

DATE: November 4, 2011

TO: Members, Local Agency Formation Commission

FROM: Peter Banning, Executive Officer

SUBJECT: Executive Officer's Report and Recommendation:  
**Proposed Annexation of the territory of the City of Sausalito to the  
Southern Marin Fire Protection District (File #1304)**

### **Summary**

The City Council of the City of Sausalito has submitted a resolution of application requesting the annexation of the incorporated territory of the City of Sausalito (City) to Southern Marin Fire Protection District (SMFPD or the District). Since 2006, SMFPD has provided "headquarters" services to the City first under a joint exercise of powers agreement and more recently under a contract for services. SMFPD has provided chief officer and administrative services for both agencies under the agreements and the City's firefighter employees have been managed by the District - a functional consolidation of the fire protection services of both agencies.

The Plan for Providing Service submitted with the City's application would essentially make permanent service arrangements established under the contracts. If approved, Southern Marin Fire Protection District would assume responsibility for the City's Fire Department and the residents of the City would become eligible to vote in District elections and run for the District's Board.

The transfer of fire service from the City to SMFPD would be financed primarily through the transfer of a substantial proportion of the City's property tax revenue to the District. The District's parcel tax would not be extended to City residents.

Although the sphere of influence of SMFPD is an "interim" designation indicating the general potential for consolidation of fire service agencies in southern Marin, approval of the proposal should include amendment of the District's sphere of influence to include the City's territory to clarify the Commission's policy. The SMFPD Board of Directors supports the City's proposal. Staff recommends approval.

## **Background**

As shown on the map on page 4, Southern Marin Fire Protection District provides fire protection and related services to the unincorporated areas of Tamalpais Valley, Almonte, Homestead Valley, Alto, Strawberry and West Tiburon and a portion of the Town of Tiburon west of Trestle Glen Boulevard. If Sausalito is annexed to SMFPD, the Districts jurisdiction and service area would extend to overlay the incorporated territory of the City just as the jurisdiction and service areas of Marin Municipal Water District or Sausalito-Marin City Sanitary District already overlay the City.

SMFPD is itself the product of previous consolidations of the Tamalpais and Alto-Richardson Bay Fire Protection Districts in proceedings conducted by LAFCO in 1999. Sometime prior to 1963, the Tamalpais FPD had previously annexed the Homestead Valley area and took over the service responsibilities of the Homestead Valley Fire Brigade.

