Attachment II:

"Agreement Regarding Financial and Personnel Conditions of Annexation"

AGREEMENT REGARDING CERTAIN FINANCIAL AND PERSONNEL CONDITIONS OF ANNEXATION

This Agreement Regarding Financial and Personnel Conditions of Annexation ("Agreement") is made by and between the City of Sausalito, a municipal corporation ("City"), and the Southern Marin Fire Protection District, a special district formed and operating pursuant to the Fire Protection District Act of 1987 ("SMFPD"). City and SMFPD are herein jointly referred to as "Parties".

RECITALS.

- A. City, with SMFPD's consent, will file an application with the Marin Local Agency Formation Commission ("LAFCO") requesting its approval of the annexation of the City into SMFPD for the provision of fire protection services; and
- B. The proposed annexation is conditioned on the following: (1) the Parties' approval of a lease for the fire station located at 333 Johnson Street ("Fire Station"), which shall contain terms regarding the transfer of fire apparatus, tools and equipment and all Fire Station furnishings and equipment from City to SMFPD ("Lease"); (2) each Parties' adoption of a resolution accepting a negotiated exchange of property tax revenues between the City and SMFPD; (3) the Parties' agreement regarding certain financial conditions of annexation; (4) the Parties' agreement regarding certain personnel matters necessitated by any annexation; (5) the existence of a negotiated agreement between the SMFPD and the Southern Marin Professional Firefighters, Sausalito Group, IAFF Local 1775 regarding the personnel actions necessitated by the proposed annexation ("Union Agreement"); and (6) LAFCO's approval of the annexation; and
- C. The purpose of this Agreement is to set the agreement between the Parties regarding certain financial and personnel conditions resulting from the annexation.

City and SMFPD hereby agree as follows:

- 1. Financial Conditions of Annexation
 - a. Revenues from GGNRA Agreement. The Parties recognize that SMFPD has entered into an agreement with the Golden Gate National Recreation Area ("GGNRA") effective as of October 1, 2010 to provide services to fire and emergency medical services (collectively "Emergency Services") to the Marin Headlands and Fort Baker, NPS managed lands, immediately north of the Golden Gate Bridge in Southwestern Marin County ("GGNRA Agreement"). The Parties also recognize that as previously agreed due to the proximity of the City to the GGNRA and the utilization of City resources to provide services to GGNRA, SMFPD has paid City an annual amount of One Hundred Thirty Three Thousand and 00/100 (\$133,000.00) from the revenue received by SMFPD from the GGNRA Agreement (the "City Share"). The Parties hereby agree that upon the effective date of the annexation of the City into SMFPD, SMFPD shall have no further obligation to pay the City Share

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- and that any applicable payment of the City Share for the period of time prior to the effectiveness of the annexation shall be prorated.
- b. <u>SMEMPS Ambulance Fees</u>. The Parties, along with numerous other public entities, are both members of the Southern Marin Emergency Medical-Paramedic System, a Joint Powers Authority ("SMEMPS"). Currently, all members of SMEMPS, including City and SMFPD, perform certain functions and receive certain ambulance fees as a result of their membership in SMEMPS ("SMEMPS Ambulance Fees"). The Parties hereby agree that upon the effective date of the annexation of the City into SMFPD SMFPD shall assume the City's obligations under SMEMPS and City shall transfer to SMFPD any revenue received by the City from SMEMPS for services performed by SMFPD, until the date, if any, that the City's rights and obligations in SMEMPS are transferred to SMFPD.

2. Personnel Matters

- a. Change in Employment Status of City Firefighters. Subject to the explicit terms of the Union Agreement referenced above in Recital B, number (5), upon the effective date of the annexation of the City into SMFPD, City shall at its option lay-off, terminate or accept the valid resignations of each of its firefighters who are not on medical leave or workers' compensation leave or as soon thereafter as practicable and District shall hire said firefighters the following day. With respect to each City firefighter on medical leave or workers' compensation leave as of the date of annexation, City shall layoff, terminate or accept the valid resignation of the firefighter on the date the firefighter has been cleared to return to full-duty work or as soon thereafter as practicable and District shall hire said employee the following day.
- b. Vacation and Sick Leave Payout. Subject to the explicit terms of the Union Agreement referenced above in Recital B, number (5), upon leaving City employment the City firefighters will carry over to SMFPD their accumulated and unused vacation and sick leave. Prior to City laying off, terminating or accepting the valid resignations of its firefighters, City shall calculate each firefighter's accumulated and unused vacation and sick leave. City shall pay to SMFPD an amount equivalent to: i) for employees with ten years or more of service 35% of the employee's accumulated but unused sick leave plus 1.66% for each year of service up to 25 years; and ii) the value of unused vacation calculated at each firefighter's current hourly rate.
- c. Retiree Medical Costs. Six (6) of the City's firefighters have vested or will vest in a year or less their right to receive retiree medical benefits and are not likely to have sufficient time as SMFPD employees to earn this benefit again as SMFPD employees. As a result, following annexation of the City into SMFPD and upon their retirement, SMFPD will provide these six firefighters with retiree medical benefits and the City shall pay SMFPD an amount equal to the lesser of the actual amount paid by SMFPD for the retiree medical benefit or the then applicable rate if the City were to be providing the retiree

medical benefit. For the remaining nine (9) City firefighters, upon the effective date of the annexation of the City into SMFPD, City shall pay SMFPD an amount of Fifty Eight Thousand Dollars and 00/100 (\$58,000) per year for thirty (30) years for the retiree medical costs of these firefighters that represents the years said firefighters have worked for City.

3. Miscellaneous

- a. <u>No Waiver</u>. No waiver of a breach of any provision of this Agreement shall be construed to be a waiver of any breach of any other provision.
- b. <u>Severability</u>. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision.
- c. <u>No Third Party Rights</u>. The parties do not intend the benefits of this Agreement to inure to any third party not a signatory to this Agreement.
- d. <u>Jurisdiction and Venue</u>. This Agreement is governed by the State of California and the Parties agree that venue shall be in Marin County, California.
- e. <u>Amendment</u>. This Agreement may be amended or modified only by a written agreement of the Parties.
- f. <u>Execution</u>. By their signatures below, each of the following represent that they have the authority to execute this Agreement and to bind the party on whose behalf their execution is made.
- g. <u>Conflict</u>. In the event any provision of this Agreement conflicts with a provision(s) of the Lease, the terms of the Lease shall control.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement in the county of Marin, State of California, on the dates set forth below.

		CITY OF SAUSALITO	
Dated:	, 2011	By: Herb Weiner, Mayor	
ATTEST:			
City Clerk			



SOUTHERN MARIN FIRE PROTECTION DISTRICT, a special district formed and operating pursuant to the Fire Protection District Act of 1987
By: Printed name: