

INTERLOCAL AGREEMENT

CREATING THE

WASHTENAW CONSOLIDATED FIRE AND RESCUE DEPARTMENT
(a Michigan public body corporate)

BETWEEN AND AMONG

DEXTER TOWNSHIP
(a Michigan general law township)

AND THE

VILLAGE OF DEXTER
(a Michigan general law village)

AND

SCIO TOWNSHIP
(a Michigan general law township)

AND

WEBSTER TOWNSHIP
(a Michigan general law township)

The following recitals are made regarding this interlocal agreement between the Township of Dexter, Washtenaw County, Michigan (“**Dexter Township**”), the Village of Dexter, Washtenaw County, Michigan (“**Village**”), the Township of Scio, Washtenaw County, Michigan (“**Scio Township**”), and the Township of Webster, Washtenaw County, Michigan (“**Webster Township**”):

Political subdivisions of the State of Michigan have been authorized by the People of the State of Michigan to enter into agreements for the performance, financing, and execution of governmental functions through Section 5 of Article III of the State Constitution of 1963.

The People of the State of Michigan, through Section 28 of Article VII of the State Constitution of 1963, have required the Michigan Legislature to authorize 2 or more counties, townships, cities, villages, or districts to, among other things: (1) enter into contracts, including with the State, for the joint administration of functions or powers; (2) share costs and responsibilities; (3) transfer functions or responsibilities; (4) cooperate; and (5) lend their credit in connection with any publicly owned undertaking.

The Michigan Legislature has implemented Section 5 of Article III of the State Constitution of 1963 and Section 28 of Article VII of the State Constitution of 1963 by enacting the Urban Cooperation Act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512 (“**Act**”). Under the Act, a public agency may jointly exercise with any other public agency any power, privilege, or authority that the agencies share in common and that each might exercise separately. An agreement between 1 or more public agencies under the Act may provide for a separate legal or administrative entity, which must be a public body corporate or politic, to administer or execute the agreement.

As townships, Dexter Township, Scio Township, and Webster Township are authorized to provide fire protection and emergency response services, related health or safety services, and establish and maintain a fire department under Michigan law, including, but not limited to, 1945 PA 246, MCL 41.181 to 41.187, and 1951 PA 33, MCL 41.801 to 41.813.

The Village is authorized to provide fire protection and emergency response services, related health or safety services, and establish and maintain a fire department under Michigan law, including, but not limited to, The General Law Village Act, 1895 PA 3, MCL 61.1 to 75.12. Dexter Township, Scio Township, Webster Township, and the Village each seeks to cooperate with the other to further coordinate, enhance, and improve the provision of fire protection and emergency response services and related health or safety services by entering into this interlocal agreement.

Dexter Township, Scio Township, Webster Township, and the Village intend to achieve their goal by creating a separate legal entity named the Washtenaw Consolidated Fire and Rescue Department (“**Department**”). Under this interlocal agreement, Dexter Township, Scio Township, Webster Township, and the Village each agree that the Department will administer or execute the joint powers, duties, functions, responsibilities, and authority possessed by Dexter Township, Scio Township, Webster Township, and the Village as necessary to provide efficient and effective fire protection and emergency response services and related health or safety services.

updated name
throughout document

Accordingly, Dexter Township, Scio Township, Webster Township, and the Village agree to the following terms and conditions:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. As used in this interlocal agreement:

