

**TOWNSHIPS of CENTERVILLE, CLEVELAND, KASSON and SOLON  
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 \_\_\_\_, 201\_ by and between the TOWNSHIPS OF CENTERVILLE, a municipal corporation, with offices at 5419 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, Municipal Corporation, with offices at 9191 S. Kasson Street, Cedar, Michigan 49621.

**WITNESSETH:**

**WHEREAS** The Urban Cooperation Act (P.A. 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

**WHEREAS**, P.A. 33 of 1951 also authorizes such a cooperative fire protection agreement,

**WHEREAS** the aforesaid Townships have for many years cooperated in furnishing fire protection services throughout their respective jurisdictions through a single fire department jointly funded by said Townships and are currently continuing to operate such a joint Fire Department also known as the Solon-Centerville Fire Department; and

**WHEREAS** such Townships wish to continue such operation **pursuant to a formal agreement under the Urban Cooperation Act of 1967. [MCL 124.501 et seq.]**

**NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:**

**Article 1. Termination of Previous Agreements**

The previous agreements between Solon Township and Centerville Township for the creation and the operation of a joint Fire Department are hereby terminated and superseded by this Agreement. Centerville, Cleveland, Kasson and Solon Townships agree to repeal any ordinance(s) that are in conflict with this agreement.

**Article 2. Establishment of Fire Department**

Pursuant to the Urban Cooperation Act of 1967, as amended, therein hereby created and established the “Cedar Area Fire & Rescue” (hereinafter “Fire Department”), as a separate legal and administrative entity and public body under the aforesaid statute with such authority, duties and limitations as herein set forth.

**Article 3. General Purpose**

The general purpose and goal of this Agreement is to ensure that the Fire Department runs 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 4. Management of the Fire Department**

1. The Fire Department shall be governed, managed and controlled by a Fire Board consisting of five (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.
2. The fifth regular member shall be a member-at-large who shall be nominated by the four (4) Township members and approved by a majority vote of the participating Township Boards.
3. 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. The township representatives, both regulars and alternates, will serve 4 year terms. At the onset of this agreement, a lottery will be taken of the four and one will serve a term for 4 years, one for 3 years, one for 2 years and lastly, one for 1 year to achieve staggered terms. The member-at-large will serve a 2 year term.
5. Fire Board vacancies occurring during a member's term will be filled within 30 days by the township represented by the member or by the nomination and approval process for the member-at-large.
6. 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 biennially and shall be included in the biennial Fire Board budget.
7. 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.].
8. 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.
9. An election of said board shall determine the chairman, vice-chairman, secretary, treasurer or a combined position called secretary/treasurer.
10. 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.
11. A qualified bookkeeper or bookkeeping firm shall be hired by the Fire Board to maintain the accounts of the fire department.
12. The recording secretary and the bookkeeper shall serve at the pleasure of the fire board and will have no voting privileges.
13. The Fire Board accounts shall be audited by a certified public accountant every two years with such audit reports being furnished to the appropriate federal and state agencies and to each participating Township Board.
14. The Fire Board may adopt such bylaws, rules and procedures, not inconsistent with the within Agreement as it shall determine necessary for its internal operation.

**Article 5. 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**

1. Before transferring to the new Fire Board under this agreement, a 5 year projected budget plan for both operations and capital expenditures to be used as a guideline will be developed by the 4 parties for consideration by the Fire Board. In addition a 2 year actual operating and capital budgets will be agreed upon by the 4 parties of this agreement to be used by the new Fire Board for its first two years of operation.
2. After the first 2 year cycle, the new Fire Board shall prepare the budgets, in 2 year increments, with the proposed expenditures for the upcoming fiscal years.
  1. Operational budget increases for each two year budget cannot exceed 10% of the last year of the previous 2 year budget.
  2. Adjustments to the second year of a two year budget may be made but cannot exceed 5% of the first year of the current budget cycle
  3. The capital budget will be separated from operations and funds held in a dedicated account. The percentage constraints do not apply to the capital budget.
2. Cedar Area Fire & Rescue Board will prepare a 5 year budget plan every 5 years to guide decisions in budgeting. The five year plan will reflect the percentage constraints outlined above. Each 2 year budget will adhere to the objectives of this plan.
3. All plans and budgets are to be set and agreed upon by the 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.
4. The percentage constraints outlined above may be set aside for any budget year by a unanimous vote of the four participating townships.