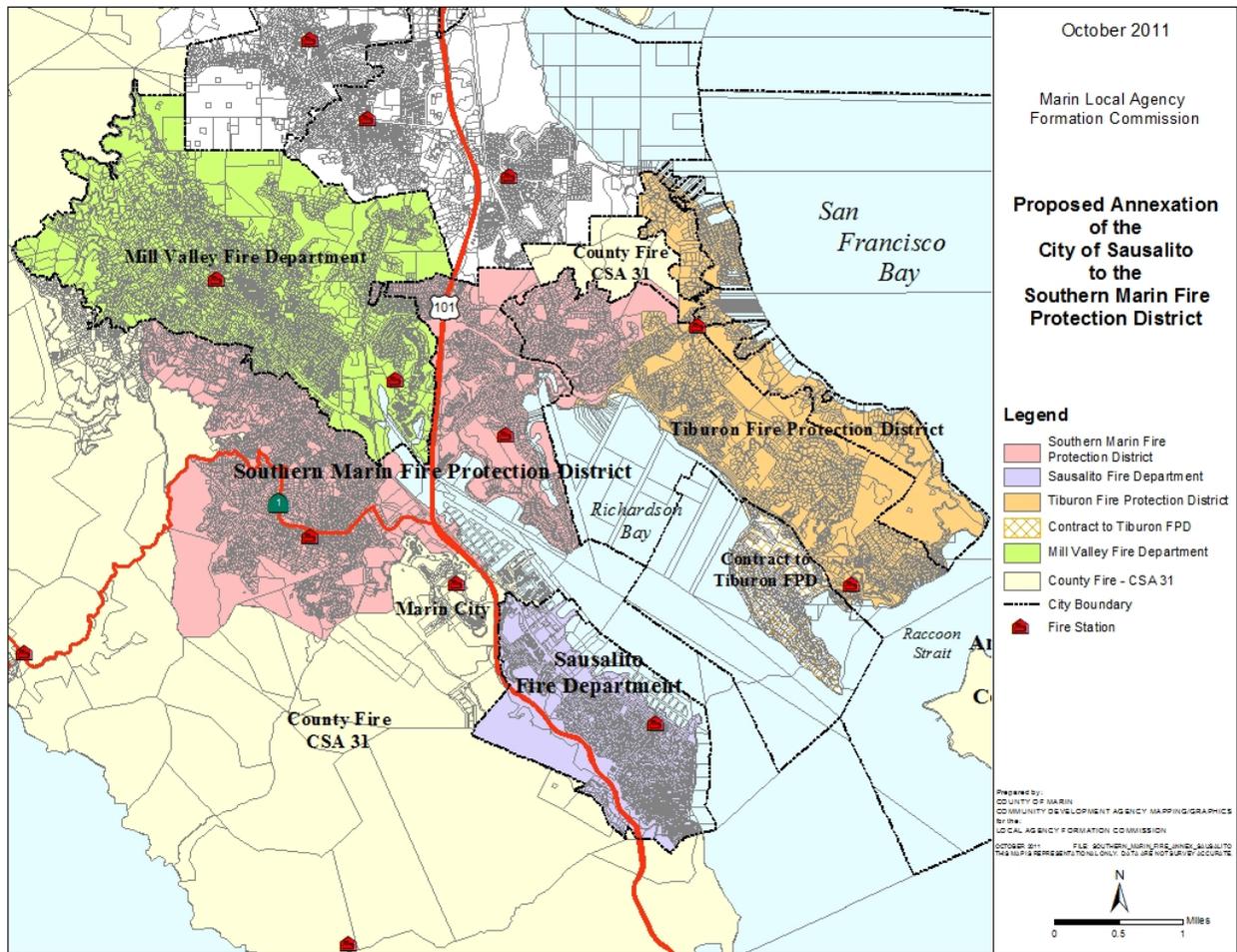
Following the 1999 consolidation of Tamalpais and Alto-Richardson Bay FPDs, the staff of SMFPD reported improved operations and significant annual cost savings from reduced management personnel and insurance costs. SMFPD, the City of Mill Valley and the City of Sausalito continued an active interest in further consolidation of fire service. In 2003, during LAFCO's municipal service review and sphere of influence update for cities and special districts in southern Marin, the three agencies and LAFCO jointly funded the *Southern Marin Fire Protection Consolidation Study, Phase I* (Economic & Planning Systems, October 13, 2003). Although the City of Mill Valley did not continue in this direction, the City of Sausalito and SMFPD developed contractual agreements that currently govern operations of both agencies' fire services.

According to SMFPD and the City, the purposes of the JPA and subsequent service contract included both short-term cost savings for both agencies by spreading the cost of headquarters services over a larger service area, and to establish the long term feasibility of permanently consolidating operations through annexation of the City to the District. The primary issues in long-term feasibility requiring extended cooperative analysis by both agencies were the compatibility of employee salaries and employee benefits and establishing the equitable cost of service within the combined service area within the City of Sausalito. The intent of both agencies to work toward eventual annexation is evidenced by the cooperative undertaking of consultant studies, the adoption of formal agreements to resolve these issues, and the stated unwillingness of SMFPD to continue operating within the current contract should annexation not be successful. The District's Board of Directors has unanimously endorsed the City's application.

## Application

The City's application submittal includes the following materials which are attached to this staff report:

- A. Resolution of Application, City of Sausalito
- B. Application Questionnaire;
- C. Plan for Providing Services, including:
  - 1. Employee Transfer Plan and Implementing MOU Sideletter
  - 2. Agreement Regarding Financial and Personnel Conditions of Annexation
  - 3. Agreement Regarding District use of the City Fire Station and Transfer of Ownership of City Fire Apparatus and Equipment to the District - "Lease of Premises and Equipment Disposition Agreement"
  - 4. Property Tax Transfer Agreement
  - 5. Citygate Associates Report *Sausalito and Southern Marin Fire Protection District Fire Phase I Briefing with FY 2009-10 Data.*
- D. Resolution Adopting a Negotiated Exchange of Property Tax Revenue, Marin County Board of Supervisors
- E. Resolution Endorsing the City of Sausalito's Proposed Annexation to the SMFPD, SMFPD Board of Directors;
- F. Resolution Accepting a Negotiated Exchange of Property Tax Revenues, SMFPD Board of Directors;
- G. Resolution Approving Two Agreements with the City of Sausalito: The Lease of Premises and Equipment Disposition Agreement and Agreement Regarding Certain Financial and Personnel Conditions of Annexation (agreements attached), SMFPD Board of Directors;



The annexation proposal concurrently requires amendment of the sphere of influence of Southern Marin Fire Protection District to include the City of Sausalito. Amendment of the District’s sphere of influence should be adopted prior to approval of the proposed annexation.

