

INTERLOCAL FIRE DEPARTMENT AGREEMENT

Effective Date: _____, through Date: _____

for the operation and control of the

CEDAR AREA FIRE & RESCUE

INTERLOCAL FIRE DEPARTMENT AGREEMENT ("Agreement") made this _____ day of _____, 20____ by and between the TOWNSHIPS OF CENTERVILLE, a municipal corporation, with offices at 5001 S. French Road, Cedar MI 49621, CLEVELAND, a municipal corporation, with offices at 955 W. Harbor Highway, Maple City, MI 49664, KASSON, a municipal corporation, with offices at 10988 S. Newman Road, Maple City, MI 49664 and SOLON, a municipal corporation, with offices at 9191 S. Kasson Street, Cedar, MI 49621 (collectively, the "participating Townships"). The participating Townships enter into this agreement based upon the following understandings:

- A. The Urban Cooperation Act (PA. 7 of 1967), as amended, provides authority for Townships to enter into inter-local agreements for the performance of governmental functions jointly which each could do separately; and
- B. P.A. 33 of 1951 also authorizes such a cooperative fire protection agreement,
- C. The participating Townships wish to formally cooperate in furnishing fire protection / emergency medical services throughout their respective jurisdictions through a single fire department jointly funded by said Townships and to jointly govern their relationship with a formal agreement under the Urban Cooperation Act of 1967 [MCL 124.501 et seq.].

IN CONSIDERATION OF THESE UNDERSTANDINGS,
THE PARTICIPATING TOWNSHIPS AGREE AS FOLLOWS

Article 1: General Purpose

The general purpose and goal of this Agreement is to ensure that Cedar Area Fire and Rescue (the Fire Department), established on September 15, 2015 under the authority of the Urban Cooperation Act of 1967, as amended, continues to run smoothly and meets community expectations and to ensure that the Fire Department is supported through a mutually agreeable and uniform funding mechanism to provide fire protection and other emergency services throughout the following described area:

- A. The entire Township of Centerville
- B. The entire Township of Cleveland
- C. The entire Township of Kasson
- D. The entire Township of Solon

Article 2: Management of the Fire Department

1. The Fire Department shall continue to be governed, managed and controlled by the Cedar Area Fire and Rescue Board (the Fire Board) consisting of 5 members. Each participating Township shall appoint one of its residents to serve as a regular member of the Fire Board. In addition, each participating Township shall appoint one alternate member to serve in the place of the regular member from that township when said regular member is unable to serve due to physical incapacity or absence from Leelanau County. Both the regular member and the alternate member may, but are not required to, hold other elected or appointed office in the participating Township. The township representatives, both regular and alternates, will serve (4) year terms.
2. The fifth regular member shall be a member-at-large who shall be nominated by the 4 Township members and approved by a majority of the participating Township Boards. This member will serve a two (2) year term.
3. Fire Board members shall serve at the pleasure of the legislative body that appointed them. The fire chief of the Cedar Area Fire & Rescue shall be an ex-officio, non-voting member of the Fire Board operating in an advisory capacity only.
4. Fire Board vacancies occurring during a member's term will be filled within 60 days by the township represented by the member or by the nomination and approval process for the member-at-large.
5. Fire Board members will be compensated for each meeting attended and shall receive mileage for attending such meetings at the current IRS mileage rate. The amount of compensation will be determined by the Fire Board and shall be included in the Fire Board budget.
6. Except as may be otherwise provided herein, the Fire Board shall meet not less than once every three months during each calendar year. All meetings of the Fire Board shall be conducted in accordance with the requirements of the Michigan Open meetings Act [MCL 15.261 et seq.].
7. All actions of the Fire Board shall be by majority vote of a quorum of the membership. A quorum shall consist of a majority of the members (or his/her alternate) (three (3) members) of said Board.
8. An election by said Board shall determine the chairman, vice-chairman, secretary and treasurer or a combined position called secretary/treasurer.
9. A person may be hired by the Fire Board as the recording secretary of the Fire Board. This person shall prepare the agenda and minutes of the Fire Board meetings and shall maintain the records of the Fire Board.
10. A qualified bookkeeper or bookkeeping firm shall be hired by the Fire Board to maintain the accounts of the department.
11. The recording secretary and the bookkeeper shall serve at the pleasure of the Fire Board and will have no voting privileges.
12. The Fire Board accounts shall be audited by a certified public accountant as required with such audit reports being furnished to the appropriate federal and state agencies and to each participating Township Board.
13. The Fire Board may budget for and hire legal counsel for assistance in managing the Fire Department regarding matters such as employee disputes, policy language and contracts.

