

**CITY OF CLEARWATER  
FIRE SERVICES CONTRACT**

This contract is made and entered into this 6 day of December, 2021 between the City of Clearwater, Minnesota, ("City"), and "Clearwater Township, Minnesota" ("Town").

In consideration of the mutual promises and agreements hereinafter set forth the parties do hereby agree as follows:

1. **Fire Service.** Town agrees to purchase from City, and City agrees to provide Town, the following fire services:

- |   |   |
|---|---|
| <input type="checkbox"/> Structural Firefighting <ul style="list-style-type: none"><li><input type="checkbox"/> External Structural Firefighting</li><li><input type="checkbox"/> Interior Structural Firefighting</li></ul>  | <input type="checkbox"/> Emergency Medical Services <ul style="list-style-type: none"><li><input type="checkbox"/> Fire Scenes</li><li><input type="checkbox"/> Rescue Scenes</li></ul>   |
| <input type="checkbox"/> Grass/Forest Firefighting  | <input type="checkbox"/> General Medicals <ul style="list-style-type: none"><li>Level of Emergency Medical Response<ul style="list-style-type: none"><li><input type="checkbox"/> First Responder</li></ul></li></ul>                           |
| <input type="checkbox"/> General Firefighting <ul style="list-style-type: none"><li><input type="checkbox"/> Vehicles &amp; Equipment</li><li><input type="checkbox"/> Carbon Monoxide Calls</li><li><input type="checkbox"/> Other Non-Structural Firefighting</li></ul> | <input type="checkbox"/> Fire Code Enforcement (city only)  |
| <input type="checkbox"/> Rescue <ul style="list-style-type: none"><li><input type="checkbox"/> Vehicle &amp; Equipment Extrication</li><li><input type="checkbox"/> General Search &amp; Rescue</li><li><input type="checkbox"/> Water Rescue</li></ul>                   | <input type="checkbox"/> Hazardous Materials Response <ul style="list-style-type: none"><li>Level of Hazardous Materials Response<ul style="list-style-type: none"><li><input type="checkbox"/> First Responder, Operations</li></ul></li></ul> |
|   | <input type="checkbox"/> Disaster Response  |

The services indicated above are further explained, or limited, as follows:

- a. **Allocation of Resources.** The parties understand the fire department officer in charge of the particular scene shall exercise judgment to determine, in consideration of all the established policies, guidelines, procedures, and practices, how best to allocate the available resources of the fire department under the circumstances of a given situation. Failure to provide fire services because of poor weather conditions or other conditions beyond the control of City shall not be deemed a breach of this contract.
- b. **No Guarantee.** 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.

2. **Payment.** Town agrees to pay City during the term of this contract the Payment Amount determined annually according to the formula as set forth in Exhibit A which is attached hereto and made a part of this contract. Half of the Payment Amount owed shall be

remitted to the City on July 15 and December 15 of each year of this contract following submission of an invoice from the City to the Town. If the City invoices the Town for such costs too late to meet such deadlines, the Town shall pay such amount owed at its next regular meeting following receipt of the late invoice.

3. **Fire Commission.** The Town and City shall hold at least one joint meeting annually during the term of this contract to calculate the Payment Amount for the upcoming year, discuss Town's satisfaction with the services provided during the year, and to discuss such other issues as each party deems relevant to this contract. The meeting shall be held separately from any regular Town or City meeting and shall be attended by at least one appointed representative from each party's governing body. The meeting shall also be attended by the City's Fire Chief or designee. The representative appointed by the City shall act as Chair at the meeting, and minutes shall be taken by a City Staff representative. Additional meetings up to once per quarter may be called as needed by agreement of all parties. Notice shall be given to City Staff early enough to comply with posting requirements. The Fire Commission meeting shall comply with open meeting law requirements.
4. **Emergency Service Charge.** Towns, in their sole discretion, may exercise their authority to impose and collect an emergency service charge on those receiving emergency services, including fire services, within Town's Service Territory. City shall have no right to, or interest in, any service fees collected by Towns. City will provide to Town a quarterly call report which shall include for each call the name, address of the person(s) to whom emergency services were provided, the location where the services were provided, the date such services were provided, and the type of call responded to. The City shall not bill or otherwise attempt to collect emergency service charges from property owners or individuals to whom the City provided emergency services within the Town, however, City may collect emergency service fees for services provided within City limits. Any fees collected by City under this provision shall be used to reduce the City's share of contract payments.
5. **Service Territory.** City shall provide fire services as indicated in this contract to the area in each Town as indicated on the map shown on Exhibit B which is attached hereto and made part of this contract. The identified area shall constitute the Town's Service Territory for the purposes of this contract.
6. **Term.** This contract shall commence on January 1, 2023 and terminate on December 31, 2027 unless otherwise extended by agreement of the parties or otherwise terminated in accordance with Section 7 of this contract provided that the obligation of the City to refund to the Town or the Town to pay additional amounts to the City pursuant to the requirements of the attached Exhibit A shall survive the termination of this contract.
7. **Termination.** This contract may be terminated by providing notice at least one year prior to the termination date or otherwise by mutual agreement of the parties. Any

party may terminate this contract by providing written notice of termination to the other party via first class mail to the following mailing address:

City of Clearwater  
Attn: City Administrator  
PO Box 9  
Clearwater, MN 55320

Clearwater Township  
Attn: Town Clerk  
15015 State Hwy 24  
Clearwater, MN 55320

Upon receipt of such notice, this contract will terminate at 11:59 p.m. on December 31 of the year following the year in which notice was received.

8. **Ownership.** City owns the buildings and equipment associated with the Fire Department and the amounts paid by Town do not give rise to any ownership interest in, or responsibility toward, those items.
9. **City's Responsibilities.** In addition to any other obligations described herein, City shall:
  - a. Authorize and direct the City fire department to provide the fire services described herein to Town's Service Territory;
  - b. Develop a detailed annual operational budget for the fire department for each year during the term of this contract and present it to the Fire Commission for consideration at the first meeting each year;
  - c. Upon Town's request, provide Town access to financial and cost data related to the fire department for any years prior to the current service year for which the City has data pursuant to its Data Practices Retention Schedule;
  - d. Disclose to Town any proposed action City or the fire department intends to take that can reasonably be expected to effect the Insurance Services Office Fire Protection Grade in the Service Territory or City's ability to provide the fire services indicated above; and
  - e. Promptly disclose to Town any information City can reasonably anticipate will directly affect its ability to perform its obligations under this contract.
  - f. Make the Fire Chief or the Fire Chief's designee available to attend the Town's annual meeting at which the Electors vote to levy funds for fire protection. The Fire Chief or Designee will address questions related to development of the budget and the cost of services but will not address past billing or personnel/performance-related questions.
10. **Town's Responsibilities.** In addition to any other obligations described herein, Town shall:
  - a. Promptly pay City the Payment Amount as outlined above for the year of service;
  - b. Present a budget and levy proposal to the town electors at each annual town meeting during the term of this contract seeking authority to levy funds as needed to pay the Payment Amount; and

- c. Promptly disclose to City any information Town can reasonably anticipate will directly affect its ability to perform its obligations under this contract.

It is understood and agreed Town shall have no responsibility whatsoever toward the fighters or other emergency personnel including any employment related issues such as training, supervision, performance reviews, discipline, compensation, benefits, insurance coverages, compliance with any employment related federal, state, and local laws and rules such as OSHA, ERISA, RLSA, FMLA, or any other employment related issues. It is further agreed Town has no responsibility, beyond paying the agreed upon Payment Amount, for acquiring, operating, maintaining, housing, or replacing equipment as needed to provide the fire services described herein.

- 11. **Insurance Requirements.** City shall maintain general liability insurance for its services and shall include Town as additional insureds for the term of this contract and any extensions thereof. City shall also maintain inland marine, automobile, and property insurance coverages. City shall provide Town proof of such insurance coverages and the additional insured endorsement naming the Town annually at the time of insurance renewal.
- 12. **Indemnification.** City agrees to defend and indemnify Town against any claims brought or actions filed against Town or any officer, employee, or volunteer of Town for injury to, death of, or damage to the property of any third person or persons, arising from City's performance under this contract for services. Under no circumstances, however, shall City be required to pay on behalf of itself and Town, any amounts in excess of the limits on liability established in Minnesota Statutes Chapter 466 applicable to any one party. The limits of liability for Town and City may not be added together to determine the maximum amount of liability for City. The intent of this subdivision is to impose on City a limited duty to defend and indemnify Town for claims arising out of the performance of this contract subject to the limits of liability under Minnesota Statutes Chapter 466. The purpose of creating this duty to defend and indemnify is to simplify the defense of claims by eliminating conflicts between the parties and to permit liability claims against both parties from a single occurrence to be defended by a single attorney.
- 13. **No Waiver.** Nothing herein shall be construed to waive or limit any immunity from, or limitation on, liability available to either party, whether set forth in Minnesota Statutes Chapter 466 or otherwise.
- 14. **Modification.** This writing contains the entire agreement between the parties and no alterations, variations, modifications, or waivers of the provisions of this agreement are valid unless reduced to writing, signed by both City and Town, and attached hereto.
- 15. **Subcontracting & Assignment.** City shall not subcontract or assign any portion of this contract to another without prior written permission from Town. Services provided to