**3. Funding**

1. **Funding Formula** Each of the participating townships' funding share shall be one quarter of the department yearly budget.

**2. Separate Funds for Operations and Capital Expenditures**

1. Funds for operations and capital expenditures will be itemized separately and held in dedicated accounts.
2. Separate annual assessments will be made for operations and capital expenditures.

**3. Special capital assessment for Cleveland and Kasson Townships**

1. To offset the equity in equipment contributed by Centerville and Solon Townships. Cleveland and Kasson Townships will pay an additional 10% assessment of the annual capital budget for 5 years.
2. This money will be held in the capital expenditure funds account for use in funding only capital expenditures.

**4. 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.

**5. Quarterly Payments.** The townships will make quarterly payments to the Fire Department to cover their portion of the Fire Departments budget. Payments will be made on or before the first business day of January, April, July and October.

**6. Invoicing for Fire Protection or Emergency Medical Support Service.** The Fire Department may invoice third parties for fire protection or emergency medical services as provided by law, including local ordinances.

**Article 6. Joint Fire Board Authority**

1. In addition to other authority provided in the within Agreement, the Fire Board shall have full responsibility for the management and operation of the Fire Department including, without limitation, the following:
  1. Establishing the qualifications, job requirements and performance expectations for the Fire Chief and the hiring of a Fire Chief;
  2. Establishing a process for annually evaluating the Fire Chief's performance;
  3. Establishing the qualifications, job requirements and performance expectations for fire department officers and fire department personnel; Annually reviewing the Fire Chief's individual evaluations of the Fire Department's personnel;
  4. Aid the department in setting the job descriptions, duties and responsibilities of all Fire Department personnel;
  5. Final approval of all personnel recommended for hire by the chief;
  6. 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;

7. 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;
  8. Provide feedback to aid the Fire Chief in the preparation of a budget;
  9. Approving the delegation of duties and responsibilities to the Fire Chief;
  10. 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 operations of the Department.
  11. Set standards for the Fire Chief concerning maintenance and repair of all Fire Department equipment and assets owned or utilized by the Fire Department;
  12. The negotiating and execution of any mutual aid fire protection agreements with adjoining municipalities that are not part of the four above-named participating Townships;
  13. The acquisition of all Fire Department equipment, buildings, property and assets within the limits of the annual 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;
  14. Accept gifts, grants, or bequests to the Fire Department.
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.
  4. The Cedar Area Fire and Rescue Board will honor any formal agreement the Solon-Centerville Fire Board has entered into. The Fire Board may seek to renegotiate any formal agreement the previous board has entered into. The Cedar Area Fire and Rescue Board is not bound by any previous agreement once that agreement has expired, nor is it bound by any policy, understanding, or informal agreement established by the previous board.
  5. All Solon-Centerville personnel, including the Fire Chief, will transfer to Cedar Area Fire and Rescue, and such persons shall thereafter be employees of the Fire Board. No initial changes will be made to employee's wages, seniority, or any other benefits that the employee enjoyed while employed by the Solon-Centerville Fire Department.

6. The Cedar Area Fire and Rescue Board will initially review all employee evaluations and statuses in light of the job qualifications, requirements, and performance expectations; established above in Article 6, section 1, paragraphs 1, 3, 4, 7; once these are established and put into place during the 120 day transition period established in Article 10 of this agreement. Changes in employment may be made in light of these policies and review.

**Article 7. Property (See appendix A for the list of vehicles and equipment)**

1. **Personal Property Contribution** Upon approval of this agreement by the four townships the vehicles and equipment titled to Centerville and Solon Townships will be leased to the Fire Department for \$1.00 for the term of this agreement.
  1. All loose equipment on the vehicles is included in the lease.
  2. When leased, the Fire Board will be responsible for operating, depreciating, replacing, repairing, and insuring the vehicles and equipment.
  3. The Fire Board may sell this leased equipment and then shall place the funds from the sale in the capital expenditures fund.
  4. If this Fire Board is not extended beyond the term of this agreement, any vehicles and equipment, covered in the lease must be returned to Centerville and Solon Townships.
2. **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 Board for \$1.00 for the term of this agreement.
  1. The Fire Department will pay all costs of upkeep, maintenance and repairs of the Cedar fire station.
  2. Capital improvements to the Cedar fire station will be paid for by Centerville and Solon Townships.
  3. Any capital improvement proposed to the Cedar Fire Station by the Fire Board will need to be approved by Centerville and Solon Townships.
  4. Equity from any capital improvement will belong to Centerville and Solon Townships if the agreement is not extended or the Fire Department is liquidated.
  5. The member townships of the Fire Board may continue to use the Fire Station for township meetings and activities, as has been the practice in the past, as long as those meetings and activities do not interfere with the Fire Department's operations.
3. **Substations** The Fire Board may make recommendation regarding the creation of a substation to provide services within an area.
  1. The township desiring a substation will approve, fund, and construct the substation at its sole cost and expense.
  2. Any substation created will be the sole and exclusive property of the township creating the substation.

3. A substation will be built to the Fire Board's specifications.
4. As long as the township creating the substation is a party to this agreement, that township will permit the Fire Department to occupy and use the substation, for no additional compensation, to provide fire protection and emergency medical support services.

**4. Maintenance Costs and Capital Expenses**

1. The Fire Board will pay maintenance costs, which are defined as replacing or repairing existing buildings and equipment.
2. The township that owns a building or equipment will pay capital improvement costs, which are defined as adding to or improving buildings or equipment.
3. The Fire Board may recommend the assumption of the cost of a capital expense by all the townships for consideration by the townships. Approval of the expense requires a unanimous vote by the four townships.

**Article 8. Insurance and bonding**

1. The Cedar Area Fire & 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. The Cedar Area Fire & 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 the The Cedar Area Fire & Rescue in amounts not less than the replacement cost of similar property and equipment with all loss payable to said Fire Department.
4. Workers' Compensation shall also be maintained by the Cedar Area Fire & Rescue covering all fire personnel.
5. Personal injury and property damage insurance shall be maintained in not less than \$1 million per occurrence.
6. The Fire Board shall obtain a fidelity bond to protect the member township funds against fraudulent use.



**Article 9. Expenditures**

Expenditures from the Cedar Area Fire & Rescue Fire 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 expenditure. 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 financial statement shall be provided within 45 days of the end of the fiscal year.

**Article 10. Implementation of Agreement**

This agreement will take effect upon the affirmative vote of all 4 townships. Upon adoption of this agreement a transition period will begin. The Solon-Centerville Fire Department Board will continue to manage the Fire Department during this transition period. Each township will then appoint a member to the new Fire Board within 30 days following adoption of this agreement. The new Fire Board will meet within 14 days of the appointment of the four township members of the board. The new Fire Board will proceed to meet the requirements of this agreement including adopting bylaws, nominating a member-at-large candidate, developing a budget, developing policies, and conducting staff reviews. The new Fire Board will meet as frequently as required to complete the initial tasks to effect a transition to its management of Cedar Area Fire and Rescue. The new Fire Board will complete the transition tasks within 120 days of the adoption of this interlocal agreement. At the end of this 120 day period the Solon-Centerville Fire Department Board will be dissolved by resolutions of the Centerville and Solon Township Boards. The Cedar Area Fire and Rescue Board will then assume full management of the Fire and Rescue Department.

**Article 11. Term of Agreement**

1. This Agreement shall continue for an initial term of 10 (ten) years from the date hereof, and then shall be automatically renewed for additional successive terms of 10 (ten) 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 Board, of that party's intent to withdraw from the Agreement at the expiration of the appropriate fiscal year.
2. Withdrawal within the first 5 years of membership shall require the approval of the other 3 townships and would result in the forfeiture of any equity accumulated.
3. Withdrawal after 5 years as a member with a resolution of notice 180 days prior shall have the approval of 2 other townships, and would allow recovery of equity over several years per a mutually agreed upon formula to be determined at that time.

4. This agreement may be reviewed after each 5 year period, or anytime upon the request of all four participating townships, in an effort to address any issues that might have developed.
5. Any recommended changes require the consent of all four townships.
6. This agreement may not be unilaterally terminated except in the manner prescribed in this article.

**Article 12. Effect of Termination of Agreement**

1. Upon termination of this Fire Board, each Township shall have the right to sole possession and control of any fire vehicle, equipment or other personal or real property to which the Township has sole title. If Centerville, Cleveland, Kasson and Solon Townships have joint title to any vehicles, equipment or property used by the Fire Department, then such property shall be sold at its fair market value and the proceeds will be divided between Centerville, Cleveland, Kasson and Solon Townships in the same proportion paid by each Township in purchasing such item of property. Solon and Centerville Townships would reserve the right to have first option to purchase any above said sale of jointly owned items.
2. Upon termination of this Fire Board, all activities of the Fire Department and the Fire Board created hereunder shall cease except as are necessary to carry out the terms of this paragraph. All personal and real property owned by the Fire Department, other than the joint titled above, shall promptly thereafter be sold by the Fire Board for such prices and such terms as the Fire Board shall determine. Solon Township or Centerville Township 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 remaining shall be divided equally between the four Townships.

**Article 13. Dispute Resolution**

In the event of any dispute between the participating Township Boards concerning any provisions of the within Inter-local 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.

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 13<sup>th</sup> 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 four 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.
3. By their unanimous agreement, the parties may waive Step 1, above, and proceed directly to the Step 2 mediation process.
4. Step 3. If the dispute is not resolved after Step 2, such dispute shall be resolved as follows: each Township shall appoint an arbitrator within two weeks of receipt of notice from another member Township of the need for arbitration. The four appointed arbitrators shall select a fifth arbitrator within an additional two weeks of the appointment of the last of the four arbitrators. The five arbitrators shall conduct an investigation and hearing on the dispute within an additional two weeks following the appointment of the fifth arbitrator or within such additional time as the five arbitrators determine necessary and shall then render a decision on the dispute. Such decision shall be binding upon the member Townships and shall be enforceable where necessary in circuit court. Each Township shall be responsible for the cost of its appointed arbitrator with the fifth arbitrator's cost being shared equally by each of the four Townships. In the event the four initial arbitrators are unable to agree upon a fifth arbitrator, the parties will ask the county board chair, or any other official the parties choose, to select the fifth arbitrator.

**Article 14. 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 15. 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 limitations of this support is more fully set forth in said MCL 691.1408.

**Article 16. Agreement Processing**

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

**Article 17. 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 inure 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 any 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 four 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 four Township Boards signed by their respective supervisor and clerk.
11. Until the Fire Board herein contemplated has been appointed, has organized and retained needed personnel for the operation of the Fire Department, including volunteer firemen, fire protection shall continue to be furnished in the manner that it has been furnished by the townships immediately prior to the execution of this Agreement, in order to avoid any interruption in fire protection service.

**IN WITNESS WHEREOF** 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 said Boards at a duly called meeting set forth opposite their respective signatures.

**CENTERVILLE TOWNSHIP,**  
a municipal corporation

By: \_\_\_\_\_  
Leonard Kelenski, Supervisor

By: \_\_\_\_\_  
David D. Wurm, Clerk

**CLEVELAND TOWNSHIP,**  
a municipal corporation

By: \_\_\_\_\_  
Tim Stein, Supervisor

By: \_\_\_\_\_  
Jan Nowak, Clerk

**KASSON TOWNSHIP,**  
a municipal corporation

By: \_\_\_\_\_  
Fred Lanham, Supervisor

By: \_\_\_\_\_  
Tracy Cruz, Clerk

**SOLON TOWNSHIP,**  
a municipal corporation

By: \_\_\_\_\_  
James C. Lautner, Supervisor

By: \_\_\_\_\_  
Shirley Mikowski, Clerk

**Township Board Resolution Approved on the following Respective Dates**

Centerville Township: \_\_\_\_\_ 20\_\_  
Centerville Township \_\_\_\_\_, 20\_\_  
Kasson Township \_\_\_\_\_ 20\_\_  
Solon Township: \_\_\_\_\_ 20\_\_

**Appendix A**

**List of Vehicles and Equipment  
(as of April 2014)**

<b><u>Year and Make</u></b>	<b><u>Service Life</u></b>	<b><u>Served</u></b>	<b><u>Estimated Value</u></b>
1984 Dodge Brush Truck	25 yrs	30 yrs	\$3,000.00
1986 Ford Tanker	25 yrs	28 yrs	\$3,000.00
1994 International Ladder	25 yrs	19 yrs	\$58,000.00
2004 International Pumper	25 yrs	10yrs	\$150,000.00
1997 Ford Ambulance	15 yrs	17 yrs	\$10,000.00
2009 International Tanker	25 yrs	5 yrs	\$210,600.00
2012 international Ambulance	15 yrs	2 yrs	\$136,800.00
	<b>Total</b>		<b>\$562,400.00</b>