

To: Chief Matt Cowan, Shoreline Fire Department
 From: Northshore Fire Department Board of Commissioners
 RE: Contract for Services Clarification
 Date: October 25, 2021

Chief, thank you for the hard work on the proposal you have submitted. As you are aware, the Northshore Board of Commissioners voted to postpone our contract decision into 2022. In the meantime, the existing board is working to clarify cost estimates and options, so the incoming board will more easily be able to compare the contracts.

Since RCW 43.09.210(3) requires service provided from one public agency to be paid for at its true and full value, Northshore Fire will be obligated to reconcile and pay for any cost overruns beyond the contract amounts. For that reason, the Northshore Board is seeking to assure the proposed costs are reasonable, realistic, and reliable over time.

We also want to make sure you have all the information needed to make your proposal as accurate as possible. The RCL consultant assessment for Capital Facilities inventory and replacement will be provided to you. NFD uses this assessment to identify reserve fund requirements. We are in the process of updating this assessment for our 2022 budget effort.

Clarifying assumptions:

- NFD wants to retain all reserves reimbursing the contact agency for direct costs.
- NFD wants to retain ownership of property, apparatus, and equipment.

The following table identifies some areas where we would like more information. We would also like you to verify we have identified the correct totals as shown. The table is followed by a list of clarifying questions / comments.

It would be ideal for our discussion purposes if you were able to have responses to our questions by November 1.

Contract cost area	Shoreline - 2022
Salary & benefits - E151, A151, B151, E157, A157 peak hour unit, administration	\$7,568,068.00
Option - A157 peak hour	Included in proposal
Cost without A157 peak	Need number for comparison
Transport revenue	\$245,178.00 net revenue
Operations Costs (AKA General Expenses)	\$1,137,309.00 (detail in Appendix E)
Administration wages and benefits	Included above
Shared BC option	Included in proposal
Keep BC in Northshore (no reduction in BC's)	Need number for comparison purposes
Increase tech rescue capability (EFR option)	Not proposed
Increase hazmat capability (EFR option)	Not proposed
CRR (Fire Marshal, Pub Ed, PIO)	Included in proposal

Startup costs (what are components?)	Please clarify startup costs & transfers, given NFD preference of retaining reserves.
Contract administration charge	Not proposed
Annual equipment replacement charge	NFP pays 40% of shared expenses (need number)
Annual vehicle replacement fund contribution	\$220,000
Vehicle maintenance	Included in proposal – provided by SFD
Annual capital facilities maintenance	TBD – need number
Capital facilities replacement / remodel	Northshore handles and pays from reserves per NFD replacement plan

Clarifying Questions/Comments

1. Please delete the transfer of Northshore Reserve Funds from Northshore to the Shoreline Fire Department. The Northshore Fire Department will reimburse the Shoreline Fire Department for expenses related to the purchase of equipment, apparatus, facilities improvements and LEOFF1 medical expenses.
2. Please provide the costs for staffing stations 51 and 57 and support services at the current NFD level and identify options for improved service separately from the basic staffing requirements. Your current proposal identifies cost / savings for combining Battalion Chiefs, adding a peak hour's aid car, charging for patient transport. Please cost these options separately so the Northshore board can assess the value.
3. Please identify the startup costs for your proposal.
 - a. Clarify the transfer of funds to cover employee vacation and sick leave accounts. We realize calculation for the exact cost will be made to coincide with the commencement date of the contract. Your estimate for the transfer of funds from Northshore to Shoreline is \$631,545, yet the total Northshore liability is estimated at \$1,362,503. Please verify your cost requirements given the RCW 43.09.210(3) requirement.
 - b. Provide startup funding for building maintenance if needed.
 - c. Please clarify your request for operational Reserves. (\$1,250,781, Page 27). Are these start-up costs or an ongoing reserve fund? Please identify how these funds will be used.
 - d. Provide a cost reimbursement method for managing the LEOFF1 medical reimbursement expenses.
4. The Northshore Board has decided to fund a water rescue program beginning in 2022. This effort funds 12 rescue swimmers, training, equipment and two rescue watercrafts. Please include the Shoreline Fire Department costs to maintain this program.
5. Please provide a specific cost for annual capital equipment replacement.
6. Please identify the annual / general facility maintenance costs. These costs include routine maintenance. As the contracting agency we would expect to use the Shoreline facility maintenance matrix. Large capital expenditures will be funded through the Northshore Building Facility Reserve Fund. The RCL Consultant Study identifies the current funding strategy for the NFD facilities. We are in the process of updating this study and will provide that information when it is available.
7. The Shoreline Fire Department administration costs presented in Appendix B; page 44 uses two tables. Is the total NFD administrative total cost share \$845,390? (Table 1 plus table 2).

8. Please estimate the Battalion Chief reduction savings by year and the expected timeline to complete the consolidation. What will the Northshore share be during this transition and Northshore's share of the costs once the Battalion Chief positions have been reduced to four?
9. The Northshore Board understands that the Shoreline Fire Department's post-retirement medical benefits are funded from annual revenues instead of a dedicated reserve fund. Would Northshore share in these costs going forward? How would that impact our contract for service costs?
10. Please provide a process for reconciliation of contract costs, estimated to actuals, for the end of each year or end of each quarter. The proposed contract (3.1 (d) (ii)) does not provide a reconciliation to actual costs or a process to for adjustments. If you have a strategy for assuring cost controls year over year that would be helpful as well.
11. How will operational overtime costs be allocated between agencies?