

Fire and Ambulance Services Contract

This contract is made and entered into this 19th, Day of November, 2007 between the City of Hastings, a Minnesota Municipal Corporation, hereinafter referred to as the "City" and the Hastings Rural Fire Association, which consists of the following communities:

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| City of Vermillion | Ravenna Township |
| Marshan Township | Nininger Township |
| Denmark Township | Vermillion Township |

All are located with Dakota County, with the exception of Denmark Township, which is located in Washington County.

Hereafter, they will collectively be referred to as the "Association."

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

- 1.) **Fire and Ambulance Service.** The Association agrees to purchase from the City, and the City agrees to provide the Association the following fire and ambulance services.

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|----------------------------|---------------------------------------|
| Structural Firefighting | Grass/Forest Firefighting |
| General Firefighting | Rescue |
| Emergency Medical Services | Hazardous Material Response (limited) |
| Disaster Response | |

- 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 or ambulance services because of poor weather conditions or other conditions beyond the control of the City shall not be deemed a violation of this contract.
- b. **No Guarantee.** The parties understand and agree the City will endeavor to provide the services indicated above to the best of its ability given the circumstances, but the City makes no guarantees that the services it actually provides in any given situation will meet any particular criteria of standard.

c. **Other.** The City, through its Fire and Ambulance Department will answer calls and respond to fire and ambulance calls within the territorial limits of the Association during the term of this contract. The entire Association is included in the Primary Service Area , which may only be changed pursuant to Minnesota Statutes. To the extent that it is allowed, the Association hereby consents to all the Fire and Ambulance Department to conduct inspections of Association properties, in the event such inspection is necessary to determine that proper safety measures can be established at the site, in the event the Fire and Ambulance Department needs to exercise any of the fire or ambulance services listed above. The City shall not be responsible for the issuance of burning permits or day care inspections in any property within the Association. Each community in the Association will be responsible for the issuance of such permits or inspections. Each member of the Association shall provide the City with a contact person so it may refer these matters to the appropriate parties within the Association.

2. Payment. The Association agrees to pay the City annually during the term of this Agreement, starting on 1-1-08 in the following yearly amounts:

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|------|-----------|
| 2008 | \$425,000 |
| 2009 | \$442,000 |
| 2010 | \$459,000 |
| 2011 | \$478,000 |
| 2012 | \$497,000 |

Said sum shall be paid one-half on or before July 31 of each year, and the balance on or before December 31 of each year. Both the City and the Association reserve the right, based upon observation of the operation of the financial arrangements herein made, or because of unanticipated circumstances, the financial arrangements provided by this agreement appear inequitable, to request a renegotiation of the financial arrangements provided for by this Agreement. Should either party wish to renegotiate a different financial arrangement, they must contact the other party by April 1 of the year preceding the year in which a different rate is requested.

3. Annual Meeting of the Parties. The Association and the City shall hold at least one joint meeting annually during the term of this contract, at least 60 days prior to the anniversary date of the contract, to discuss the Association's satisfaction with the service provided during the year, any issues the City may have experienced while exercising its duties to uphold the terms of the contract, and any other such issues as either party determines relevant to this contract. The meeting shall be held separately from any regular Association, Township or City Council meeting; either party may be allowed to substitute a sub-Committee of its membership to attend the meeting, and said Committee shall constitute compliance with this provision. The meeting shall be considered open to the public.

4. Service Territory. The City shall provide fire and ambulance services as indicated in this contract to the area in the Association described below and indicated on the attached map and made part of this contract.

5. Term. This contract shall commence on the effective date indicated above, and shall expire on 12-31-2012, unless terminated earlier as provided herein.

6. Ownership. City owns the buildings and equipment associated with the Fire and Ambulance Department and the amounts paid by the Association do not give rise to any ownership interest in, or responsibility toward, those items unless a specific ownership interest is indicated below, or established therein, during the life of this contract.