14. The Fire Board may adopt such bylaws, rules and procedures not inconsistent with this agreement as it shall determine necessary for its internal operation.

Article 3: Fiscal Year and Budget

1. Fiscal Year: The Fire Department Fiscal Year shall be from April 1 through March 31.
2. Budgets and 5 year plans:
 - a. The Fire Board shall prepare the budgets in one year increments with the proposed expenditures for the upcoming years.
 - i. Operational budget increases for each one year budget cannot exceed 10% of the previous year in even years and 5% of the previous year in odd years.
 - ii. The capital budget will be separated from the operations budget and those funds held in a dedicated account. The percentage constraints do not apply to the capital budget.
 - b. The Fire Board will prepare a 5 year budget plan every 5 years to guide decisions in budgeting. The 5 year plan will reflect the percentage constraints outlined above. Each operational and capital budget will adhere to the objectives of this plan.
 - c. All plans and budgets are to be set and agreed upon by the participating Township Boards 6 months prior to the fiscal year in which the plan or budget would apply. If any of the four Township Boards declines to approve the proposed budget, the Fire Board will operate under the previous fiscal year budget until all parties agree on a new operating budget.
 - d. The percentage constraints outlined above may be set aside for any budget by a unanimous vote of the four participating Townships.
3. Funding:
 - a. Funding Formula Each of the participating Township's funding share shall be one quarter of the department's yearly budget.
 - b. Separate Funds for Operations and Capital Expenditures
 - i. Funds for operations and capital expenditures will be itemized separately and held in dedicated accounts.
 - ii. Separate annual contributions will be required for operations and capital expenditures.
 - c. Sale of Vehicles and Equipment Funds from the sale of any vehicles or equipment will be placed in the capital expenditures fund for use in funding only capital expenditures.
 - d. Quarterly Payments The Townships will make quarterly payments to the Fire Department to cover one quarter of their portion of the Fire Department's budget. Payments will be made in the first month of each fiscal quarter, those months being January, April, July and October.
 - e. Invoicing for Fire Protections or medical Emergency Support Service The Fire Department may invoice third parties for fire protection or emergency services as provided by law, including local ordinances

Article 4: Joint Fire Board Authority

1. In addition to other authority provided in this Agreement, the Fire Board shall have full responsibility for the management and operation of the Fire Department including, without limitation, the following:

- a. Establishing the qualifications, job requirements and performance expectations for the Fire Chief and the hiring of a Fire Chief;
 - b. Establishing a process for annually evaluating the Fire Chief's performance;
 - c. Aid the Chief in establishing the qualifications, job requirements and performance expectations for the fire department officers and Fire Department personnel; annually reviewing the Fire Chief's individual evaluations of the Fire Department's personnel;
 - d. Aid the Chief in setting the job descriptions, duties and responsibilities of all Fire Department personnel;
 - e. Aid the Chief in establishing policies for review of personnel performance, procedures for improvement and discipline, procedures for dismissal from employment, and procedures for appeal of personnel management decisions;
 - f. Establishing procedures for working with the Fire Chief, the officers and the department personnel, and/or their representatives, to determine compensation packages and conditions of employment;
 - g. Provide feedback to aid the Fire Chief in the preparation of a budget;
 - h. Approving the delegation of duties and responsibilities to the Fire Chief;
 - i. The securing and maintaining of liability insurance covering all capital assets owned or operated by the Fire Department and covering all Fire Department personnel, as well as general liability for damages and injury to persons and property resulting from operation of the Department;
 - j. Aid the Chief in setting standards concerning maintenance and repair of all Fire Department equipment and assets owned or utilized by the Fire Department;
 - k. The negotiation and execution of any mutual aid fire protection agreements with adjoining municipalities that are not part of the four above-named participating Townships;
 - l. The acquisition of all Fire Department equipment, buildings, property and assets within the limits of the annual fire department budgets approved by the participating Township Boards or which might otherwise specifically be authorized by said Township Boards. Such acquisition can include construction, purchasing or leasing such assets;
 - m. Accept gifts, grants, or bequests to the Fire Department.
 - n. Develop and maintain a policy regarding the addition of parties to this agreement.
2. The Fire Board does not have authority to levy taxes or special assessments.
 3. No borrowing of funds nor installment purchases shall be engaged in by the Fire Board without the approval of each of the participating Township Boards.

