Basic Life Support (BLS):** Non-life threatening medical illness or traumatic injuries. These include minor medical conditions that require assessment and include injuries sustained as the result of a motor vehicle collision, falls, and cuts. Both categories may or may not include transport to a medical facility.
 - ii. **Advance Life Support (ALS) Emergency Medical Services (Medic 1):** Reported life-threatening injury or illness. A BLS unit is also dispatched to all ALS type emergencies.
 - iii. **EMS Cancelled** – EMS incident dispatched but cancelled prior to arriving on scene.

3. **Fire and Life Safety Services:** Those services that are related to the prevention of fire through education, plan review, inspection and public firework displays.
 - a. **Fire Inspection:** Conduct annual inspections in all commercial occupancies.
 - b. **Fire Safety and Fire Prevention Education:** Upon request fire education in schools, residential communities, and commercial properties is provided.
 - c. **Fireworks display:** After approval at the State level, the Bellevue Fire Department conducts inspection and standby for public fireworks displays in the communities.

d. **Plan Review:** Plan review and field inspections are completed for new development in the contract communities. Occupancy permits are issued by the local building official.

e. **Open Burning:** There is no open burning in Bellevue or any of its contract communities.

f. **Knox Box Installations:** After purchase by owner, Fire Prevention staff assists with finalizing the Knox Box installations on gates to private residences and for commercial buildings. Finalizing installation is defined as 'turning the key' on gate switches to verify it is functioning properly, establishing an inventory of any keys in boxes, and informing the fire companies through the computer aided dispatch (CAD) for response information. The Bellevue Fire Department 'does not' purchase or install the Knox Box devices.

4. **Emergency Management:** Emergency Management services that may be provided are limited. When resources are available, upon request the Department can provide: emergency preparedness education materials; basic preparedness education for residents, businesses, and city employees; Community Emergency Response Team (CERT) training to residents; coordination with contract cities during EOC activations and incidents; and invitations to the Bellevue Office of Emergency Management trainings, exercises, and activities.

December 4, 2017

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Resolution authorizing execution of 10-year Fire Protection Services Agreements between the Bellevue Fire Department and the cities of Beaux Arts, Clyde Hill, Hunts Point, Medina, Newcastle, and Yarrow Point.

FISCAL IMPACT

The City is projected to receive approximately \$3.7 - \$6.0 million in revenue per year over the term of the Agreements. If approved, the contract term will be for a period of ten years commencing January 1, 2018 and ending December 31, 2027. If all parties agree in writing prior to December 1, 2026, the term of the agreements may be extended for an additional ten years to December 31, 2037.

The revenue received each year will vary based on the approved Fire Department budget and the contract communities' annual "Weighted Community" factors. In past years the revenue from fire service customers supported approximately 11 percent of the total Fire Service Cost (budget net revenues). In addition, as provided in the existing agreement, the contract customers will continue to be responsible for their share of the Fire Department's portion of the Law Enforcement Officers' and Firefighters' (LEOFF) I Retiree Medical Liability. Revenue received under this agreement was included in the 2017-2018 budget.

STAFF CONTACTS

Todd Dickerboom, Interim Fire Chief, 452-6895

Stacie Martyn, Fiscal Manager, 452-7670

Fire Department

Joyce Nichols, Intergovernmental Relations Director, 452-4225

City Manager's Office

POLICY CONSIDERATION

City Financial Policies: XII. Intergovernmental Revenues

Many service costs of the City are influenced by other governments, either because of service overlap or service mandates imposed by the county, state, or federal government. The City should take advantage of opportunities to enhance service delivery through intergovernmental cooperation, shared revenues, and grants while aggressively opposing mandates that distort local service priorities.

BACKGROUND

Bellevue has provided fire and emergency medical services on a contract basis to the communities of Medina, Clyde Hill, Hunts Point, Yarrow Point, and Beaux Arts since the

1960s. The City began providing fire services to the City of Newcastle following its incorporation in 1994. This relationship relieves these communities from the duty of managing their own independent fire agencies and provides a revenue stream to offset the cost of its existing fire and emergency medical costs for the City. All jurisdictions involved benefit from this regional partnership.

Over the years, the Fire Protection Services Agreements have been renegotiated many times. In 2012, the City entered into new six-year agreements with each of the cities to continue to provide them fire and emergency medical services. These agreements distribute the cost for services fairly by aligning the annual fees with system use and the fixed costs to provide the services on a 24 hour/7day a week basis. Fees are based on a formula that uses each city's relative portion of population (37.5 percent), assessed valuation (12.5 percent) and actual calls for service (50 percent). In the fee formula, this is referred to as the "Weighted Community" factor. Once calculated, the factor is applied to the Fire Department's net budget to determine the contracting communities' annual fees.

