

# REGIONAL CRISIS RESPONSE (RCR) AGENCY

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## MEMORANDUM

**To:** RCR Executive Board

**From:** Carly Joerger, Management Analyst, City of Kirkland

**Date:** January 10, 2023

**Subject:** Draft RCR Agency Service Level Agreement with City of Kirkland

### **RECOMMENDATION:**

That the Regional Crisis Response (RCR) Agency Executive Board receive the draft Service Level Agreement with the City of Kirkland (Kirkland) and discuss. Any feedback will be incorporated into a new version that staff will bring to the Board for adoption at a future meeting.

### **BACKGROUND DISCUSSION:**

The draft service level agreement sets forth the terms of the relationship between the RCR Agency and Kirkland as the fiscal agent and employer of staff who will be loaned to the agency. Kirkland staff, in consultation with Deanna Gregory, outside legal counsel, drafted this first version of the agreement based on the founding interlocal agreement and similar agreements used in the formation of PSERN and eCityGov Alliance.

### **Staff Assigned to RCR**

The draft agreement states that all RCR staff will be employees of the Kirkland and assigned to work for the RCR Agency on a full-time FTE basis. This includes all 13 FTEs accounted for in the initial 2023-2024 budget. Staff assigned to the RCR Agency will report to the Executive Director who will report to the Executive Board. Within Kirkland, the Executive Director and other staff assigned to RCR, will be housed under the General Services Department, a new Department approved by Kirkland City Council in December 2022 for the purposes of supporting the RCR Agency as the fiscal agent and the host of the RCR Agency employees within Kirkland. Kirkland's Finance and Administration Director also serves as the Director of the General Services Department.

### **Fiscal Agent Duties and Compensation**

Unlike other models where the fiscal agent has staff track time and bill the agency for actual hours worked, this agreement mirrors the arrangement contemplated in the founding interlocal agreement and initial 2023-2024 RCR Agency budget. To compensate for the fiscal agent duties, Kirkland charges RCR overhead fees based on Kirkland's Cost of Service Model and Internal Rates. These models are used in Kirkland's budget process to allocate internal service charges to other Kirkland programs. The draft agreement states Kirkland will bill RCR for these costs, which may be revised and discussed in alignment with the City of Kirkland and the RCR Agency's biennial budget. See below for a summary of the overhead services and fees included in the 2023-2024 RCR Agency budget.

## **Summary of Overhead Services and Fees in the 2023-2024 RCR Budget**

<b>Overhead Service</b>	<b>Methodology</b>	<b>2023 Budget</b>	<b>2024 Budget</b>	<b>2023-2024 Total</b>
HR, F&A, CAO	Cost of Service Model	\$107,262	\$111,552	\$218,814
Facilities	Internal Rates	\$30,278	\$30,831	\$61,109
IT	Internal Rates	\$135,791	\$140,210	\$276,001
<b>TOTAL</b>		<b>\$273,331</b>	<b>\$282,593</b>	<b>555,924</b>

Addressing Potential Conflicts of Interest

The Board may want to discuss how it would like to address any potential conflicts of interest that may arise from receiving legal counsel through the Kirkland’s City Attorney Office and if the Board sees benefit in procuring its own legal counsel. While a portion of the Kirkland City Attorney’s Office is included in the overhead cost of service model’s overhead charge to RCR, there may be instances where Kirkland’s interests and RCR’s interests may appear to differ and or create the potential for the appearance of a conflict of interest. In such instances, the Board may benefit from having outside legal counsel on retainer, in addition to the legal services it may still choose to receive through Kirkland’s City Attorney’s Office.

**Board Action Recommended**

No formal action is recommended at this time.