**General Information**

**Proposal Description:** Annexation of the City of Sausalito to Southern Marin Fire Protection District

**Proposal Location:** City of Sausalito

**No. of Parcels:** 3,401

**Acres:** approximately 2.17 square miles or 1,389 acres

**Development Potential:** 434 units as defined under current City General Plan and Zoning Ordinance

**Applicants:** City Council, City of Sausalito, by resolution

**Consent of Property Owner(s):** No

**Public Hearing Required:** Yes

**Number of Registered Voters:** 5,041

**City or County:** City

**Assessed Value:** \$2,458,226,478

**Property Tax Exchange:** \$ 2,667,250, as established by resolutions of County of Marin, City of Sausalito, SMFPD

**Current and Proposed Provision of Services**

	<b><u>Current:</u></b>	<b><u>If Approved:</u></b>
<b>Police:</b>	City of Sausalito	No Change
<b>Fire:</b>	City of Sausalito (contract w/ SMFPD)	Southern Marin FPD
<b>Water:</b>	MMWD	No Change
<b>Sewer:</b>	City of Sausalito & Saus.-Mrn City SD	No Change
<b>Streets:</b>	City of Sausalito	No Change
<b>Planning:</b>	City of Sausalito	No Change

**Comments of Affected Agencies**

City of Sausalito: The City is the proponent of the proposed annexation. The application submitted by the City Council represents the City’s support of the proposal.

Southern Marin Fire Protection District: SMFPD has submitted a resolution endorsing the proposed annexation pursuant to GCS 56857(e), citing the District’s history of providing contract services and its preference for annexation among the available alternatives.

### Plan for Providing Services

Under Government Code Section 56653, public agencies filing applications for changes to local government boundaries or organization must include a plan for providing service. The following subsections summarize the City's plan:

**Services to Be Extended to the Annexation Area:** The services to be extended to the City of Sausalito by SMFPD following annexation are the same services now provided jointly by both agencies on a contractual basis. Those services are fire suppression, emergency medical services, hazardous materials response, urban search and rescue (including water and dive team rescue), public education and fire prevention.

**Level and Range of Services:** As indicated above, all services at their existing service levels currently provided by the functionally consolidated Sausalito Fire Department and SMFPD would continue to operate following annexation.

**Date Services to Be Extended:** Applicants seek an effective date of annexation of July 1, 2012.

**Required Improvements to Facilities, Other Terms & Conditions:** The City requests that approval be granted with two conditions. First that the Southern Marin Fire Protection District adopt and implement a memorandum of understanding between the District and Southern Marin Professional Fire Fighters, Sausalito Group, IAFF Local 1775 (attached). Second, that The effective date of annexation be the earliest possible date following completion of all other annexation proceedings.

The City will maintain ownership of the newly constructed Sausalito fire station, leasing most of its space to SMFPD for \$100,000 per year and retaining the use of office space not included in the lease. Ownership of the City's fire trucks and other apparatus listed in a formal agreement will be transferred to SMFPD. The District has accepted transferred equipment as adequate and complete. No further acquisitions, repairs or upgrades of equipment or facilities were included in negotiations between the two agencies or in the adopted *Lease of Premises and Equipment Disposition Agreement* included with application materials attached to this report.

The City and SMFPD also negotiated and adopted an *Agreement for Transfer of City of Sausalito Fire Department Employees to Employment with the Southern Marin Fire Protection District* and an *Agreement Regarding Certain Financial and Personnel Conditions of Annexation*. These two agreements are contingent on completion of annexation proceedings and cover a variety of issues relating to transfer of Sausalito employees to employment by SMFPD. All currently employed

Sausalito firefighters are covered by the agreements. Issues of coverage under standing labor agreements, seniority, retirement, accumulated leave, and medical benefits have been resolved by these agreements to the satisfaction of the City and the District. Staff has no indication from any affected party that the Commission's authority to attach terms and conditions of approval is necessary to resolve these issues over and above the operation of these agreements.