Expenditures included in the calculation of Bellevue's total fire service costs included all operating costs: operation staffing, fire prevention, administration, fleet, and technology. Operating revenues such as those received from King County Emergency Medical Services Levy for paramedic services reduce the net costs for all communities.

Proposed Fire Protection Agreement

Changes in Capital Investment Program (CIP) funding for 2017 led to an update in the formula. The CIP maintenance funds in 2017 increased from approximately \$1 million to \$2 million per year, and new funding provided by the Bellevue voter approved Fire Facilities Levy of \$6.1 million per year started in 2017. These changes would significantly impact the annual fees for the contract communities if these expenditures were simply passed on utilizing the existing formula.

Staff's goal in crafting the new model was to provide predictable, stable fees for the contract cities and predictable, stable revenue for the City of Bellevue. After several meetings with the contract cities, an approach was developed which would retain the existing formula, but would alter the approach on the capital portion of the equation. As such, the highlights of the proposed 2018-2027 Agreements are included below:

- The duration of the contract will be increased to ten years from the current six years;
- The existing formula will remain intact (50 percent calls for service, 37.5 percent population and 12.5 percent assessed valuation);
- In 2018, the first year annual CIP costs included in the contract will be increased to \$2 million; and
- Starting in 2019, the CIP costs included in the contract will increase \$100,000 per year for the life of the contract.

The proposed Agreement maintains the primary principles of the current agreement, such as using a system approach to capturing the costs, which allow for all costs associated with providing fire service within the Bellevue fire service area to be allocated on a proportional basis. If adopted the City of Bellevue is projected to receive approximately \$3.7 million in revenue in 2018. The revenue received each year will vary based on the approved Fire Department budget and the contract communities' annual "Weighted Community" factor.

EFFECTIVE DATE

If approved, this Resolution becomes effective immediately upon Council adoption.

OPTIONS

1. Adopt the Resolution authorizing execution of 10-year Fire Protection Services Agreements between the Bellevue Fire Department and the cities of Beaux Arts, Clyde Hill, Hunts Point, Medina, Newcastle, and Yarrow Point.
2. Do not adopt the Resolution and provide alternative direction to staff.

RECOMMENDATION

Option 1

MOTION

Move to adopt Resolution No. 9342 authorizing execution of 10-year Fire Protection Services Agreements between the Bellevue Fire Department and the cities of Beaux Arts, Clyde Hill, Hunts Point, Medina, Newcastle, and Yarrow Point.

ATTACHMENTS

Proposed Resolution No. 9342

AVAILABLE IN COUNCIL DOCUMENT LIBRARY

Fire Protection Service Agreement

3613-RES
11/30/2017

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 9342

A RESOLUTION authorizing execution of 10-year Fire Protection Services Agreements between the Bellevue Fire Department and the cities of Beaux Arts, Clyde Hill, Hunts Point, Medina, Newcastle, and Yarrow Point.

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The City Manager or his designee is hereby authorized to execute 10-year Fire Protection Services Agreements between the Bellevue Fire Department and the cities of Beaux Arts, Clyde Hill, Hunts Point, Medina, Newcastle, and Yarrow Point, a copy of which agreements have been given Clerk's Receiving No. _____.

Passed by the City Council this _____ day of _____, 2017, and signed in authentication of its passage this _____ day of _____, 2017.

(SEAL)

John Stokes, Mayor

Attest:

Kyle Stannert, City Clerk

Carlson, Angela

From: procurement
Sent: Tuesday, December 05, 2017 10:03 AM
To: Lanier, Amanda; Hoel, Kelli; Carroll, Thomas; Carlson, Angela; Ebi, Linda; Johnson, Linda R.
Subject: FW: Legislation passage for 12/4 Council Meeting

From: Nunnelee, Sandra J.
Sent: Tuesday, December 5, 2017 9:59 AM
To: Baldwin, David <DBaldwin@bellevuewa.gov>; Council_Packet_Staff_Liaison Team; Hackmeister, Krystal <KHackmeister@bellevuewa.gov>; Henry, Kate <KEHenry@bellevuewa.gov>; Hoel, Kelli <KHoel@bellevuewa.gov>; John-Williams, Milford <MJohnwilliams@bellevuewa.gov>; Luce, Michelle <MLuce@bellevuewa.gov>; procurement <procurement@bellevuewa.gov>
Subject: Legislation passage for 12/4 Council Meeting

Good Morning, everything passed last night with the exception of Resolution No. 9333 (Pacific Office Automation). This item has been pulled and is tentatively scheduled for the January 2 council meeting.

Thanks,

Sandy

City Council Office
452-4088



CONTRACT FACE SHEET

- Document Type:**
- | | |
|--|--|
| <input type="checkbox"/> Contract | <input type="checkbox"/> Franchise Agreement |
| <input type="checkbox"/> MOU | <input type="checkbox"/> Right of Way Use Agreement |
| <input checked="" type="checkbox"/> Interlocal Agreement | <input type="checkbox"/> Lien |
| <input type="checkbox"/> Notice of Acceptance | <input type="checkbox"/> Correspondence |
| <input type="checkbox"/> Retainage | <input type="checkbox"/> Collective Bargaining Agreement |

- Status:**
- | | |
|---|---------------------------------------|
| <input checked="" type="checkbox"/> New | <input type="checkbox"/> Renewal |
| <input type="checkbox"/> Amendment | <input type="checkbox"/> Cancellation |
| <input type="checkbox"/> Change Order | |

***Vendor Name:** City of Clyde Hill

***JDE PO Number:** 1710562.000

***Effective Date:** 01/01/2018

***Termination Date:** 12/31/2027

Amendment Effective Date: _____

***Clerk's Receiving Number:** 70316

Related Receiving Number: _____

Bid/RFP/RFQ/ITQ Number: _____

Ordinance Number: _____

Resolution Number: _____

CIP Number: _____

Project Name: Fire Protection Services Agreement Between Bellevue and Clyde ...

Site Name: _____

Vendor Number: 42005

File Location: _____

*Denotes mandatory fields. If referring to Retainage, please indicate the Termination Date same as the Contract Termination Date.

Face Sheet Date: _____
Scan Date: _____
Index Date: _____

CR# 70316 Date: 12/13/17 PO # & Loc: 1710562.000



City of Bellevue
 Finance Department - Procurement Services
 450 110th Ave. NE. Bellevue, WA 98004

Contract Routing Form

Current Contract Information:

Contract Title: Fire Protection Services Agreement Between Bellevue and Clyde Hill
Contract Description: Fire Protection Services for the City of Clyde Hill
Total Contract Value: \$632,976.00
This Amendment Value: 0
Department: Fire - 514
Contract Manager: Stacie Martyn
Contract Type: Interlocal Agreement (ILA)
Contract Form: Custom contract document
Budget Expenditure: Revenue
Maximo User: No

INT

Vendor Information:

New Vendor? No
Vendor Name: City of Clyde Hill
JDE Vendor Number: ~~42005~~ 37042
Independent Contractor? Yes
COB License #:
UBI #:
Contractor's Lic. #:

Contract Term:

Original Effective Date: 01/01/2018
End Date: 12/31/2027
Subject To:

Council Approval:

Does this contract require council approval? Yes
Council Award Date: 12/4/2017
Council Action: Resolution

Legislative #: 9342

Route:

	<u>In</u>	<u>Out</u>
Procurement Services: <u>ACaulson</u>	<u>12/11/17</u>	<u>12/14/17</u>
Information Technology: Not Required		
Legal: <u>Jeffrey Pugh</u>	<u>12/4/17</u>	<u>12/4/17</u>
Insurance Reviewed By: <u>Pete Bann</u>	<u>12/4/17</u>	<u>12/4/17</u>
Department Director: <u>Nathan Mc Cormack/sc</u>	<u>12/5/17</u>	<u>12/8/17</u>
Procurement Services: <u>ACaulson</u>	<u>12/11/17</u>	<u>12/11/17</u>
Return To: Stacie Martyn		
City Clerk's Office: <u>Aue Brunderson</u>	<u>12/13/17</u>	<u>12/13/17</u>

RISK CMO

Related Contract Information:

Amendment/change order/renewal? No

Selection Method:

Selection Method: Interlocal/MOU

Budget Information:

Line #	Description	GL Date	Account #	Subtotal	Tax	Total
1	Clyde Hill Revenue	01/01/2018	100.338220.0002	\$632,976.00	No	\$632,976.00

Additional Comments:

This ILA has one 10 year renewal option.