

STAFF REPORT

BOARD MEETING DATE: August 13, 2024

CATEGORY: Consent Calendar 5

SUBJECT: Approve a retroactive renewal agreement with the California Department of Forestry and Fire Protection in the amount not to exceed \$9,367,162 for the administration of the Shasta County Fire Department.

DEPARTMENT: County Fire

SUPERVISORIAL DISTRICT #: All

DEPARTMENT CONTACT: Sean Johnson, Assistant Chief - Administration, (530) 225-2514

STAFF REPORT APPROVED BY: Sean O'Hara, County Fire Warden

<u>Vote Required?</u> Simple Majority Vote	<u>General Fund Impact?</u> General Fund Impact
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RECOMMENDATION

Approve retroactive renewal Cooperative Fire Programs, Fire Protection Reimbursement Agreement 2CA06891 with the California Department of Forestry and Fire Protection (CAL FIRE) in an amount not to exceed \$9,367,162 to provide administration of the Shasta County Fire Department for the period July 1, 2024 through June 30, 2025.

DISCUSSION

The prior Agreement between the County of Shasta and CAL FIRE expired June 30, 2024. This retroactive renewal Agreement provides for CAL FIRE to continue to administer and operate the Shasta County Fire Department (SCFD) and to furnish fire protection as provided by the rate schedules attached to the Agreement, Exhibit D, Schedule A. This new Agreement is for a twelve-month term and will terminate June 30, 2025. However, it may be extended as provided in the Agreement, Exhibit C, Section 4. It is retroactive in nature due compilation of the new rates and processing time.

Shasta County and CAL FIRE have a long-standing contractual relationship that provides for CAL FIRE to administer and operate SCFD. This includes all functions of fire department administration including fire protection, life safety, emergency medical response, dispatching, training, equipment maintenance, and administrative services on behalf of Shasta County.

CAL FIRE published preliminary rate schedules in February 2024 for the Fiscal Year 2024-25, however the rates will not be finalized until later in the year. This Agreement is based upon those preliminary rates. Included in the Agreement are provisions requiring the rate schedules be modified annually to reflect services provided. This allows CAL FIRE to react to changes in service levels requested by Shasta County and changes in costs related to personnel services. However, the County reimburses CAL FIRE based only on actual costs.

Quarterly, during the fiscal year, CAL FIRE invoices Shasta County for the actual costs incurred for providing these services. Typically, because of the estimating technique used to forecast the cost of services, the actual cost is less than estimated due to salary fluctuations from changes in staffing. The calculated cost of providing services using the published rates is \$9,367,162 as detailed on the attached rate schedules.

The total cost of services for Fiscal Year 2024-25 has increased \$448,645 compared to the amended Fiscal Year 2023-24 contract budgeted at \$8,918,517. The increased cost is primarily due to required changes to the CAL FIRE staffing factor. Retirement benefits for firefighters decreased more than 5.5% due to a one-time supplemental payment by the State of California. However, the retirement benefit rates are expected to return to the FY 2023-24 level after the current year. Health benefit costs remained stable from the prior year, and the preliminary Administrative Rate has increased .74% to 12.75%.

ALTERNATIVES

The Board may decline to approve the agreement in which case the Board would need to specify the services desired or serve notice of the desire to terminate the agreement. Should the Board decline approval of the agreement, the County would be without adequate fire services. The Board could request additional information from staff or changes to the terms and conditions of the agreement.

OTHER AGENCY INVOLVEMENT

The recommendation has been reviewed by the County Administrative Office. County Counsel has reviewed the agreement and approved as to form. Risk Management has reviewed the self-insurance certification portion of the agreement (Exhibit D, Schedule E).

FISCAL IMPACT

The cost of the agreement for Fiscal Year (FY) 2024-25 is not to exceed \$9,367,162. Appropriations are included in the FY 2024-25 Miscellaneous (BU 173) and the County Fire (BU C91) approved Budgets. There is an additional impact to the County General Fund in the Miscellaneous Budget (BU 173) with the approval of the agreement in the amount of \$168,609 compared to the FY 2023-24 budget.

ATTACHMENTS:

1: 24-25 CAL FIRE Agreement