**Financing:** The City's Plan for Providing Service describes in narrative format the development of the existing joint powers agreement and the details of the mechanisms to pay for that service as it would continue under the District's jurisdiction. The City's share of the cost of service to SMFPD as expanded by annexation would be financed primarily by a transfer of property tax revenue (plus much smaller provisions for disposition of revenue from service agreements with Golden Gate National Recreation Area and Southern Marin Emergency Medical Paramedic System) and an annual payment by the City to SMFPD for shared retiree medical costs of transferred employees. The agreement calls for transfer of \$2,667,250 for FY2012-13 and an equal proportion of total property tax revenue in subsequent years. The County of Marin, City of Sausalito and SMFPD have adopted substantially similar resolutions ratifying this agreement for exchange of property tax revenue in compliance with Section 99 of the Revenue and Taxation Code.

SMFPD charges a voter-approved parcel tax within its current jurisdiction that supplements the District's share of property tax. The City's Plan for Providing Services *does not include extension of the District's parcel tax to residents of the City of Sausalito*. If the proposed annexation is approved, the District's share of property tax in the Sausalito portion of its expanded jurisdiction would be greater than its property tax share in its current jurisdiction to the extent sufficient to equitably establish the revenue contributions of each area as agreed by each agency. Therefore, there is no need for the Commission to require additional terms and conditions regarding revenues to fund fire protection and related services.

Having worked with LAFCO staff over the nearly two-year period leading up to the application, the City of Sausalito has been aware of the Commission's interest in the logical formation and determination of local agency boundaries and the Commission's authority to address implementation issues through terms and conditions of approval. The City and SMFPD have therefore attempted to resolve all such issues through mutual agreement and without reliance on LAFCO-imposed terms and conditions of approval. Except for the effective date of annexation and adoption of a memorandum of understanding mentioned above, staff has not identified any additional terms and conditions needed for implementation of this proposal.

The Commission has final authority over what terms and conditions are included in any resolution of approval. In this case, the formal adoption of various agreements by the City and SMFPD, as described above, stand in the place of all other terms and conditions that might otherwise be needed.

### Discussion & Analysis

Both the City and SMFPD would benefit from the proposed annexation. The benefits to the agencies would accrue in both financial and operational aspects of provision of fire protection. Prior to the functional consolidation of the two agencies fire service in 2004 by contract, each agency was highly reliant on the other for any significant event such as simultaneous calls, major structural fires or multiple injury accidents. Both agencies would respond or if one agency responded, the other would provide necessary back-up service.

As described in the consultant's report (Citygate Associates, *Sausalito and Southern Marin Fire Protection District Fire Phase I Briefing with FY 2009-2010 Data, April 28, 2011*), the City and SMFPD began with a limited joint powers agreement that allowed the City enhanced chief officer and administrative services (especially incident command, fire prevention, training and staff supervision in compliance with new California OSHA requirements) and allowed the District to spread the District's cost of these services over a broader base by receiving contract revenue from the City. The City's firefighters and paramedics then operated under the supervision of the District's Chief and Battalion Chiefs. The City was increasingly motivated by the need to comply with new safety regulations, which removed its flexibility over management staffing (see consultant's report, page 9). The contractual relationship between the two agencies has continued to develop since 2004. The purpose of the annexation proposal is stated on page 3 of the Plan for Providing Service:

It has been the intent of the City and the District to formally combine the departments into a single agency that will permit more reliable economies of scale and more cost-effective management of the staff and operations. To reach this objective, the City and the District have worked to align their employee agreements so that employees of each agency are essentially compensated the same and operate under nearly identical personnel rules. With the completion of that alignment, the City and District are now petitioning LAFCO to approve the annexation of the City territory into the District and the District will then formally hire the fire department employees who are now on the City payroll and then provide fire and emergency response service to the enlarged District area.

Although the existing contractual arrangement has been to the benefit of both agencies, the approximate \$110,000 current annual cost to the City of Sausalito represents only a

negotiated sharing of extended headquarters services to the City and does not represent an equitable share of the total of such costs to their combined service area. SMFPD has been willing to extend these services at what might be considered a discount for the period of years necessary to demonstrate success and resolve personnel, financial and operational issues necessary to implement annexation. The District Board is not willing to continue in a contractual relationship with the City. The City's choices are therefore to proceed with annexation, to re-establish a management structure for its own independent municipal fire department or to seek and develop a new contractual relationship with another partner agency.

The City and consultants jointly retained by the City and SMFPD have concluded that there are no feasible and willing contractual partners capable of providing the critical incident command service within the relevant geographic area. The alternative of re-establishing an independent, single-station municipal fire department in the City was rejected as too costly. The consultant's analysis shows that the City's cost to provide its own headquarters services in a fully-staffed municipal fire department would increase its annual operating costs by approximately \$1,273,841 (see *Sausalito and Southern Marin Fire Protection District, Fire Phase I Briefing with FY 2009-10 Data*, page 29).

Annexation of the City to SMFPD - including the transfer of property tax to SMFPD - would provide the District with adequate revenue to hire the City's current fire staff and otherwise fund extension of service to the City. The City's general fund expenditures would be reduced by \$184,000 due to a smaller allocation of property tax revenue transferred to SMFPD than the City's allocation for fire in FY 2011-12. In addition, the City would be able to apply its equipment replacement reserve to liquidate an unfunded CalPERS pension liability (Plan for Providing Services, page 13). Given the demonstrated success of the service of the combined fire departments and the alternatives available to the City, the City Council chose to apply for annexation.

The need for the services presently provided by the City Fire Department and SMFPD is, of course, ongoing. The effect of approval of the proposal will be to hold the cost of fire protection service established under the current contractual relationship approximately constant for both agencies and constant for residents of the City and SMFPD through existing taxes and charges. The cost of service under the proposed annexation is significantly less than the available alternative of re-establishment of an independent Sausalito Fire.

The proposed annexation of the City to SMFPD will benefit present and future residents of both agencies by making permanent cost efficiencies and service improvements developed under the current contractual relationship. If annexation does not occur and the current contract is discontinued, new tax revenues would be required in the City in order to re-establish an independently staffed fire department or to sustain other City services. The proposal does not involve conversion of agricultural or open space land to urban uses, or other population growth management issues.

The proposal's consistency with all the factors to be considered under Government Code Section 56668 and the Commission's adopted Policies, Procedures and Guidelines is summarized in Attachment A.

### **Sphere of Influence**

Although the sphere of influence of SMFPD is an "interim" designation indicating the potential for benefit in consolidation of southern Marin fire service agencies, approval of the proposal should include amendment of the District's sphere of influence to include the City's territory to clarify the Commission's policy. A draft resolution so amending the District's sphere of influence is attached to this staff report.

The proposed annexation of the City by SMFPD - as permitted by an amended sphere of influence - offers appropriate political representation of Sausalito residents on the governing board of SMFPD plus the established cost savings, management and operating efficiencies of an expanded organization. A draft resolution amending the District's sphere of influence is attached to this staff report.

### **Environmental Review**

In adopting its resolution of application, the City of Sausalito, acting as lead agency, has found that this proposal is exempt from the provisions of the California Environmental Quality Act (CEQA) under Section 15320 of the State CEQA Guidelines (which provides exemption for changes in the organization or reorganization of local governmental agencies where the changes do not alter the geographical area in which previously existing powers are exercised) and under Section 15061(b)(3) (that provides exemption where it can be seen with certainty that there is no possibility that the proposal will have a significant effect on the environment).

### **Recommendation**

Staff recommends that the Commission approve the proposed amendment of the sphere of influence of Southern Marin Fire Protection District and the proposed annexation of the City of Sausalito to Southern Marin Fire Protection District through adoption of the attached draft resolutions. These actions will lock in improvements to service and cost efficiencies achieved by both agencies which have been working together under a contractual relationship since 2004.

By jointly developing this application through several years of cooperative effort, the governing boards of the City of Sausalito and Southern Marin Fire Protection District have created a series of agreements providing for an orderly transfer of service based on a clear set of terms and conditions that are enforceable through the terms of those

agreements rather than by terms and conditions that would otherwise need to be attached to the Commission's approval.

Recommended Commission Action, by Resolution:

1. Approve Draft Resolution 11-07 amending the sphere of influence of Southern Marin Fire Protection District to include the incorporated territory of the City of Sausalito.
2. Approve Draft Resolution 11-08 approving the proposed Annexation of the City of Sausalito to Southern Marin Fire Protection District subject to the following Terms and Conditions:
  - a. That the Southern Marin Fire Protection District adopt and implement a memorandum of understanding between the District and Southern Marin Professional Fire Fighters, Sausalito Group, IAFF Local 1775; and
  - b. The effective date of annexation shall be the earliest possible date following completion of all other annexation proceedings.
3. Direct staff to conduct protest proceedings pursuant to Government Code §57000 and in accordance with policies and procedures adopted by the Commission.

Respectfully submitted,

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Peter V. Banning  
Executive Officer

**Attachment A**  
**Proposed Annexation of City Sausalito to Southern Marin FPD**  
**Summary: Proposal Consistency with Government Code Section 56668**  
**Factors to be Considered**

Factor To be Considered	Policy/Statute Consistency
Population & growth potential during the next ten years. §56668a	Proposal will have no affect on development potential.
Need for organized community services; cost and adequacy of services; effect of proposal on cost and adequacy of services §56668b	See staff report, page 7. Proposal would hold the cost of fire service established under the current contractual relationship approximately constant. Alternatives available at greater cost or lesser effectiveness.
Effect of proposed and alternatives on social and economic interests and on local governmental structure §56668c	Proposal will have no effect on social or economic communities of interest or upon existing overall local government structure except that responsibility for fire protection and related services within the City of Sausalito will be shifted from the City to the District.
Consistency of proposal & its effects with both adopted commission policies & policies & priorities in Section 56377. §56668d	Consistent with approval of proposed amendment to the sphere of influence of SMFPD.
Proposal effect on maintaining physical and economic integrity of agricultural lands. §56668e	Proposal will have no effect.
Definiteness & certainty of proposal boundaries & other matters affecting proposed boundaries. §56668f	Since the proposal affects the entirety of the City of Sausalito, the existing incorporated boundary of the City suffices for the purpose of map and legal description of the proposal boundary.
Consistency with city or county general and specific plans. §56668g	Consistent
Consistency with relevant adopted spheres of influence. §56668h	Not consistent. Sphere of influence amendment needed for policy clarity prior to approval.
Comments of affected local agencies. §56668i	See staff report body, page 5.
Ability of affected agencies to provide requested services. §56668j	See staff report, page 6.

Timely availability of adequate water supplies. §56668k	Proposal will have no impact on water supply.
The extent to which the proposal will assist in achieving fair share of regional housing needs. §56668l	Proposal will have no impact on regional housing needs.
Information or comments from landowner(s). §56668m	None received.
Information relating to existing land use designations. §56668n	Applicable general plan and zoning designations are those defined in the entirety of the General Plan and Zoning Ordinance adopted by the City of Sausalito. Annexation of the City to SMFPD will have no impact on land use within the City.
Whether the proposal will be in the interest of the landowners or present and future inhabitants of the affected agency(ies) §56668.e(1)	See staff report, page 10.
The commission's resolution making determinations. §56668.e(2)	Draft resolution attached to staff report.
Resolution objecting to the proposal action filed by affected agencies (the Commission's consideration shall be based only on financial or service related concerns). §56668.e(4)	Not applicable. None filed.
Any other matters, which the commission deems material. §56668.e(5)	--
Marin LAFCO adopted Policies, Procedures & Guidelines, Chapter III, including Agency Consolidation Policy.	Agency consolidation policy is not applicable to annexation of incorporated territory by a special district. Otherwise consistent with Marin LAFCO policies.

**MARIN LOCAL AGENCY FORMATION COMMISSION**

RESOLUTION NO. 11-07

**RESOLUTION AMENDING THE SPHERE OF INFLUENCE  
OF SOUTHERN MARIN FIRE PROTECTION DISTRICT**

**WHEREAS**, the Cortese-Knox Local Government Reorganization Act requires LAFCO to adopt and maintain spheres of influence for cities and special districts in Marin County; and

**WHEREAS**, the City Council of the City of Sausalito has requested that the sphere of influence of Southern Marin Fire Protection District be amended to include the incorporated territory of the City of Sausalito; and

**WHEREAS**, the Executive Officer has, prepared a report, including his recommendations thereon, the report having been presented to and considered by this Commission; and

**WHEREAS**, a public hearing by this Commission was held on the requested sphere of influence amendment and staff's recommendations on the date and at the time noticed thereof, and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to the proposed sphere of influence amendment and the Executive Officer's report.

**NOW, THEREFORE**, the Marin Local Agency Formation Commission **DOES HEREBY RESOLVE, DETERMINE AND ORDER**, based upon the information contained in the Executive Officer's report, correspondence from affected agencies and information received during the public hearings, as follows:

Section 1. The sphere of influence of Southern Marin Fire Protection District is hereby amended to include the incorporated territory of the City of Sausalito.

Section 2. The statement of determinations required by Government Code Section 56425 is as follows:

The present and planned land uses in the area, including agricultural and open space lands:

Present and planned land uses in the adopted sphere of influence are governed by the General Plan of the City of Sausalito and adopted by the City of

Sausalito. Land uses include primarily low and medium density residential, commercial, institutional and other typically urban uses. The proposed amendment to include the City of Sausalito in the sphere of influence of Southern Marin Fire Protection District and the subsequent annexation of that area to Southern Marin Fire Protection District will have no effect on land use within the City of Sausalito.

The present and probable need for public facilities and services in the area:

The incorporated territory within the boundaries of the City of Sausalito are at or nearing build-out with limited land available for further development. The present need for public services and facilities within the City boundaries is primarily for existing land uses and infill development. Southern Marin Fire Protection District presently provides fire protection and related services to existing land uses in the City of Sausalito. The probable additional demand for the public services and facilities of Southern Marin Fire Protection District in the area to be added to the District's sphere of influence is not expected to exceed 434 additional residential units under the terms of adopted plans.

The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide:

The operating departments and public facilities of Southern Marin Fire Protection District are adequate to provide service to the City of Sausalito in addition to the territory currently served by the District. Southern Marin Fire Protection District would be able to provide fire protection and related services to the City of Sausalito at service levels that are the same as or higher than those currently provided by the City.

The existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency:

The Commission has determined that communities of interests are not relevant to its consideration of the proposed sphere of influence amendment.

Section 5. Pursuant to Sections 15320 and 15061 of the State CEQA Guidelines, the Commission finds that this amendment of the sphere of influence of Southern Marin Fire Protection District is exempt from the provisions of the California Environmental Quality Act.

Section 6. The Executive Officer is hereby directed to mail copies of this resolution to affected local government agencies in the Sausalito area.

**PASSED AND ADOPTED** by the Marin Local Agency Formation Commission on this 10<sup>th</sup> day of November 2011, by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

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JEFFRY BLANCHFIELD, Chairperson

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PETER V. BANNING, Executive Officer

**MARIN LOCAL AGENCY FORMATION COMMISSION**

RESOLUTION NO. 11- 08

**RESOLUTION MAKING DETERMINATIONS AND APPROVING ANNEXATION  
TO SOUTHERN MARIN FIRE PROTECTION DISTRICT  
INCLUDING NOTICE, HEARING AND ELECTION**

“Annexation of the City of Sausalito to Southern Marin Fire Protection District  
(File 1304)”

**WHEREAS**, a proposal for the annexation of certain territory to Southern Marin Fire Protection District in the County of Marin has been filed with the Executive Officer of this Local Agency Formation Commission pursuant to Title 5, Division 3, commencing with Section 56000 of the Government Code; and

**WHEREAS**, said proposal was made in the form of a resolution of application adopted by the City Council of the City of Sausalito; and

**WHEREAS**, at the time and in the form and manner prescribed by law, the Executive Officer has given notice of public hearing by this Commission upon said proposal; and

**WHEREAS**, the public hearing on said proposal was held by this Commission upon the date and at the time and place specified in said notice of public hearing, and all interested persons present were afforded an opportunity to speak and be heard on this matter.

**WHEREAS**, the Executive Officer has reviewed the proposal and prepared a report, including a recommendation thereon, the proposal and report having been presented to and considered by this Commission.

**NOW THEREFORE**, the Marin Local Agency Formation **DOES HEREBY RESOLVE, DETERMINE AND ORDER** as follows:

Section 1. The boundaries, as set forth in the proposal are coterminous with the incorporated territory of the City of Sausalito and are hereby approved as submitted subject to the following conditions:

- a. That the Southern Marin Fire Protection District adopt and implement a memorandum of understanding between the District and Southern Marin Professional Fire Fighters, Sausalito Group, IAFF Local 1775; and
- b. The effective date of annexation shall be the earliest possible date following completion of all other annexation proceedings.

Section 2. The territory includes an area of approximately 2.2 square miles, is found to be inhabited, and is assigned the following distinctive short form designation: "Annexation of the City of Sausalito to Southern Marin Fire Protection District (File 1304)".

Section 3. The proposal is consistent with the adopted sphere of influence for Southern Marin Fire Protection District.

Section 4. The Executive Officer is hereby authorized to complete reorganization proceedings in the manner prescribed by Section 57000 of the Government Code.

**PASSED AND ADOPTED** by the Marin Local Agency Formation Commission on this 10<sup>th</sup> day of November 2011 by the following vote:

AYES:

NOES:

ABSENT:

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JEFFRY BLANCHFIELD, Chairperson

ATTEST:

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PETER V. BANNING, Executive Officer

## **Agreement for Transfer of City of Sausalito Fire department Employees to Employment with the Southern Marin Fire Protection District**

The following agreements are made between the Southern Marin Fire Protection District (District) and the Southern Marin Professional Firefighters, IAFF Local 1775 (Union).

This agreement shall serve as a side letter to the existing Memorandum of Understanding between the Union and the District and shall serve as an statement of agreements to facilitate the transfer of employees of the City of Sausalito (City) Fire Department to employment with the District.

These agreements shall occur only if the geographic area of the City is annexed into the boundaries of the District through a LAFCO annexation process. Should the annexation of the geographic areas of the City not occur, this agreement shall be null and void.

### **1.0 Termination and Rehire**

All current City employees, with the exception of any employee who is either on 4850 H&L, Long Term Disability or unresolved medical leave, understand that their employment with the City shall be terminated at the point that the District assumes fire protection responsibilities for the City area. All employees, with the exception of those stated above shall become District employees at the exact time their employment with the City is terminated.

### **2.0 Memorandum of Understanding (MOU)**

At the point at which members become employees of the District, they will be covered under the MOU between District and the Union and no longer be covered by the MOU between the City and the Union. The Union acknowledges that there are differences in the MOU between the Union and the City and the MOU between Union and the District

### **3.0 Seniority and Hire Date**

For the purposes of seniority and years of service for vacation accrual, medical benefits and employee recognition, the District's Seniority and Hire Date policy will be used. For the purpose of hire date as it relates to qualifying for "grand-fathered" benefits, the actual date of employment with the District will be used.

### **4.0 Retirement**

New employees will become members of the Marin County Employee Retirement Association (MCERA). Employees may elect to apply for reciprocity between MCERA and CalPERS or file for retirement from CalPERS.

**5.0 Vacation**

- 5.1 Vacation accrual for each employee shall be calculated based upon the hire date identified in the Districts "Seniority/Date of Hire" Policy.
- 5.2 Employees transferring from the CITY shall have the option of requesting that vacation time accrued with the CITY be transferred directly to the DISTRICT, or requesting a cash payout from the CITY.

**6.0 Sick Leave**

- 6.1 Unused Sick Leave hours accrued by each employee during employment with the City of Sausalito shall be transferred to the District.

**7.0 Post-Retirement Medical Coverage**

- 7.1 The District shall provide service credit towards "employee only" medical coverage at normal service connected retirement as follows:

If an employee has achieved a minimum of 10 years employment with the Southern Marin Fire Protection District, (for the purposes of this section includes service time with the Alto - Richardson Bay Fire Protection District/ Tamalpais Fire Protection District), the District shall provide 5% of the cost of Kaiser "employee only per years served up to a total of 100% of the cost for Kaiser High Single member (Kaiser "S" Plan) Service credit shall include any combination of service time of having been hired as the result of 1.) The Agreement between the City of Sausalito and Southern Marin Fire Protection District effective on or about April 25, 2006, or 2.) the Annexation of the City of Sausalito into the Southern Marin Fire Protection District. As an example, if an employee retires with 10 years of service with the District and 10 years of service with the City of Sausalito and was hired as a result of one of the defined mergers, the employee would have 20 years of service credit and would therefore receive 100% of the Kaiser "S" Plan cost.

The following parties have hereby executed this agreement on \_\_\_\_\_ by

Southern Marin Professional Firefighters  
Local 1775 IAFF

Southern Marin Fire Protection District

\_\_\_\_\_

\_\_\_\_\_