Town pursuant to a mutual aid agreement City has, or may enter into, with another entity does not constitute a subcontract or assignment requiring prior approval of Town so long as City remains primarily responsible for providing fire services to Town's Service Territory.

16. **Service Contract.** This is a service contract. The parties do not intend to undertake or create, and nothing herein shall be construed as creating, a joint powers agreement, joint venture, or joint enterprise between the parties.
17. **Minnesota Law Governs.** This contract shall be governed by and construed in accordance with the internal laws of the State of Minnesota. All proceedings related to this contract shall be venued in the State of Minnesota.
18. **Severability.** The provisions of this contract shall be deemed severable. If any part of this contract is rendered void, invalid, or otherwise unenforceable by a court of proper or competent jurisdiction, such rendering shall not affect the validity and enforceability of the remainder of this contract.

IN WITNESS WHEREOF, the parties have executed this contract effective on the date indicated above.

CITY OF CLEARWATER

  
\_\_\_\_\_

Mayor

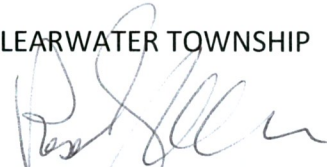
  
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City Administrator

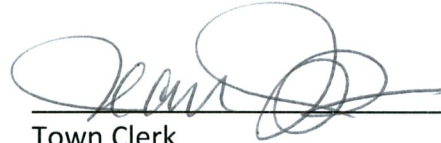
11-17-21  
\_\_\_\_\_

Date

CLEARWATER TOWNSHIP

  
\_\_\_\_\_

Board Chair

  
\_\_\_\_\_

Town Clerk

12-6-21  
\_\_\_\_\_

Date

## **Exhibit A – Payment Amount Calculation**

The City shall account for Fire Department revenues and expenditures in a Special Revenue Fund designated for Fire and Rescue operations and in a Fire Capital Fund designated for Fire and Rescue capital purchases. Any donations to the Fire Department or grants received by City for Fire Department purposes shall be booked as revenues to the appropriate Fire Department Fund for functions of the department and not used by the City for other purposes. Any proceeds from the sale of Fire Department equipment shall be booked as revenues to the appropriate Fire Department Fund and shall not be considered a contribution or payment from any party. The City shall not transfer any money out of the Fire Department Funds unless specifically used for Fire Department purposes, such as bond payments made for the purchase of Fire Department assets.

Any surplus or deficit in the Special Revenue Fund at the end of each calendar year, following completion of the City audit and following the set aside of \$50,000 designated as capital reserve, shall be split among the contracting parties based on their share of the Payment Amount for the year during which the surplus or deficit occurred. The credit or deficit shall be reflected on the invoice for the first half payment due the year following the fiscal year. For example, a surplus from 2019 would be credited to the first half payment due July 15, 2020. In the event there is no contract between the parties for emergency services during the following year, the Town shall pay its proportion of any deficit which occurred during the contract year and the City shall pay the Town its proportion of any surplus which occurred during the contract year. Such payment shall be made within 30 days of the completion of the City's audit, and the City shall provide the Town with a statement of account showing all revenues and expenses for the contract year and shall invoice the Township for any deficit which may occur.

The Fire Capital Fund shall only be used for capital purchases pursuant to City's Internal Control Policy outlined in Exhibit C. Any capital purchases above \$50,000 will be brought to the Fire Commission for a recommendation to the City Council before the City Council authorizes such purchase.