7. City's Responsibility. In addition to any other obligations described herein, the City shall:

- a.) Authorize and direct the City Fire and Ambulance Department to provide the fire and ambulance services described herein to the Association's service territory.
- b.) Develop a detailed annual operational budget for the Fire and Ambulance Department for each year during the term of this contract by the anniversary date, and present to the Association.
- c.) Upon the Association's request, provide access to financial and cost data related to the Fire and Ambulance Department for no more than five years prior to the current service year.
- d.) Disclose to the Association any proposed action the City intends to take that can reasonably be expected to effect the Insurance Service Office Fire Protection Grade in the service territory or City's ability to provide the fire and ambulance services indicated above.
- e.) Promptly disclose to the Association any information the City can reasonably anticipate will directly affect its ability to perform its obligations under this contract.
- f.) Assessment of fire protection options available in the Rural Hastings Fire Association and recommendations to the Rural Hastings Fire Board in the initial year of the Agreement, regarding options and the costs of each option. This shall include but is not limited to assessing the lowering of the ISO ratings, satellite stations in the Rural Fire Association and sharing equipment with other Fire Departments or Cities, in order to increase protection to the Rural Hastings Fire Association. Subsequent studies in future years of the Agreement, may be conducted provided there is a substantial change of some sort in the operations of the Hastings Fire and Ambulance Department, or significant changes in the Rural Hastings Fire Association.

8. Association's Responsibility. In addition to any other obligations described herein, the Association shall:

- a.) Promptly pay City the Payment amount as indicated above for the year of service, or a prorated share of the payment amount for the length of service actually provided if the contract is terminated early.
- b.) Present a budget and levy proposal to the electors in each Township and City in the Association at each annual Town meeting during the term of this contract seeking authority to levy funds as needed to pay the Payment Amount.
- c.) Promptly disclose to the City any information the Association can reasonably anticipate will directly affect its ability to perform its obligations under this contract.
- d.) Clearly provide addresses to those properties located in the Rural Fire Association Townships and Cities.
- e.) The Townships and Cities included in the Rural Fire Association shall be responsible for insuring access to the properties, as failure to provide proper access may result in the City being unable to respond to the fire and/or ambulance call.
- f.) Cooperate with the City of Hastings on evaluating various options to increase safety and security of its residents, in particular as it relates to item 7-F under City Responsibilities.

It is understood and agreed that the Association shall have no responsibility whatsoever toward the personnel of the City 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, RLISA, FMLA, FSLA or any other employment related issues. It is further agreed the Association has no responsibility beyond paying the agreed upon payment amount, for acquiring, operating, maintaining, housing, or replacing equipment as needed to provide the fire and ambulance services described herein.

9. Exceptions. Both parties agree that under certain circumstances, call volume may result in a periodic shortage of staffing availability, and as a result, there may be circumstances that result in a delay or failure to respond to a certain call in the Rural Fire Service area. Furthermore, certain construction, closure and maintenance of the Highway #61 Bridge, beyond the control of the City of Hastings, may result in a delay or inability to respond to a fire and/or ambulance service call in Denmark Township, and as a result, the City may be forced to rely on its mutual aid agreement, or be unable to respond.

10. Insurance Requirements. City shall maintain general liability insurance for its services, and shall also maintain inland marine, automobile and property insurance. City

shall provide the Association with proof of such insurance coverage, upon request of the Association.

11. Indemnification. The City agrees to defend and indemnify the Association and its members against any claims brought or actions filed against the Association or its members, officers, employees or volunteers of the Association or its members for injury to, death of, or damage to the property of any third person or person, arising from City's performance under this contract for services. Under no circumstances, however, shall the City be required to pay on behalf of itself and the Association or its members, any amounts in excess of the limits of liability established by Minnesota Statutes Chapter §466 applicable to any one party. The limits of liability for the Association and its members and City may not be added together to determine the maximum amount of liability for the City. The intent of this subdivision is to impose on the City a limited duty to defend and indemnification of the Association and its members 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 indemnification is to simplify the defense of claims, by eliminating conflicts between the parties and to permit liability claims against the parties from a single occurrence to be defended by a single attorney.

12. 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.

13. Modifications. This writing contains the entire contract between the parties and no alterations, modifications or waivers of the provisions of this contract are valid unless reduced to writing, signed by both the City and the Association, and attached hereto.

14. Subcontracting and Assignment. City shall not subcontract or assign any portion of this contract to another without written permission from the Association. Services provided to the Association pursuant to a mutual aid agreement the City has or may enter into, with another entity does not constitute a subcontract or assignment requiring prior approval of the Association, so long as the City remains primarily responsible for providing fire and ambulance service to the Association's service territory. This does not preclude the periodic usage of private contractors, equipment or vehicles for certain aspects of Fire and Ambulance calls, that require additional assistance.

15. Termination. This contract may be terminated at anytime during its term by mutual agreement of the parties. Either party may terminate this contract by personally serving a 120 day written notice of termination on either party. The contract shall terminate 120 days from the date of personal service of the written termination notice unless the party serving the notice withdraws the notice in writing before it is effective.