- (a). “**Act**” means the Urban Cooperation Act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.
- (b). “**Agreement**” means this interlocal agreement between and among Dexter Township, Scio Township, Webster Township, and the Village.
- (c). “**Alternate Representative**” means an individual appointed by a Party as an alternate for a Representative under Section 4.04 of this Agreement.
- (d). “**DAFD Participant**” means a Party that also is a participating Public Agency on the Effective Date in the interlocal agreement, as amended, which was originally entered into under the Act to establish the Dexter Area Fire Department and approved on March 26, 1985 by the authorized representatives of the Village of Dexter, Dexter Township, Scio Township, Webster Township, and the Township of Lima, Washtenaw County, Michigan.
- (e). “**Department**” means the Washtenaw Consolidated Fire and Rescue Department, a separate legal entity and public body corporate created under Article III of this Agreement.
- (f). “**Department Run**” means the act of the Department responding with 1 or more vehicles to provide Emergency Services within the Service Area.
- (g). “**Dexter Area Fire Department**” or “**DAFD**” means the public body corporate and established under an interlocal agreement, as amended, which was originally entered into under the Act on March 26, 1985 by the authorized representatives of the Village of Dexter, Dexter Township, Scio Township, Webster Township, and the Township of Lima, Washtenaw County, Michigan.
- (h). “**Dexter Township**” means the Township of Dexter, Washtenaw County, Michigan, a Michigan general law township.
- (i). “**Emergency Services**” means fire protection services, emergency medical services, emergency response, and any Related Emergency Health and Safety Services. Emergency services does not include police protection.
- (j). “**Effective Date**” means the later of October 1, 2013 or the date on which all of the following are satisfied:
changed tentative date
- (i). The Agreement is approved and entered into by the governing body of Dexter Township.
- (ii). The Agreement is approved and entered into by the governing body of Scio Township.

(iii). The Agreement is approved and entered into by the governing body of Webster Township.

(iv). The Agreement is approved and entered into by the governing body of the Village.

(v). The Agreement is approved by the Governor under Section 10 of the Act.

(vi). The Agreement is filed with the county clerk of Washtenaw County, Michigan.

(vii). The Agreement is filed with the Secretary of State of the State.

(k). **"Fire Board"** means the governing body of the Department described in Section 4.01 of this Agreement.

(l). **"Fire Chief"** means the chief executive officer of the Department selected under Section 4.13 of this Agreement.

(m). **"Fiscal Year"** means the fiscal year of the Department, which shall begin on April 1 of each calendar year and end on March 31 of the following calendar year.

(n). **"OMA"** means the Open Meetings Act, 1976 PA 267, MCL 15.261 to 15.275.

(o). **"Largest Party"** means the Party with the largest financial contribution obligation to the Department as determined annually under Section 7.08 of this Agreement.

(p). **"Party"** means a township or Village that has approved this Agreement and that has not withdrawn from this Agreement.

(q). **"Person"** means an individual, authority, corporation, limited liability company, partnership, limited partnership, firm, organization, association, joint venture, trust, governmental entity, Public Agency, or other legal entity.

(r). **"Public Agency"** means that term as defined under Section 2(e) of the Act.

(s). **"Related Emergency Health and Safety Services"** means health and other medically-related services rendered in conjunction with the provision of Emergency Services.

(t). **"Representative"** means an individual serving on the Fire Board appointed by a Party.

(u). **"Service Area"** means the geographic territory of all of the Parties as detailed in Exhibit A to this Agreement, and any additional geographic areas inside and outside of the Parties' geographic territory to which the Department may provide Emergency Services under a contract with a Public Agency other than a mutual or reciprocal aid agreement or compact.

(v). **"Scio Township"** means the Township of Scio, Washtenaw County, Michigan, a Michigan general law township.

updated by attorney

(w). “**SEV**” means state equalized value of all real and personal property as reported to the State Tax Commission and the Washtenaw County Equalization Department on the most recent Form L-4022, and includes any corrections to the Form L-4022 by each Party’s assessing officer made upon closure of the March Board of Review.

(x). “**State**” means the State of Michigan.

(y). “**Transfer Date**” means the date 180 days after the Effective Date.

(z). “**Webster Township**” means the Township of Webster, Washtenaw County Michigan, a Michigan general law township.

(aa). “**Village**” means the Village of Dexter, Washtenaw County, Michigan, a Michigan general law village. If the electors of the Village approve the reorganization of the Village as a city under The Home Rule City Act, 1909 PA 279, MCL 117.1 to 117.37, with boundaries of the city coterminous with the boundaries of the Village at the time of approval by Village electors, “Village” shall mean the city organized under the charter approved by the electors.

Section 1.02. Captions and Headings. The captions, headings, and titles in this Agreement are a convenience and not intended to have any substantive meaning or be interpreted as part of this Agreement.