Each year, the City shall calculate a budget for the Fire Department's operations, debt service, and capital needs for the upcoming fiscal year. The budget shall be reviewed by the Fire Commission and presented to each party's governing Board. In addition, the City's Fire Department will provide an annual report outlining the call activity for the previous year. The departmental budget and calls will be used to calculate the Payment Amount for each year.

**Payment Amount Calculation:**

Payment Amount shall be based on the following calculation method (Rose Method)

**Part I**

Total Operations & Debt Budget is determined (excluding capital). That amount is multiplied by 33%. The result is split in equal shares among the contracting parties.

**Part II**

A five-year average number of calls is determined for each contracting party. That number of calls is divided by the total five-year average number of calls responded to by the Fire Department to determine a percentage share, rounded to two decimal places, for each contracting party.

The percentage share for each contracting party is multiplied by the Total Operations & Debt Budget remaining after subtracting the amount from Part I.

**Part III**

A capital budget amount of \$50,000 is allocated annually and is split equally among the contracted parties.

**Total Cost**

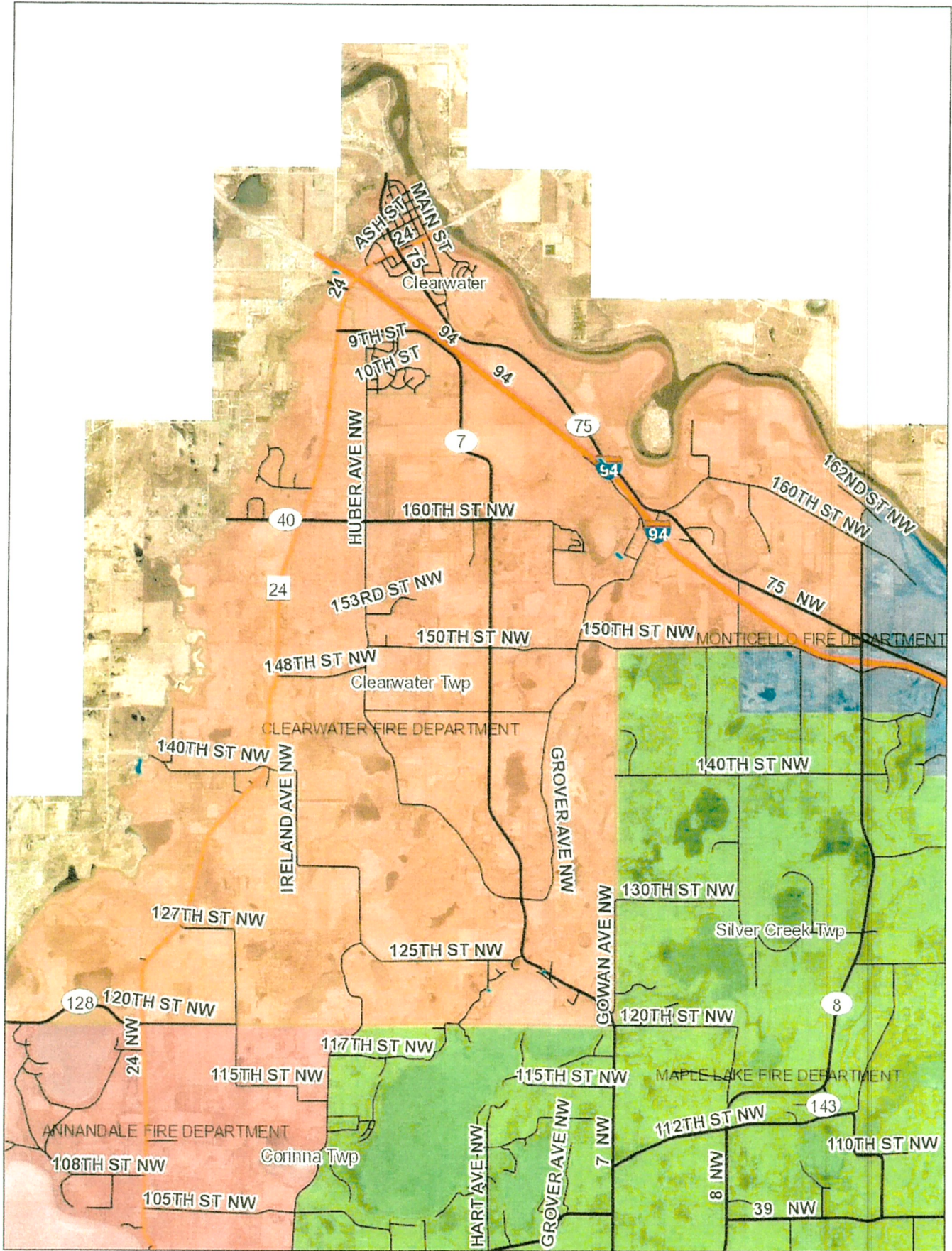
The Total Cost for each contracting party is determined by adding the dollar amounts from Parts I, II, and III above.

## **Exhibit B – Service Territory Map**

Each entity shall provide a current map of its own service area including the portion of the area highways within its service area. The combined maps shall comprise the Service Territory Map and will be used to determine the allocation of service calls.

Incidents on I94 shall be split pursuant to the attached color-coded map. The area shown in green from the west I94 entrance ramp to the west end of the I94 coverage area is Lynden Township. The area shown in yellow from the edge of the rodeo property to the east end of the I94 coverage area is Clearwater Township. The area shown in red in the center is the City of Clearwater I94 area.









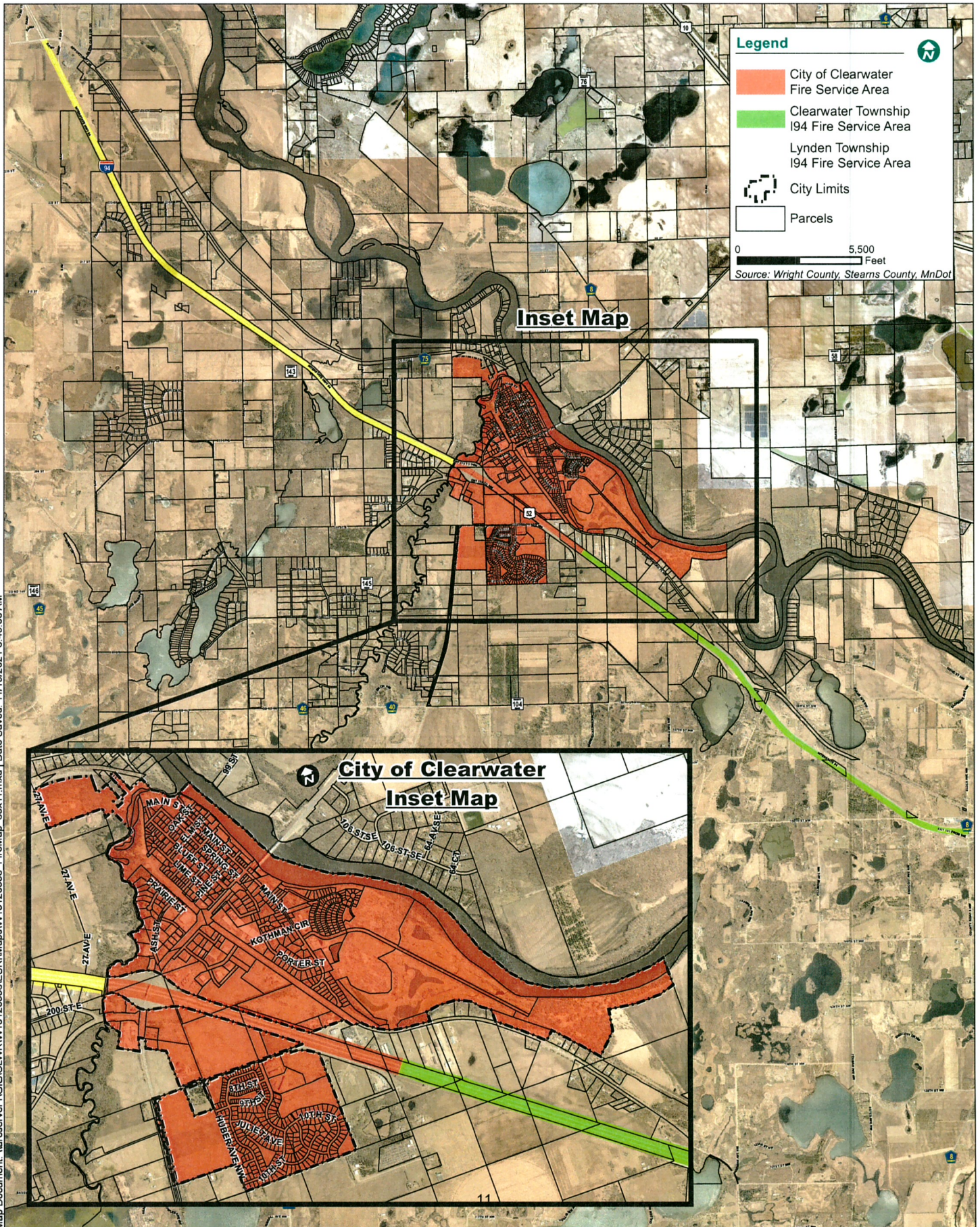
# Fire Service Area Map

City of Clearwater, Minnesota



November 2021

Real People. Real Solutions.



**Legend**

- City of Clearwater Fire Service Area
- Clearwater Township 194 Fire Service Area
- Lynden Township 194 Fire Service Area
- City Limits
- Parcels

0 5,500 Feet

Source: Wright County, Stearns County, MnDot

**Inset Map**

**City of Clearwater Inset Map**

Map Document: \\arcserver1\GIS\C\WRW13120338\ESRI\Maps\W13120338 FireMap\_85x11.mxd | Date Saved: 11/19/2021 8:49:00 AM



**Exhibit C – City of Clearwater Internal Control Policy  
Section 1200.05 (G) - Disposal and Acceptance of Fixed Assets**

**1200.05 (G) - Disposal and Acceptance of Fixed Assets**

**Fixed Asset** - Equipment, property, buildings, vehicles and improvements that have an original or historic cost of \$5,000 or more, and meet the following criteria in **Exhibit A**:

**Exhibit A:**

Land Improvements: Landscaping Paving projects Fencing, signs, and other	5-15 years 15-20 years 10-20 years
Buildings	40 years
Building Improvements	20-40 years
Infrastructure and Infrastructure Improvements: Roads Water Systems Sanitary Sewer Systems Storm Sewer Systems	30 years 40 years 40 years 40 years
Furniture & Fixtures	5-10 years
Vehicles: Light general purpose Heavy general purpose Fire Trucks	5 years 7-10 years 15-20 years
Equipment: Computer and Peripherals (Hardware) Computer (Software) Office Playground Fire Street/Sewer	3-5 years 3 years 3-7 years 5-10 years 5-10 years 5-10 years
Machinery	10-20 years
Leasehold Improvements	15-25 years

**Equipment**

- the item retains its original shape and appearance with use;
