

## Exhibit "A"

### Stage 1-Crawl

Stage 1 shall begin upon the effective date of this agreement and last until the conclusion of the month when Stage 1 Benchmarks have been met. During Stage 1, the Parties agree to share costs and compensate each other for services rendered based on Table A-1 – Crawl Stage Compensation.

<b>Table A-1 – Crawl Stage</b>			
<b>Service</b>	<b>City Proportion</b>	<b>District Proportion</b>	<b>Notes</b>
Facilities, Routine Maintenance	50%	50%	
Facilities, Use Charge			No use charge shall apply in this stage
Facilities, Utilities	50%	50%	
Fire Hydrants/Water, Use Charge			No use charge shall apply in this stage
Equipment, Vehicles	--	--	Each Party is responsible for the cost of its vehicles
Equipment Other	50%	50%	
Firefighter Compensation	50%	50%	
Fire Protection Services, Jurisdiction	50%	50%	
Fire Protection Services, Mutual Aid	50%	50%	
Firefighter Training	50%	50%	
Administrative Services, Solely City	100%	0%	
Administrative Services, Solely District	0%	100%	
Administrative Services, Joint	50%	50%	

### Stage 1 Benchmarks

Upon completion of the following items by the District and as determined satisfactory by the City Administrator, Stage 1 shall be deemed complete, and the Parties agree to advance to Stage 2:

- 1.a) Management.
  - i. Develop a list of goals to complete in Years 1, 2, and 3
- 1.b) Administration.
  - i. Develop a District website
  - ii. Develop a list of administrative requirements with required government offices (DOR, IRS, L&I, etc.)
  - iii. On a quarterly-basis, provide District meeting agendas and minutes for 6 consecutive months.
- 1.c) Financial.
  - i. Transfer all facility utilities to City.

### Stage 2-Stand

Stage 2 shall begin upon the upon the conclusion of the month when Stage 1 Benchmarks have been met last until the conclusion of the month when Stage 2 Benchmarks have been met. During Stage 2, the

Parties agree to share costs and compensate each other for services rendered based on Table A-2 – Stand Stage Compensation.

<b>Table A-2 – Stand Stage</b>			
<b>Service</b>	<b>City Proportion</b>	<b>District Proportion</b>	<b>Notes</b>
Facilities, Routine Maintenance	70%	30%	
Facilities, Use Charge			No use charge shall apply in this stage
Facilities, Utilities	70%	30%	
Fire Hydrants/Water, Use Charge			No use charge shall apply in this stage
Equipment, Vehicles	50%	50%	
Equipment Other	50%	50%	
Firefighter Compensation	70%	30%	
Fire Protection Services, Jurisdiction	70%	30%	
Fire Protection Services, Mutual Aid	70%	30%	
Firefighter Training	70%	30%	
Administrative Services, Solely City	100%	0%	
Administrative Services, Solely District	0%	100%	
Administrative Services, Joint	50%	50%	

### Stage 2 Benchmarks

Upon completion of the following items by the District and as determined satisfactory by the City Administrator, Stage 2 shall be deemed complete, and the Parties agree to advance to Stage 3:

- 2.a) Management.
  - i. Adopt policies for:
    - a) Personnel
    - b) Records Retention and Destruction
    - c) Public Records Requests
    - d) Procurement
- 2.b) Administration.
  - i. Retain financial/accounting information within appropriate software (BIAS/Springbrook recommended).
  - ii. Implement stand-alone financials, claims payments, etc and the ability to request reimbursements from the City.
  - iii. Quarterly, provide a Management/Administrative Report (including status of firefighter training) for 18 consecutive months after the start of Stage 2.
- 2.c) Financial.
  - i. Build a 5-year look-back related to the costs for providing joint fire protection services.
  - ii. Quarterly, provide a Financial Report for 18 consecutive months after the start of Stage 2.

### Stage 3-Walk

Stage 3 shall begin upon the upon the conclusion of the month when Stage 2 Benchmarks have been met last until the District annexes the City and receives its first property tax disbursement. During Stage 3, the Parties agree to share costs and compensate each other for services rendered based on Table A-3 – Walk Stage Compensation.

<b>Table A-3 – Walk Stage</b>			
<b>Service</b>	<b>City Proportion</b>	<b>District Proportion</b>	<b>Notes</b>
Facilities, Routine Maintenance	70%	30%	
Facilities, Use Charge	50%	50%	
Facilities, Utilities	70%	30%	
Fire Hydrants/Water, Use Charge	50%	50%	
Equipment, Vehicles	70%	30%	
Equipment Other	70%	30%	
Firefighter Compensation	70%	30%	
Fire Protection Services, Jurisdiction	70%	30%	
Fire Protection Services, Mutual Aid	70%	30%	
Firefighter Training	70%	30%	
Administrative Services, Solely City	70%	30%	Including only those administrative services related to fire protection
Administrative Services, Solely District	70%	30%	
Administrative Services, Joint	70%	30%	

### Stage 3 Benchmarks

Upon completion of the following items by the District and as determined satisfactory by the City, Stage 3 shall be deemed complete, and the Parties agree to initiate annexation, which if completed will advance this agreement to Stage 4:

- 3.a) Management.
  - i. Concur with City proposition to annex into the District.
- 3.b) Administration.
  - i. Assume all fire-related administrative duties from City.
  - ii. On a quarterly-basis, provide a Management/Administrative Report (including status of firefighter training for 18 consecutive months after the start of Stage 3.
- 3.c) Financial.
  - i. Adopt a budget sufficient to cover all management, administrative and fire protection services.
  - ii. Quarterly Financial report provided for 18 consecutive months after the start of Stage 3.

### Stage 4-Run

Stage 4 shall begin the month following the District’s annexation of the City and receipt of its first property tax disbursement. During Stage 4, the City agrees to incubate the District’s provision of fire protection services on the progressively decreasing scale of Table A-4 – Run Stage Compensation.

<b>Table A-4 – Run Stage</b>	
<b>Timeframe*</b>	<b>City Incubation^</b>

Year 1	20%
Year 2	15%
Year 3	10%
Year 4	10%
Year 5	5%
<p>*All payments will be made in a lump sum in December.  ^The basis of compensation will be the average annual compensation paid by the City to the District during the 2 fiscal years preceding annexation.</p>	

#### Stage 4 Benchmarks

During Stage 4, the Parties agree to confer and negotiate in good faith to achieve the following:

4.a) Evaluate.

- i. During Year 4, the City will assess the Fire Protection Services provided by the District and determine whether to withdraw from the district pursuant to RCW 52.04.101.

4.b) Transfers.

- i. If the City determines not to initiate withdrawal in Year 4, in Year 5, the City intends to transfer to the District all City-owned property, equipment, and financial reserves maintained for Fire Protection Service purposes.

4.c) Facility Use.

- i. If City property is transferred to the District and if the City wishes to use the property for other City purposes (e.g., Public Works, Parks, etc.), a lease agreement will be drafted.