

INTERLOCAL FIRE DEPARTMENT AGREEMENT

Interlocal Fire Department Agreement (the "Agreement") made this 1st day of February 2016, by and between the City of Fennville, a municipal corporation, with offices at 125 South Maple Street, Fennville, Michigan (the "City") and the Township of Manlius, a municipal corporation, with offices at 3134 – 57th Street, Fennville, Michigan (the "Township"). Collectively these municipal corporations shall be referred to as the "Member Units."

WITNESSETH:

WHEREAS the Member Units each presently own jointly and separately certain fire equipment and housing for same, which are utilized by the Member Units for fire protection purposes; and

WHEREAS the Member Units previously entered into an Inter-local Agreement effective July 1, 1985, amended on July 18, 1988, March 11, 1991, October 1, 1991, December 10, 2008, and February 1, 2016 for the cooperative operation of a fire department for fire protection within each of the Member Units; and

WHEREAS the Member Units desire to continue the collective operation of a fire department, but under different terms and conditions than previously set forth in the amended Interlocal Agreement effective July 1, 1985; and

WHEREAS the Urban Cooperation Act of 1967: MCL 124.501 etc., authorizes such a cooperative fire protection agreement;

NOW THEREFORE IN CONSIDERATION OF THE PREMISES, IT IS AGREED BY AND BETWEEN THE MEMBER UNITS AS FOLLOWS:

1. Termination of Previous Agreement and Effective Date.

The previous Interlocal Agreement effective July 1, 1985, as amended (the "Prior Agreement"), is hereby terminated as of July 31st, 2023, and is superseded by this Agreement, which shall be effective August 14th, 2023.

2. Establishment.

Pursuant to the Urban Cooperation Act of 1967, there is hereby created and established the Fennville Area Fire Department (hereinafter "Fire Department"), as a separate legal administrative entity and public body, with such authority and duties and subject to such limitations as set forth in this Agreement.

3. General Purposes.

The general purpose of the Fire Department is to provide fire protection and such additional services as may subsequently be delegated by the Member Units to the Fire Department throughout the following described area:

- A. The entire City of Fennville;
- B. All of the Township of Manlius, south of the Kalamazoo River; and
- C. Mutual Aid assistance as may subsequently be contracted for with adjoining areas.

4. Management.

The Fire Department shall be governed, managed and controlled by a Board of Directors (the "Board"), consisting of one representative appointed by each of the legislative bodies of the Member Units forming the Agreement, to serve at the pleasure of such appointing authority; the terms to run from July 1 through June 30. In addition, in alternating years, each legislative body shall appoint a second representative to the Board to create a three-person board. The City will appoint a second representative in even years (beginning 2016), and the Township will appoint a second representative in odd years (beginning 2017). The annual term of the third member will run from January 1 through December 31 of that year. The legislative body of each Member Unit may further designate by resolution a first and second alternate to serve upon the Board during the absence of either the one appointee or, during the appropriate year, the two appointees of that Member Unit to the Board; the second alternate shall only serve if both appointees of the Member Unit are absent, or if the first alternate is unable to serve. Alternates shall also serve at the pleasure of the legislative body of the appointing Member Unit.

The Board shall meet in open session, properly noticed in accordance with the Open Meetings Act of the State of Michigan, every month during each calendar year. All action of the Board shall be by majority vote of the entire Board (i.e., two votes). A quorum of the Board shall consist of two or more representatives present in person. Members must be present in order to vote on any issues presented to the Board. At its first meeting following July 1 of each year, the Board shall name a Chairman and Vice-Chairman based on a rotating annual basis of the members serving the July 1 through June 30 terms (i.e., a representative of one Member Unit being Chairman and a representative of the other Member Unit being Vice-Chairman one year, and a representative of the other Member Unit being Chairman and a representative of the first Member Unit being Vice-Chairman the following year). The Board may adopt such by-laws, rules and procedures not inconsistent with this Agreement, as it shall determine necessary for its internal operation and procedures. Minutes shall be taken of all Board meetings by a person designated by the Board, showing all actions taken by the Board, and shall be distributed within 10 days of the meeting to the Clerk of each Member Unit.

The Clerk for the Board shall be provided by the Township at the Township's sole cost and expense. The Clerk shall be responsible for providing notices and the taking and keeping of agendas, minutes, records, and information relating to Board decisions. The Treasurer for the Board shall be provided by the City at the City's sole cost and expense.

The Treasurer shall be responsible for maintaining the budget, accounts payable, payroll, fund management, investments, capital assets, and audit preparation. Both the Clerk and the Treasurer will report to the Fire Board on fire department related matters.

5. Board Authority.

The Board shall have full responsibility for the management and operation of the Fire Department, including without limitation hiring, disciplining, and dismissing of Fire Department officers and employees, based on the Fire Chiefs recommendation (which recommendation shall not be required for any personnel actions taken by the Board relative to the Fire Chief); determining officer and employee wages and benefits within budget appropriations approved by the Member Units through their respective legislative bodies; approving job descriptions and duties; adopting standard operating procedures and guidelines for the operation and maintenance of the Fire Department and its physical assets; preparing an annual budget, including capital expenditures, and submitting it to the Member Units for approval; obtaining liability insurance; and providing resources for the training of firefighters in accordance with State requirements and Board policy. The Board shall further ensure, within the limits on its authority under this Agreement, that funding is made available so that all Fire Department employees are provided physical examinations, training, and physical agility testing per State requirements. The Board will also review and consider for approval, at its discretion, mutual aid fire protection agreements with area municipalities whose territory is not specifically covered by the Agreement. The Board will recommend a person for appointment as Fire Chief, and that recommendation will be effective upon approval of the legislative bodies of the Member Units. The Board may seek input on any of the foregoing responsibilities from the Fire Chief or other Fire Department employees.

6. Fire Station.

As of the effective date of this Agreement, the Fire Department is located at 599 West Fennville Street, Fennville, Michigan.

7. Acquisition of Existing Fire Equipment.

It is understood and agreed that the Fire Department, pursuant to the Prior Agreement, has acquired from the City, the Township, and Clyde Township, a party to the Prior Agreement, certain fire trucks, equipment, supplies and other tangible personal property. The terms and conditions of the purchase and sale as set forth in the Prior Agreement shall continue in full force and effect. Further, this Agreement shall not supersede or replace or in any way invalidate the Settlement Agreement made by the City and The Township with Clyde Township in 2015.

8. Budget, Capital Outlay, Restricted Funds Account, Purchases, Cost Recovery, and Liquidations, and Fiduciary.

- a. Budget. The Board shall prepare and recommend for approval to the legislative bodies of each Member Unit an annual budget for the Fire Department, including

an itemization of anticipated revenues and expenses. A preliminary budget shall be submitted to the Member Units no later than February 1st and a final budget shall be prepared and submitted to the Member Units no later than March 1st to afford Member Units sufficient time to review and decide the budget, and to include the necessary amounts in their own respective local budgets. In addition, each Fire Department budget shall specify the total amount of contribution estimated to be required from the Member Units collectively and an estimate of the amount each Member Unit may be expected to contribute. The Fire Department budget shall show the current budget, actual year-to-date, current year expected, next year proposed and a column showing each Member Unit's share. Amendments of the budget are also subject to the approval of the Member Units.

- b. Capital Outlay. Capital outlay is defined as anything over \$2,000.00 with a life expectancy over two years that is a planned improvement to an existing capital asset or is a new capital asset, which can be depreciated over a period of time. Capital outlay expenditures will be budgeted in advance by line item. Capital outlay should specify all capital expenditures for the fiscal year. Monies may not be moved or used for anything other than the capital outlay line item for which they are budgeted unless the Member Units approve.
 - c. Restricted Funds Account. A restricted funds account will be established to set money aside to cover future capital outlay purchases.
 - d. Purchases. All purchases for the Fire Department must be accomplished in accordance with the budget. Money in a cost center may only be used for items that fall into that cost center.
 - e. Cost Recovery. The Board will establish a cost recovery program to invoice for services rendered, in accordance with State of Michigan law. All monies collected will be held in restricted funds to contribute towards future capital outlay purchases.
 - f. Liquidations. Any sale, retirement, or other disposition of equipment by the Fire Department must have prior approval of the Member Units. Any proceeds from the sale, retirement, or other disposition of equipment will be deposited into the restricted funds account
 - g. Fiduciary. All funds shall be held in fiduciary by the City of Fennville for the purposes of making purchases as the Board determines, in their role as Treasurer.
9. Fiscal Year.

The Fire Department fiscal year shall be July 1 through June 30. The fiscal year may be changed at any time upon written mutual agreement by the Member Units.

10. Sharing of Operating Contribution.

The contribution required from the Member Units for the operation and maintenance of the Fire Department shall be shared by the Member Units equally (i.e., one-half to be paid by each Member Unit). During each fiscal year the Board shall bill each Member Unit quarterly for its share of the contribution required for operation and maintenance of

the Fire Department, including working capital. Working capital shall be no more than 10 percent of the budget prepared pursuant to paragraph 8 of this Agreement. Any unrestricted fund balance at the end of the fiscal year minus the working capital will be divided equally and deducted from the Member Units' quarterly payment due after the completion of the annual audit.

11. Financial Statement.

The Fire Department, through its Treasurer, shall prepare and circulate to the Member Units quarterly financial statements (including bills paid, invoices issued, AIR detail, check detail, statement of cash flow, budget reconciliation, bank statements, hour log reports, and quarterly payroll reports) concerning the operation and maintenance of the Fire Department, as well as a yearend statement. The reports shall be distributed to Member Unit Clerks no later than 10 days past the end of each quarter.

12. Annual Audit.

The financial records and books of the Fire Department shall be audited annually by a certified public accountant. The final audit report shall be circulated by the Fire Department to the Member Units.

13. Bonding.

All officers and employees of the Fire Department who handle Fire Department funds shall be bonded in such amounts that is reasonable and customary, and required by law.

14. Acceptance of Gifts.

The Fire Department is hereby authorized to accept gifts, grants or bequests. This money will be placed in the Firefighters Fund to be used for appreciation and recognition. The Firefighters Fund is not a part of the budget, but it is subject to all requirements of law regarding the use of public funds.

15. Agreement Term.

This Agreement shall have an initial term of one year. It shall be renewed automatically for an additional term of one year, year after year, unless a Member Unit gives written notice, at least six months prior to the end of any one year term, of that party's intent to terminate the Agreement at the expiration of that term.

16. Liquidation.

If this Agreement is terminated, the Fire Department equipment, supplies and other tangible personal property as well as any buildings and land owned by the Fire Department, shall be sold by the Fire Department for such prices and on such terms as the Member Units shall determine. Member Units may purchase such items from the Fire Department. After all of the assets of the Fire Department have been liquidated, and all unpaid debts, expenses and costs have been paid in full, the funds remaining shall be divided equally between the Member Units.

17. Priority.

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

18. Miscellaneous.

This Agreement and all rights and obligations hereunder shall not be assignable unless all Member Units agree in writing to such assignment. This Agreement shall inure to the benefit of, and be binding upon, the Member Units and their respective permitted assigns and successors. All notices and other documents to be served or transmitted hereunder shall be in writing and addressed to the respective Member Units at the addresses stated on Page 1 of this Agreement, or such other address or addresses as shall be specified by the Member Units from time to time, and may be served or transmitted in person or by ordinary mail properly addressed and with sufficient postage thereon. This Agreement has been executed in the State of Michigan and shall be governed by Michigan law. The waiver by any Member Unit of a breach or violation of any provision of this Agreement shall not be a waiver of any subsequent breach of the same or any other provision of this Agreement. If any section or provision of this Agreement is unenforceable for any reason, the unenforceability shall not impair the remainder of this Agreement, which shall remain in full force and effect. It is contemplated that this Agreement will be executed in multiple counterparts, all of which together shall be deemed to be one agreement. This Agreement represents the entire understanding and agreement between the Member Units. All prior oral or written understandings and agreements are merged herein. 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 its terms and provisions. This Agreement shall be enforceable only by the Member Units and their successors in interest by virtue of an assignment which is not prohibited under the terms of this Agreement, and no other person shall have the right to enforce any of the provisions contained herein. All exhibits attached hereto are incorporated herein by reference as though fully stated herein.

Until the Fire Board contemplated in this Agreement has been appointed, has organized and retained needed personnel for the operation of the Fire Department, including volunteer firefighters, fire protection shall continue to be furnished in the manner that it has been furnished by the Township and City immediately prior to the execution of this Agreement, in order to avoid any interruption in the fire protection service.

IN WITNESS WHEREOF, the Member Units have executed this Agreement as of the date first above written.

Signed in the presence of:

CITY OF FENNVILLE

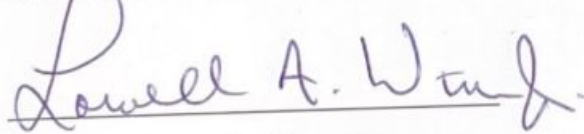


Daniel Rastall, Mayor

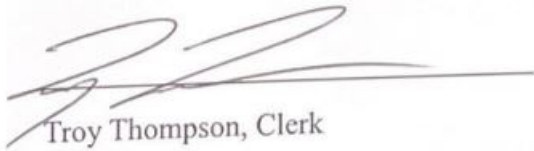


Morgan Hummon, Clerk

MANLIUS TOWNSHIP



Lowell A. Winne Jr., Supervisor



Troy Thompson, Clerk

EXHIBIT A

[Attach list of Fire Department equipment, property, etc.]