

TO: MAYOR AND CITY COUNCIL
FROM: LANELL ENDRES, INTERIM CITY ADMIN/FINANCE DIRECTOR
SUBJECT: FIRE CONTRACT-CANNON FALLS TOWNSHIP
MEETING DATE: JUNE 19, 2018

BACKGROUND

The Fire Service Agreement with Cannon Falls Township has expired and Fire Chief Mike Althoff met with representatives from the Township to review the Fire Service Agreement and its terms. The attached Agreement has been agreed to calling for 2% increases each year for five years. The agreement also increases the amount the City will be authorized to bill property and vehicle owners which will now be up to \$750 (it was previously \$500). Staff feels the increases will adequately keep up with the rising costs of providing fire protection services.

STAFF RECOMMENDATION

Staff recommends that the City Council approve the Fire Service Agreement with Cannon Falls Township as presented.

REQUESTED COUNCIL ACTION

Staff respectfully requests a motion to approve the Fire Service Agreement with Cannon Falls Township as presented

Attachment(s):

Fire Service Agreement

FIRE SERVICE AGREEMENT

This AGREEMENT, made and entered into this 9th day of May, 2018, by and between the City of Cannon Falls, a Minnesota municipal corporation of Goodhue County, Minnesota, hereinafter referred to as the CITY, Cannon Falls Township, hereinafter referred to as TOWNSHIP;

WHEREAS, Minnesota Statutes Section 471.59 authorizes two governmental units by written agreement entered into through action of the governing bodies to jointly or cooperatively exercise any power common to the contracting parties; and

WHEREAS, TOWNSHIP, deeming it advisable to have available for the benefit of its residents, the services of the CITY's Fire Department.

NOW, THEREFORE, PURSUANT TO MINNESOTA LAW, IT IS MUTUALLY AGREED BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. That the Fire Department of the CITY answer any and all fire calls within Cannon Falls Township and will respond to such calls with suitable fire fighting apparatus .
2. That in consideration of said service, TOWNSHIP agrees to pay an amount of each contract year beginning April 1st, as follows:

2018: \$32,868

2019: \$33,525

2020: \$34,196

2021: \$34,880

2022: ~~\$32,224~~

n.m.
OH
BO
\$ 35,577

It is further agreed that payment for fire service shall be 1/3 April 1st, 1/3 by August 1st, and 1/3 by December 1st, of the year due.

In addition to the annual fees described above, the City shall be authorized to bill property and vehicle owners for the cost of its services for building, equipment and vehicle fires up to \$750.00 per call, for residents of the area covered by this agreement. City may bill non-residents for the actual costs of service without limitation. It is understood that the City has the right to bill its costs of service for: 1) Intentional false alarm calls, 2) calls to rubbish, brush and grass fires where negligence of the property owner causes a fire call and 3) after second automated false fire alarm the city may bill for each additional call thereafter a cost of \$750.00 per call.

3. That adverse weather and road conditions through various seasons of the year can and will interfere in the rendering of such service, though failure to furnish the service herein agreed

upon because of such conditions shall not be taken to a breach of this agreement. (The judgement of the Fire Chief and/or other fire department official in charge shall be conclusive.

4. The parties understand and agree City will endeavor to provide the services indicated above to the best of its ability given the circumstances, but City makes no guarantees that the services it actually provides in a given situation will meet any particular criteria or standard.

5. That this Contract shall continue to be in effect for a period of five years from April 1, 2018.

6. That the TOWNSHIP agrees shall indemnify, save, and hold harmless, the CITY, its elected officials, agents, employees and volunteers from any and all claims, demands, actions, or causes of action, for whatever nature, arising out of the execution or performance or nonperformance under this Agreement, and that the TOWNSHIP further agree to defend, at their sole cost and expense, any actions or proceedings commenced against the CITY, its elected officials, agents, employees, and volunteers for the purposes of asserting any claim of whatsoever character arising hereunder. This agreement to indemnify and hold harmless shall not apply to the gross negligence or the willful and wanton misconduct by the city. The Parties agree that liability under this Agreement is controlled by Minnesota Statute 471.59, subdivision 1a and that the total liability for the Parties shall not exceed the limits on government liability for a single unit of government as specified in 466.04, subdivision 1.(a).

7. That the CITY shall pay the compensation for the firefighters responding to fire calls and will carry at its own expense Worker's Compensation Insurance on the firefighters, public liability and all other insurance deemed necessary to protect its interest while attending all fires occurring within the boundaries of the TOWNSHIP.

8. That the City agrees to account for the financial activity of the Fire Department by creating and maintenance of a Fire Department Operations Fund. The TOWNSHIP may from time to time engage the services of an independent auditor at its sole expense to review the accounting in such fund to satisfy itself as to the proper account of Fire Department revenue and expense. The TOWNSHIP shall have no ownership interest in the Fund.

9. That it is specifically acknowledged between the parties hereto that all fire fighting facilities and equipment are the exclusive property of the CITY and CITY is providing TOWNSHIP with its fire fighting services in exchange for the fees itemized in paragraph 2 herein.

10. In the event of annexation by the City of Cannon Falls of any territory covered by this contract, the cost to the TOWNSHIP shall be reduced to reflect the cost of service to the area annexed, such reduction based upon the market value of the property annexed as it relates to the total market value of the served area. However, if the annexation agreement or ordinance provides for phase down of the tax on the annexed area (sharing of the taxes with the township) then the reduction in cost under this agreement shall be reduced at the same rate as the tax sharing between the City and the affected township.

Example: If the fire service cost associated with an annexed area totals \$3,000, and an orderly annexation agreement provides that the taxes on the annexed area are shared with the township based upon the following rates: Year 1-80%, Year 2-60%, Year 3-40%. The fire service cost that will continue to be paid under this agreement for each of the years for the annexed area would be: Year 1-\$2,400, Year 2-\$1,800, Year 3-\$1,200, Year 4-\$600, Year 5-\$0.

It is further agreed that a review of residential, commercial and industrial growth in any territory covered by this contract will occur in December 2019 and December 2021 for possible increase in cost to the TOWNSHIP. The review will consider residential development of five units or more and all commercial and industrial development. The cost to the TOWNSHIP shall be increased to reflect the cost of service to the area; such increase shall be based upon the market value of the property development as it relates to the total market value of the served area.

11. That this Contract is executed in duplicate, each party having a copy and each copy shall be deemed an original for all purposes.

IN WITNESS WHEREOF, the respective parties have caused this instrument to be executed by the respective officers thereof and the seal of the respective parties to be affixed hereto.

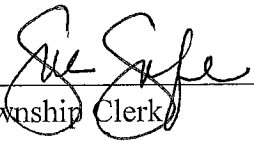
City of Cannon Falls

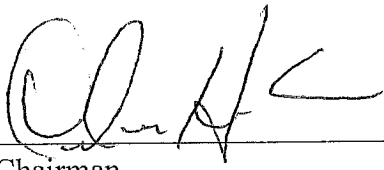
ATTEST: _____
Lanell Endres, Interim City Administrator

Robby Robinson, Mayor

Cannon Falls Township

ATTEST:


Township Clerk


Chairman