Article 5: Property

1. Fire Station: Upon approval of this Agreement by the four townships the Cedar Fire Station titled to Centerville and Solon Townships will be leased to the Fire Department for \$1.00 for the term of this Agreement.
2. Additional Stations: The Fire Board may make recommendations regarding the creation of additional stations to provide services within an area.
 - a. The township desiring an additional station must approve, fund, and construct the new station.

- b. Any station created will be the sole and exclusive property of the township creating the station.
 - c. A station must be built to the Fire Department Board's specifications.
 - d. As long as the township creating the station is a party to this Agreement, that township must permit the Fire Department to occupy and use the station, for no additional compensation, to provide fire protection and emergency medical support services.
3. Fire Station Maintenance and Capital Improvements
- a. The Fire Board will pay all costs of upkeep, maintenance and repairs resulting from usual day-to-day use of the Cedar Fire Station and any additional stations.
 - b. Capital improvements to the Cedar Fire Station and any additional stations will be paid for by township(s) owning the building.
 - i. Capital improvements are defined as permanent structural alterations or repairs that are durable, that increase the useful life of the property and that substantially increase the value of the property.
 - ii. Capital improvements proposed for the Cedar Fire Station and any additional stations by the Fire Board must be approved by Townships Board(s) that own the building.
 - iii. Equity from any capital improvement to the Cedar Fire Station or any additional stations will belong to the township(s) that own the building if this Agreement is ended or the Fire Department is liquidated.
 - c. The Fire Board may assume the cost of a capital expense by all the townships for consideration by the townships. Approval of the expense requires a unanimous vote of the four townships.

Article 6: Insurance and Bonding

- 1. Cedar Area Fire and Rescue shall insure their own risk with respect to any casualty which damages the fire station or the equipment, supplies and other tangible personal property located therein.
- 2. Cedar Area Fire and Rescue shall obtain public liability insurance covering the fire station premises with a single limit of no less than \$1,000,000.00 per person and occurrence.
- 3. All real and personal property and equipment of the Fire Department shall be insured by Cedar Area Fire and Rescue in amounts not less than the replacement cost of similar property and equipment. The Fire Station and any additional stations shall be insured for replacement value. Monies recovered from insurance losses of real and personal property and equipment shall be payable to the townships holding title or deed to the property in the proportions of their ownership.
- 4. Workers' Compensation shall also be maintained by Cedar Area Fire and Rescue covering all fire personnel.
- 5. Personal injury and property damage insurance shall be maintained in not less than \$1,000,000 per occurrence.
- 6. The Fire Board shall obtain a fidelity bond to protect the member township's funds against fraudulent use.

Article 7: Expenditures

Expenditures from the Cedar Area Fire and Rescue Fund shall be made by the Fire Board Treasurer upon direction of the Fire Board unless there are inadequate monies in the fund for such expenditures. The hired bookkeeper shall supply an annual financial statement of the fund at the end of each fiscal year to the Fire Board. This annual statement shall be provided within 45 days of the end of the fiscal year.

Article 8: Implementation of the Agreement

This Agreement will take effect upon the affirmative vote of all 4 townships. The Fire Board members serving under the previous agreement shall continue to serve as the Fire Board under this Agreement in their current terms of office.

Article 9: Term of the Agreement

1. This Agreement shall continue for a term of 10 years from the date hereof, and then shall be automatically renewed for successive terms of 10 years each, unless written notice be given by resolution of a Township Board, at least 180 days prior to the end of any fiscal year of the Fire Department, of that Township's intent to withdraw from this Agreement of the appropriate fiscal year.
2. Withdrawal from this Agreement with a Township Board resolution of notice at least 180 days prior to the end of a fiscal year shall have the approval of 2 other townships. If 2 other townships do not approve the withdrawal, the Township requesting to withdraw shall remain in this Agreement and meet all the obligations of this Agreement through the end of the then current fiscal year and one more full fiscal year. At that time, that Township may withdraw without further approval required.
3. The withdrawing township is entitled to recover their equity in contributed unspent capital funds, minus any amounts owed to the Fire Department or the other Townships in relation to Fire Department operations, and titled property in the amount established at the time of withdrawal at the rate of 10% a year until the funds are recovered. The withdrawing township is not entitled to accrued interest on funds that remain with the Fire Department.
4. A township may be ejected from the Fire Board and this Agreement for good cause after notice, a hearing, and a vote to eject by the other 3 Townships. A township ejected for cause shall be entitled to recovery of equity, less amounts owed to the Fire Department or the other Township(s) in relation to Fire Department operations, using the formula described in Article 9 Section 3 above.
5. This Agreement may be reviewed at anytime upon the request of all 4 participating townships.
6. Any recommended changes require the approval of all 4 participating townships.
7. This Agreement may not be unilaterally terminated except in the manner prescribed in this article.

Article 10: Effect of Termination of this Agreement: Dissolution

1. Upon termination of this Agreement, the Fire Board and the Fire Department shall be considered dissolved and all activities of the Fire Board and the Fire Department created hereunder shall cease except as are necessary to carry out the terms of this Article.
2. Upon the dissolution, property held or used by the Fire Department shall be allocated and distributed in accordance with following:
 1. All property, of any nature, which is titled to or owned by a Township shall remain the property of that Township.
 2. All monies and funds, from whatever source, which are the property of the Fire Department shall be distributed between the Townships in same proportion as the Funding Formula (Article 3.1) currently in effect, after deducting any expenses associated with the dissolution of the Fire Board and the Fire Department.
 3. All property, other than that otherwise provided for in Article 10.2 (1) and (2), shall be divided between the Townships in accordance with the formula described in Article 3.1. The assets of the Fire Department (both real and personal property) shall be appraised to determine their fair market value. The Townships shall agree on the person(s) to conduct the appraisals. If the Townships cannot agree on the appraiser(s), then each Township may appoint an appraiser. All appraisers shall then meet and appoint one or more other persons to conduct the appraisals required herein. The distribution of these assets may be in money, services, or in equipment and property.

Article 11: Dispute Resolution

In the event of any dispute between the participating Township Boards concerning any provisions of this Agreement, such dispute shall be resolved as follows.

1. Step 1. Within 60 days of the initial date of the occurrence of such dispute, representatives of the four Township Boards shall meet and negotiate in good faith in an attempt to resolve the dispute. By their unanimous agreement, the parties may waive Step 1, above, and proceed directly to the Step 2 mediation process below.
2. Step 2. If the dispute is not resolved by negotiation as provided in Step 1, above, the parties shall meet with a neutral third party mediator in an attempt to resolve the dispute. The mediator shall be mutually agreed to by the parties and may be selected from the list of civil mediators maintained by the ADR Clerk of the 13th Circuit Court or from a list of civil mediators maintained by the Conflict Resolution Services in Traverse City. If the parties are unable to agree on a mediator, the parties agree to permit the Conflict Resolution Services to select a mediator for them. The representatives of the 4 Township Boards shall meet with the mediator and participate in good faith in the mediation which, unless otherwise agreed to with the mediator, is to be conducted within 30 days of the selection of the mediator. The Townships shall evenly split the cost of the mediator, but each Township shall bear its own costs with respect to representation in any mediation proceeding.
3. Step 3. If the dispute is not resolved after Step 2, such dispute shall be resolved as follows. The participating Townships shall appoint an arbitrator within 6 weeks of receipt of notice from one of the participating Townships of the need for arbitration. If the Townships cannot agree on an arbitrator, they shall petition the Chief Judge of the 13th Circuit Court to name an arbitrator.

The arbitrator shall conduct an investigation and hearing on the dispute as expeditiously as possible using the rules of the American Arbitration Association, and shall then render a written decision on the dispute. Such decision shall be binding upon the participating Townships and shall be enforceable where necessary in Circuit Court. The Townships shall evenly split the cost of the arbitrator, but each Township shall bear its own costs with respect to representation in any arbitration proceeding.

4. No Fire Department funds may be used to pay for resolving disputes between the Townships regarding this Agreement.

Article 12: Priority

The terms of this agreement shall govern and be superior to all bylaws, rules, policies, job descriptions and other written documents developed by the Fire Board, the Fire Chief, or any Fire Department personnel. In the case of a conflict between any such document and the terms of this agreement, this Agreement shall control and prevail.

Article 13: Indemnification

In accordance with MCL 691.1408 pertaining to any civil or criminal claims or actions against any representative, officer, employee, or volunteer fire person for events occurring during and within the scope of the person's authority and committed in the course of such person's employment or performance of authorized duties, each participating Township agrees to indemnify, defend, provide legal representation, and reimburse said person for 1/4 of such person's costs, awarded or settled damages and legal expenses not covered by the Fire Board's insurance. The extent and limitation of this support is more fully set forth in said MCL 691.1408.

Article 14: Agreement Processing

This Agreement shall be filed with the County Clerk and Michigan Secretary of State pursuant to the provisions of the Urban Cooperation Act of 1967, as amended.

Article 15: Miscellaneous

1. This Agreement and all rights and obligations hereunder shall not be assignable unless all parties agree in writing to such assignment. This Agreement shall insure to the benefit of, and be binding upon, the parties hereto and their respective successors and agreed upon assigns.
2. All notices and other documents to be served or transmitted hereunder shall be in writing and addressed to the respective Township parties hereto at their respective township halls or such other address or addresses as shall be specified by the parties hereto from time to time, and may be served or transmitted in person or by ordinary mail properly addressed and with sufficient postage thereon.
3. This Agreement has been executed in the State of Michigan and shall be governed by Michigan law.
4. Waiver by any party of a breach or violation of any provision of this Agreement shall not be a waiver of any subsequent breach of the same or other provision of this Agreement.

5. If any section or provision of this Agreement is unenforceable for any reason, the enforceability thereof shall not impair the remainder of this Agreement, which shall remain in full force and effect.
6. It is contemplated that this Agreement will be executed in 4 counterparts, each of which shall constitute an enforceable Agreement.
7. This Agreement represents the entire understanding and agreement between the parties hereto. All prior oral or written understandings and agreements are merged herein and otherwise shall be of no further force or effect.
8. The captions in this Agreement are for convenience only and shall not be considered a part of this Agreement or in any way to amplify or modify the terms and provisions hereof.
9. This Agreement shall be enforceable only by the parties hereto and their successors in interest, by virtue of a permitted assignment, and no other person shall have the right to enforce any of the provisions contained herein.
10. The within Agreement may only be amended by mutual written amendment approved by each of the 4 Township Boards and signed by their respective Supervisors and Clerks.

Centerville, Cleveland, Kasson, and Solon Townships in Leelanau County, Michigan, have executed this Agreement by authority of their respective Township Boards granted by resolution of each of the said Boards as a duly called meeting set forth opposite their respective signatures.

CENTERVILLE TOWNSHIP a municipal corporation	
Supervisor Name:	Signature:
Clerk Name:	Signature:
Township Board Resolution #:	Approved Date:

CLEVELAND TOWNSHIP a municipal corporation	
Supervisor Name:	Signature:
Clerk Name:	Signature:
Township Board Resolution #:	Approved Date:

KASSON TOWNSHIP a municipal corporation	
Supervisor Name:	Signature:
Clerk Name:	Signature:
Township Board Resolution #:	Approved Date:

SOLON TOWNSHIP a municipal corporation	
Supervisor Name:	Signature:
Clerk Name:	Signature:
Township Board Resolution #:	Approved Date: