**City-Town Fire Service, LMC Model Contract**

*League models are thoughtfully developed by our staff for a city’s consideration. Models should be customized as appropriate for an individual city’s circumstances in consultation with the city’s attorney. Helpful background information on this model may be found in the Information Memo* [*“Fire Department Management and Liability Issues.”*](https://www.lmc.org/resources/fire-department-management-and-liability-issues/)

**This icon marks places where the city must customize the model. They offer additional provisions, optional language, or comments for your consideration. The icon, and language you do not wish to include, should be deleted from this model before use. Make other changes, as needed, to customize the model for your city.**

City of \_\_\_\_\_\_\_, Minnesota

Fire Service Contract

*This model contract is provided jointly by the League of Minnesota Cities Insurance Trust and the Minnesota Association of Townships*

This contract is made and entered into this \_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_, 20\_\_\_\_\_\_\_ (“Anniversary Date”) between the City of \_\_\_\_\_\_\_ County, Minnesota, [address], a public corporation (“City”), and \_\_\_\_\_\_\_ Township, \_\_\_\_\_\_\_ County, Minnesota, [address], a public corporation (“Town”).

*Insert the city’s address in the blank after the city’s name and county; insert the township’s address in the blank following the township’s name and county*.

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-related services:

Check all those that apply.

□ Structural Firefighting □ Emergency Medical Services

□External Structural Firefighting □ Fire Scenes

□ Interior Structural Firefighting □ Rescue Scenes

□ Grass/Forest Firefighting □ General Medicals

□ General Firefighting Level of Emergency Medical Response

□ Vehicles & Equipment □ First Responder

□ Carbon Monoxide Calls □ Emergency Medical Technician

□ Other Non-Structural Firefighting □ Paramedic

□ Rescue □ Fire Code Enforcement

□ Vehicle & Equipment Extrication

□ General Search & Rescue □ Hazardous Materials Response

□ Confined Space Rescue

□ High Level Rescue Level of Hazardous Materials Response

□ Water Rescue □ First Responder, Awareness

□ Diving/Recovery □ First Responder, Operations

□ HAZMAT Technician

□ Disaster Response □ HAZMAT Specialist

□ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

* 1. **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.
  2. **No Guarantee**. The parties understand and agree City will endeavor to reasonably provide the services indicated above 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. The City and it officers, employees and volunteer shall not be liable to the Town or any other person for failure to furnish assistance under this agreement or for recalling assistance.

1. **Payment**. Town agrees to pay City annually during the term of this contract the Payment Amount determined annually according to the following formula:

The following percentages relate specifically to Town in relation to the entire territory to which City provides fire services as the primary service provider (e.g., the entire City, Town’s Service Territory, and all or any portions of other cities, towns, or unorganized territories included in the City’s primary service area).

Number of fire service calls to Town

averaged over last three years (not

including recalled calls: \_\_\_\_\_\_\_%

Market value of all taxable

and non-taxable structures: \_\_\_\_\_\_\_%

Population: \_\_\_\_\_\_\_%

Total: \_\_\_\_\_\_\_ % ÷ 3 = \_\_\_\_\_\_\_% of Town Cost

Allocation

Total Fire Department Annual Operational Budget for the upcoming year: $\_\_\_\_\_\_\_

$\_\_\_\_\_\_\_ x \_\_\_\_\_\_\_\_% = $\_\_\_\_\_\_\_

Operational Budget Town Cost Allocation Payment Amount

For the purposes of this formula, population shall be determined by the most current state demographer’s estimate available at the time the Payment Amount is determined.

*Alternative provision: Town agrees to pay City annually during the term of the Payment Amount of $\_\_\_\_\_\_\_.*

City shall provide Town a written claim for the Payment Amount by the following date, or for each partial payment of the Payment Amount according to the following schedule:

* 1. **Annual Meeting of Parties**. Town and City shall hold at least one joint meeting annually during term of this contract at least 60 days before its anniversary date to calculate the Payment Amount for the upcoming year, discuss Town’s satisfaction with the service provided during the year, and to discuss such other issues as either party deems relevant to this contract. If the Payment Amount is based on a lump sum rather than a formula, the financial terms of this contract will be reviewed annually and appropriate cost adjustments made upon mutual agreement of the Parties. The meeting shall be held separately from any regular Town or City meeting and shall be attended by at least a quorum of each party’s governing body.

1. **Emergency Service Charge**. Town, in its sole discretion, may exercise its authority to impose and collect an emergency service charge on those receiving emergency services, including fire services, within Town. City shall have no right to, or interest in, any service fees collected by Town. If Town imposes an emergency service charge it shall provide City a list of the specific types of information it determines it needs collected in order to successfully impose and collect the charge. City shall make a good faith effort to collect the requested information for each service call to the Service Territory and promptly provide Town with the information it collected.
2. **Service Territory**. City shall provide fire services as indicated in this contract to the area in Town described below and/or as indicated on a map 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:

*Here describe the Service Territory or attach map outlining the Service Territory.*

1. **Term**. This contract shall commence on the effective date indicated above and shall expire \_\_\_\_\_\_\_ years from that date unless terminated earlier as provided herein.
2. **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 unless a specific ownership interest is indicated below:

*Describe if Town currently has any interest in the buildings or equipment or will acquire some interest during the term of the contract.*

1. **City’s Responsibilities**. In addition to any other obligations described herein, City shall:
   1. Authorize and direct the City fire department to provide the fire services described herein to Town’s Service Territory;
   2. Develop a detailed annual operational budget for the fire department for each year during the term of this contract by the Anniversary Date and present it to Town along with sufficient information to explain the items included in the budget figures;
   3. Upon Town’s request, provide Town access to financial and cost data related to the fire department for five years prior to the current service year;
   4. 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
   5. Promptly disclose to Town any information City can reasonably anticipate will directly affect its ability to perform its obligations under this contract.
2. **Town’s Responsibilities**. In addition to any other obligations described herein, Town shall:
   1. 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;
   2. 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
   3. 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 firefighters 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.

1. **Insurance Requirements**. City shall maintain general liability insurance for its services and shall include Town as an additional insured for the term of this contract and any extensions thereof. The City shall maintain insurance equal to or greater than the maximum liability applicable to municipalities as set forth in Minnesota Statutes, Section 466.04, subd. 1, as amended. 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 by the anniversary date of this contract. City shall also maintain workers’ compensation coverage as required by law.
2. **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 Citybe 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.
3. **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.
4. **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.
5. **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.
6. **Termination**. This contract may be terminated at any time during its term by mutual agreement of the parties. Either party may terminate this agreement by personally serving a 120 day written notice of termination on the other party. This agreement 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. If Town fails to pay for the service according to the schedule established herein, City may terminate this agreement 60 days from the date of personal service of written termination notice. Notice to City shall be served on the City administrator or City clerk if there is no City administrator, and notice to Town shall be served on the Town clerk.
7. **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.
8. **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.
9. **Severability**. The provisions of this contract shall be deemed severable. If any part of this contract is rendered void, invalid, or otherwise unenforceable, 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** \_\_\_\_\_\_\_

\_\_\_\_\_\_\_**Township**

By its Mayor: By its Chairperson:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature Signature

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Print Name Print Name

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Date Date

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Clerk Clerk