



CITY COUNCIL STAFF REPORT

MEETING DATE: September 25, 2023

ITEM TITLE: Adopt a Resolution Authorizing the Approval of Exhibit C to the Second Amended and Restated Agreement Between the Cities of Redwood City and San Carlos for Fire and Emergency Services for Fiscal Year 2022-23 in the Amount of \$9,067,435.

RECOMMENDATION:

Staff recommends that the City Council adopt a Resolution authorizing the approval of Exhibit C to the Second Amended and Restated Agreement ("Agreement") between the Cities of Redwood City and San Carlos for Fire and Emergency Services for Fiscal Year ("FY") 2022-23 in the amount of \$9,067,435.

FISCAL IMPLICATIONS:

There is no fiscal impact and no additional appropriation is needed with this action. The FY 2022-23 Revised Budget included funding to cover the costs of the services.

Per Section 2.b.i.2 of the Agreement, increases and decreases in the actual costs incurred during the previous year will be reconciled and applied to the quarterly payment due. The total costs of \$9,067,435 includes true-up costs associated with FY 2020-21 and FY 2021-22, as noted in the chart below:

FY 2020-21 True-up	\$ 14,191
FY 2021-22 True-up	115,450
FY 2022-23 Costs of Service	8,937,794
Total Exhibit C	\$ 9,067,435

BACKGROUND:

On April 23, 2018, the City Council approved a five-year renewal of the Agreement with the City of Redwood City to provide fire and emergency services for the City of San Carlos. Each year the City considers an approval of the Agreement's Exhibit C - Cost of Services.

The Agreement includes fire suppression, incident command, fire administration and support, emergency medical Advanced Life Support (ALS) non-transport response, vehicle and technical rescue, training and personal development, emergency management, assistance with and management of code enforcement, plan review, inspections, fire scene investigations, and public education. The Agreement maintains minimum staffing levels for fire companies and provides for the same quick response times that San Carlos Fire had previously provided.

Although the Agreement expired on June 30, 2023, the city councils of both agencies agreed to extend the Agreement until December 31, 2023, with an optional extension to March 31, 2024.

ANALYSIS:

The Agreement includes the following assignment of personnel:

Position	# of FTE
Fire Chief	0.25
Deputy Fire Chief	0.66
Management Analyst	0.33
Administrative Assistant	0.33
Battalion Chief	1.00
Fire Captain	6.00
Firefighter/Engineer	12.00
Fire Marshal	0.33
Administrative Secretary	0.33
Fire Prevention Officer	0.50
Training Battalion Chief	0.33
Total Full Time Equivalent Personnel Assigned	22.06

The chart below reflects the annual contract costs since the beginning of the five-year term on July 1, 2018. The true-up costs for FY 2020-21 in the amount of \$14,191 and FY 2021-22 in the amount of \$115,450 have been included in the total costs of Exhibit C for FY 2022-23.

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Proposed FY 2022-23
Admin Services	497,609	530,685	548,893	579,886	592,123
Command/Operations	5,926,906	6,161,120	6,453,642	6,812,350	7,130,812
Fire Prevention	263,022	291,605	322,392	334,056	345,502
Training	119,518	127,362	141,040	141,399	146,538
Supplies/Services	259,060	264,241	269,527	274,918	280,416
Contractual Costs	400,894	412,899	425,260	433,746	442,403
Total before true-up	\$ 7,467,009	\$ 7,787,912	\$ 8,160,754	\$ 8,576,355	\$ 8,937,794
True-up costs	(4,981)	(140,970)	14,191	115,450	
Total Contract Costs	\$ 7,462,028	\$ 7,646,942	\$ 8,174,945	\$ 8,691,805	\$ 8,937,794
% incr per Exhibit C		4.30%	4.79%	5.09%	4.21%
% incr/year after true-up		2.48%	6.90%	6.32%	

The total charges for FY 2022-23 are \$8,937,794, an increase of \$361,439, or 4.21%, from the prior year before true-ups based on the following factors:

1. Compensation Changes. The total increase of \$347,284, or 4.41%, in personnel costs, is due to negotiated salary and benefit adjustments and the negotiated portion of Redwood City's Unfunded Actuarial Accrued Liability "Unfunded Rate" with CalPERS that the City is required to pay.
2. Other Costs. Included in the Agreement are charges for supplies and services that have been increased by 2% as per Section 2(b)(i)(4) of the Agreement.

The true-up costs for FY 2020-21 in the amount of \$14,191 and FY 2021-22 in the amount of \$115,450 are the result of overages in budgeted overtime. Many factors contribute to the overtime expenditures including vacation, sick leaves, disability leaves, and long-term leaves/Family Medical Leave Act (FMLA). The fire stations require constant staffing and therefore, vacancies need to be filled using overtime. Overtime costs are offset by salary savings from true vacant positions until those positions can be filled following recruitment.

ALTERNATIVES:

The alternatives available to the City Council include:

1. Adopt a Resolution authorizing the approval of Exhibit C to the Second Amended and Restated Agreement (Agreement) between the Cities of Redwood City and San Carlos for Fire and Emergency Services for Fiscal Year (FY) 2022-23 in the amount of \$9,067,435; or
2. Do not adopt the Resolution; or
3. Provide staff with alternative direction.

Respectfully submitted by:

Rebecca Mendenhall, Administrative Services Director

Approved for submission by:



Jeff Maltbie, City Manager

ATTACHMENT(S):

1. Resolution
2. Exhibit C – Cost of Services, to the Agreement