- it is non-expendable (not a supply);
- it represents an investment;
- it does not lose its identity by incorporating it through a different or more complex item;
- includes furniture but excludes built-in equipment which is considered part of the building;
- the item is not a repair part.

**Property**

- initial acquisition of real estate;

- improvements such as trees, shrubs, wells, septic systems, walkways, driveways, fences and other man-made improvements. An improvement must increase the value of the property.

### **Vehicles**

- original cost of all transport vehicles and trailers that are not classified as equipment and can be registered for use on public highways;
- amounts paid under installment or lease contracts that have a terminal date and result in the acquisition of the vehicle.

### **Infrastructure**

- the original cost of street or trail construction, including lighting systems, sidewalks, and bridges;
- the original cost of underground and above-ground utility systems, including water, sanitary sewer and storm sewer. Includes water towers, well houses and lift stations.

Disposal of fixed assets and other city property will be governed by applicable Minnesota Statutes. The City Council shall approve an annual Capital Equipment Budget, which shall include the identification of equipment to be disposed of. City Staff, at their discretion, shall abide by the following guidelines to achieve the highest level of return on the equipment:

- Trade In
- Auction
- Sealed Bids
- Donation to a non-profit per M.S. 471.3459.
- Advertising – Form that will best reach the appropriate audience
  - o Local Newspaper
  - o League of Minnesota Cities
  - o City Website
  - o Other

City Staff shall report in a timely manner to the City Council of any pending disposal transactions. If it is determined that one of the afore mentioned forms of disposal is not the best means and will not provide the City with the highest level of return, then City Staff shall seek approval from the City Council.

Acceptance of contributions of fixed assets or other property shall be in accordance with applicable Minnesota Statutes and shall be the responsibility of the city council. The City Administrator will be notified of any asset acquired by means of contribution. Donated fixed assets shall be recorded at fair market value.