Section 1.03. Plural Terms. A term or phrase in this Agreement importing the singular number only may extend to and embrace the plural number and every term or phrase importing the plural number may be applied and limited to the singular number.

ARTICLE II

PURPOSE

Section 2.01. Purpose. The purpose of this Agreement is to create and empower the Department to exercise the common powers, privileges, and authority of each of the Parties to provide efficient and effective Emergency Services and Related Emergency Health and Safety Services consistent with this Agreement.

ARTICLE III

CREATION OF WASHTENAW CONSOLIDATED FIRE AND RESCUE DEPARTMENT

Section 3.01. Creation and Legal Status of Department. The Washtenaw Consolidated Fire and Rescue Department is established as a separate legal entity for the purpose of administering and executing this Agreement. The Department is a public body corporate with powers granted under this Agreement, the Act, and other applicable law.

Section 3.02. Principal Office. The principal office of the Department shall be at a location in the Service Area determined by the Fire Board upon recommendation from the Fire Chief.

Section 3.03. Title to Department Assets. All property owned by the Department is owned by the Department as a separate legal entity and public body corporate, and no Party has any ownership interest in Department property.

Section 3.04. Tax-Exempt Status. The Parties intend the activities of the Department to be tax-exempt as governmental functions carried out by an instrumentality or political subdivision of government under Section 115 of the Internal Revenue Code of 1986, 26 USC 115, or any corresponding provisions of any future federal tax code. The Parties also intend the activities of the Department to be governmental functions carried out by a political subdivision of the State, exempt to the extent provided under State law from taxation by this State, including, but not limited to, income tax under the Income Tax Act of 1967, 1967 PA 281, MCL 206.1 to 206.713, and property tax under The General Property Tax Act, 1893 PA 206, MCL 211.1 to 211.157, and any successor State tax laws.

Section 3.05. Nonprofit Status. As a governmental instrumentality within this State, the Department may not be operated for profit. No part of any earnings of the Department may inure to the benefit of a Person other than the Parties. It is the intent of the Parties that the Department maintains its nonprofit status. *moved from section 9 by attorney*

Section 3.06. Compliance with Law. The Department shall comply with all federal and State laws, rules, and regulations applicable to the Department.

Section 3.07. Relationship of the Parties. The Parties agree that no Party shall be responsible for the acts of the Department or of the employees, agents, and servants of any other Party, whether acting separately or in conjunction with the implementation of this Agreement. The Parties shall only be bound and obligated under this Agreement as expressly agreed to by each Party and no Party may otherwise obligate any other Party.

Section 3.08. No Third-Party Beneficiaries. Except as expressly provided in this Agreement, the Agreement does not create in any Person, and is not intended to create by implication or otherwise, any direct or indirect obligation, duty, promise, benefit, right to be indemnified (such as contractually, legally, equitably, or by implication), right to be subrogated to any Party's rights in this Agreement, or any other right.

Section 3.09. Legal Settlements. The Department shall not be liable for any settlement of any proceeding made without its consent and the Department shall not unreasonably withhold consent.

Section 3.10. Litigation Costs. If a legal proceeding challenges the validity of this Agreement or action or activity under this Agreement and a Party or a Protected Person of a Party is named as a defendant, to the extent permitted by law, including, but not limited to, Section 28 of Article VII of the State Constitution of 1963 and Section 5 of the Act, the cost of legal representation for the Party or the Protected Person shall be the responsibility of the Department, payable from funds lawfully available to Department. To the extent permitted by law, and from funds lawfully available to the Department, the Department shall defend, hold harmless, and reimburse a Party or a Protected Person of a Party from and against any and all costs, losses, claims, liabilities, actions, suits, proceedings, fines, expenses, payments, penalties, damages, and injuries, of whatever kind or nature, including attorneys' fees and costs, arising out of, resulting from, caused by, or associated with, or alleged to have arisen out of, resulted from, been caused by, or associated with, in whole or in part, directly or indirectly, the execution or performance of this Agreement, or any acts or omissions of any Party or any Person taken in connection with this Agreement or its performance. The Parties intend that a Party and Protected Persons of a Party will have no liabilities or costs of any nature in connection with this Agreement other than those specifically agreed to or assumed in writing by a Party. To the extent permitted by law and from funds lawfully available to the Department, if any suit, action, or proceeding is brought against a Party or any Protected Person of the Party, the suit, action, or proceeding shall be defended by counsel as determined by each Party. If the defense is by counsel to a Party, the Department shall pay all reasonable and necessary costs of the defense, including reasonable counsel fees, to the extent permitted by law and from funds lawfully available to the Department. If a Party determines that the Department shall defend the Party or Protected Person of the Party, the Department shall immediately assume the defense at its own reasonable and necessary cost, to the extent permitted by law and from funds lawfully available to the Department. Notwithstanding another provision of this section, if the Department refuses to defend a Party or a Protected Person under this section, or a conflict under applicable law or rules prohibits the Department from defending a Party or a Protected Person, the Party or Protected Person may retain counsel and the Department shall be responsible for the reasonable and necessary costs and expenses of the Party or Protected Person, to the extent permitted by law and from funds lawfully available to the Department. As used in this section, "**Protected Person**" means a commission, council, board, commission member, council member, board member, officer, supervisor, employee, contractor, or agent of a Party.

Section 3.10 was added by the attorney

ARTICLE IV

FIRE BOARD AND FIRE CHIEF

Section 4.01. Fire Board. The governing body of the Department shall be a board known as the "Fire Board of the Washtenaw Consolidated Fire and Rescue Department" or "Fire Board". Except as otherwise provided in this Agreement, the Fire Board shall exercise the powers of the Department. The Fire Board shall have the responsibility, authority, and right to manage and direct on behalf of the public the functions and services performed or exercised under this Agreement.

grammatical correction

Section 4.02. Composition. The Fire Board shall be composed of voting representatives for each Party appointed as provided in this Article. In addition, the Fire Chief or his/her designee shall be an ex officio, non-voting member of the Fire Board. The governing body of each Party other than the Largest Party shall appoint 2 individuals to the Fire Board (to serve as Representatives) including 1 elected official of each Party. The Largest Party shall appoint 3 individuals as to the Fire Board (to serve as Representatives) including 1 elected official of the Largest Party. The initial appointments shall be made within 60 days after the Effective Date. For the initial appointments, the governing body of each Party shall appoint 1 individual for a term of 2 years and 1 individual for a term of 4 years, and the Largest Party shall appoint a third individual for a term of 1 year. After the initial appointments, individuals shall be appointed to the Fire Board as Representatives for a term of 4 years, except for the third individual appointed by the Largest Party, who shall be appointed for a term of 1 year. A Representative shall continue to serve until a successor is appointed and qualified. The governing body of each Party shall appoint a successor within 30 days after the expiration of each Representative's term.

Section 4.03. Representative Qualifications. Each Representative shall be a qualified elector residing within the territorial boundaries of the Party appointing the Representative. A Representative shall not be an employee of the Department.

Struck a sentence to clarify that only employees of the dept are ineligible.

Section 4.04. Alternate Representatives. For each Representative appointed under Section 4.02, the governing body of the Party appointing the Representative may appoint an Alternate Representative to, except as otherwise provided in this Agreement, exercise the duties of the Representative in the place and stead of the Representative if the Representative is absent or is otherwise unable to perform his or her duties. An Alternate Representative shall meet the qualifications for a Representative under Section 4.03. Each Alternate Representative shall be appointed for a term of 1 year.

Section 4.05. Vacancies. In the event of a vacancy in a position of Representative or Alternate Representative, the governing body of the Party appointing the Representative or the Alternate Representative shall fill the vacancy in the same manner as the original appointment for the balance of the unexpired term.

Section 4.06. Removal. A Representative may be removed from the Fire Board without cause at any time by action of the governing body of the Party appointing the Representative. An Alternate Representative may be removed from the position of Alternate Representative

without cause at any time by action of the governing body of the Party appointing the Alternate Representative.

Section 4.07. Officers. The Fire Board shall elect from among the serving Representatives a Chairperson, a Vice Chairperson, a Treasurer, and a Secretary to serve as officers of the Fire Board. The term of an officer of the Fire Board shall be 1 year, or until a successor is elected. The Chairperson of the Fire Board shall be the presiding officer at all meetings of the Fire Board. The Secretary or designee of the Secretary shall be the official custodian of the records of Board. The officers of the Fire Board shall perform duties specified in this Agreement and as otherwise determined by the Fire Board. Employees of the Department shall assist the officers of the Fire Board in the performance of their duties. If a vacancy arises in an officer position, the Fire Board shall fill the vacancy for the remainder of the unexpired term. An Alternate Representative may not serve as an officer of the Fire Board.

Section 4.08. Officer Absences. In the event of an absence or inability of any officer of the Fire Board to perform the duties of his or her position as an officer, the Fire Board may designate another Representative to temporarily assume the duties of the officer position as an acting officer. But, in the event of the absence or inability of the Chairperson to perform his or her duties as Chairperson, the Vice-Chairperson shall serve as the acting Chairperson.

Changed from 60 by the attorney

Section 4.09. Meetings. The Fire Board shall hold its initial annual meeting not less than 90 days after the Effective Date at the time, date, and place determined by the Representative appointed by the Largest Party for a 1-year term. After the initial meeting, the first meeting of the Fire Board in each subsequent Fiscal Year shall be the annual meeting of the Fire Board in each subsequent Fiscal Year. The Fire Board shall hold a regular meeting each month, including the annual meeting, at the time, date, and place determined by the Fire Board. Officers of the Fire Board shall be elected at each annual meeting. The Fire Board also may hold special meetings as deemed necessary by the call of the Chairperson or by any 3 Representatives. Meetings of the Fire Board shall comply with the OMA. Public notice of the time, date, and place of Fire Board meetings shall be given in the manner required by the OMA. Notice of meetings of the Fire Board also shall be posted in the locations for the posting of public notices at the principal office of the Department and at the principal office of each Party. The Secretary shall provide a copy of the approved minutes of all meetings of the Fire Board to the clerk of each Party within 15 days after approval of the minutes.

Section 4.10. Quorum and Voting. Five or more Representatives constitutes a quorum for the transaction of business by the Fire Board, including any Alternative Representatives acting on behalf of a Representative. When a quorum is present, the Fire Board may act only by a majority vote of 5 or more Representatives, including any Alternate Representatives acting on behalf of a Representative. Each Representative shall have 1 vote, including any Alternative Representative acting for a Representative. Representatives and Alternate Representatives shall not engage in proxy voting.

Section 4.11. Ethics and Conflicts of Interest. The Fire Board shall adopt ethics policies governing the conduct of Representatives, Alternate Representatives, and officers, and employees of the Department. The policies shall be no less stringent than those provided for

The Committee has been discussing wording that ensures votes must be passed Page 11 of 35 by a majority of the representatives in positions provided for by the agreement.

public officers and employees under 1973 PA 196, MCL 15.341 to 15.348. Representatives, Alternate Representatives, officers, and employees of the Department shall be deemed to be public servants under 1968 PA 317, MCL 15.321 to 15.330, and are subject to any other applicable laws with respect to conflicts of interest. The Fire Board shall establish policies and procedures requiring disclosure of relationships that may give rise to conflicts of interest.

Section 4.12. Compensation. The Representatives and Alternate Representatives shall receive compensation for the performance of their duties, if any, as may be included in the approved budget for the Department. A Representative or Alternate Representative may engage in private or public employment, or in any profession or business. Representatives and Alternate Representatives may be reimbursed by the Department for actual and necessary expenses incurred in the discharge of their official duties, as authorized in the approved budget for the Department and approved by the Fire Board.

Section 4.13. Fire Chief. The Fire Board shall appoint a Fire Chief to administer all programs, funds, personnel, facilities, contracts, and all other administrative functions of the Department, subject to oversight by the Fire Board and in compliance with Section 4.14. The Fire Chief shall receive compensation as determined by the Fire Board. All terms and conditions of the Fire Chief's employment, including length of service, shall be specified in a written contract between the Fire Chief and the Fire Board, provided that the Fire Chief shall serve at the pleasure of the Fire Board, and the Fire Board may remove or discharge the Fire Chief by a vote of not less than 5 Representatives, including any Alternate Representatives serving on behalf of a Representative. The Fire Chief shall report to the Fire Board at meetings of the Fire Board and to the Chairperson of the Fire Board between meetings of the Fire Board.

Section 4.14. Fiduciary Duty. The Representatives, Alternate Representatives, and the Fire Chief are under a fiduciary duty to conduct business in the best interests of the Department, including the safekeeping and use of all Department monies and assets for the benefit of the Department.

Section 4.15. Oath of Office. The Representatives, Alternate Representatives, and the Fire Chief, prior to entering upon the duties of office, shall take and subscribe to the constitutional oath of office under Section 1 of Article XI of the State Constitution of 1963. The oath of office shall be filed with the Secretary.

relates to issue mentioned on page 12 - committee has been discussing wording to require a majority vote of the positions provided for in the agreement to pass motions - in previous drafts we avoided the use of a number so that changes in membership wouldn't require a change in the agreement.

ARTICLE V

POWERS OF THE DEPARTMENT

Section 5.01. Common and Shared Powers. The enumeration of a power, privilege, or authority in this Agreement shall not be construed as limiting the powers, privileges, or authorities of the Department. In carrying out its purposes, the Department may perform, or perform with any Person, as applicable, any power, privilege, or authority relating to Emergency Services or Related Emergency Health and Safety Services that the Parties share in common and that each might exercise separately to the fullest extent permitted by the Act, including, but not limited to, all of the following:

- (a). Establishing, maintaining, organizing, or regulating a fire department.
- (b). Preventing and extinguishing fires.
- (c). Purchasing and providing suitable vehicles and equipment for the extinguishment of fires.
- (d). Erecting and maintaining buildings for the keeping of vehicles and equipment.
- (e). Employing fire fighters, fire safety inspectors, and other personnel.
- (f). Operating or furnishing ambulance and inhalator services, including, but not limited to, emergency medical services and rescue and ambulance services.
- (g). Adopting rules or regulations governing the internal administration and functioning of the Department.
- (h). Enforcing ordinances and regulations for fire protection, for fire safety, to prevent fires, to suppress fires, or to provide for the storage and handling of combustible, explosive, or other hazardous substances.
- (i). Collecting fees for the provision of Emergency Services.
- (j). Investigating Emergency Services requirements, needs, and programs within or without the Service Area of the Department and cooperating with appropriate governmental authorities regarding the investigations.
- (k). Entering into mutual aid or reciprocal aid agreements or compacts.
- (l). Entering into interlocal agreements with other municipalities pursuant to the Urban Cooperation Act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.
- (m). Exercising the authority of a township and a village under the Fire Prevention Code, 1941 PA 207, MCL 29.1 to 29.33, or if the Village is reorganized as a city, exercising the authority of a township and a city under the Fire Prevention Code 1941 PA 207, MCL 29.1 to 29.33.

Section 5.02. Powers Under the Act. In addition to other powers of the Department, the Department shall, consistent with Section 7 of the Act, have the power to do all of the following:

- (a). Make or enter into contracts.
- (b). Employ agencies or employees.
- (c). Acquire, construct, manage, maintain, or operate buildings, works, or improvements.
- (d). Acquire, hold, or dispose of property.
- (e). Incur debts, liabilities, or obligations that, except as expressly authorized by the Parties, do not constitute the debts, liabilities, or obligations of any of the Parties.
- (f). Cooperate with a Public Agency, an agency or instrumentality of the Public Agency, or another legal or administrative entity created by the Public Agency under the Act.
- (g). Make loans from the proceeds of gifts, grants, assistance funds, or bequests in order to further the purposes of the Department.
- (h). Form other entities necessary to further the purposes of this Agreement.
- (i). Sue and be sued in the name of the Department.

Section 5.03. Additional Powers Under the Act. The Department also shall have the power, consistent with Section 5 of the Act, to do all of the following:

- (a). Fix and collect charges, rates, rents, fees, loan repayments, loan interest rates, or other charges on loans.
- (b). Promulgate necessary rules and provide for their enforcement by or with the assistance of the Parties to accomplish the purposes of this Agreement.
- (c). Determine the manner in which purchases shall be made and contracts entered into by the Department.
- (d). Acquire, own, hold, operate, maintain, lease, or sell real or personal property.
- (e). Accept gifts, grants, assistance funds, or bequests and use the same for the purposes of this Agreement. The Department may apply for and accept grants, assistance funds, loans, or contributions from any source. Gifts, grants, assistance funds, or bequests accepted by the Department shall become the property of the Department upon acceptance, except as otherwise agreed by the Department and the grantor. The Department may do anything within its power to secure the grants, loans, or other contributions, including, but not limited to, maintaining separate segregated funds for gifts, grants, assistance funds, or bequests.

(f). Make claims for federal or state aid payable to a Party on account of the execution of this Agreement, with the written consent of the Party.

(g). Determine the manner of responding for any liabilities that might be incurred through performance of the Agreement and insure against the liabilities.

(h). Adjudicate disputes or disagreements, the effects of failure of the Parties to pay their shares of the costs and expenses agreed to by the Parties, and the rights of the other Parties.

(i). Engage auditors to perform independent audits of the financial statements of the Department.

(j). Invest surplus funds or proceeds of grants, gifts, assistance funds, or bequests consistent with an investment policy adopted by the Fire Board.

Section 5.04. Ordinances. To the extent permitted under state law, the Fire Board may adopt ordinances and regulations for fire protection, for fire safety, to prevent fires, to suppress fires, or to provide for the storage and handling of combustible, explosive, or other hazardous substances within the Service Area. Alternatively, the Fire Board may recommend for adoption by the governing bodies of each of the Parties ordinances and regulations for fire protection, for fire safety, to prevent fires, to suppress fires, or to provide for the storage and handling of combustible, explosive, or other hazardous substances.

Section 5.05. Service Fees. To the extent permitted under state law, the Fire Board may adopt an ordinance authorizing the imposition and collection of fees for the provision of Emergency Services. Alternatively, the Fire Board may recommend for adoption by the governing bodies of each of the Parties ordinances authorizing the imposition and collection of fees for the provision of Emergency Services.

Section 5.06. Contracts with Public Agencies. The Department may enter into a contract for Emergency Services to be provided by the Department to any other Public Agency. The fees and charges for services provided in the contract shall not be required to be the same as the fees and charges incurred by a Party for comparable services under this Agreement. Charges and fees specified in a contract shall be subject to increase by the Department, as necessary, in order to provide funds to meet the obligations of the Department. The Department also may enter into a contract for Emergency Services to be provided to the Department by any other Public Agency.

Section 5.07. Tax Limitation. The Department shall not levy any type of tax within the boundaries of any Party. Nothing in this Agreement, however, prevents the Parties from levying taxes and assigning the revenue from the taxes to the Department, if otherwise authorized under state law.

Section 5.08. Limitation on Binding Parties. The Department shall not have the power to bind a Party or to create debts, liabilities, or obligations of a Party, unless otherwise specifically agreed to by the Party.

Section 5.09. No Waiver of Governmental Immunity. The Parties agree that no provision of the Agreement is intended, nor shall it be construed, as a waiver by any Party of any governmental immunity or exemption provided under the Act or other law.

ARTICLE VI

MANNER AND METHOD FOR EXERCISE OF COMMON POWER AND TRANSFER OF FUNCTIONS AND SERVICES

Section 6.01. Joint Exercise of Power and Transfer of Functions or Services. The joint exercise of power authorized under this Agreement is effective on the Effective Date. The actual transfer of functions and services under this Agreement is effective on the Transfer Date.

Section 6.02. Financial Support by Parties. Consistent with this Agreement, each Party shall raise the necessary monies to fund the Department and activities under this Agreement in the manner each Party determines, in accordance with all laws and regulations applicable to each Party. The sources of revenue authorized by law for financing the Department specified in this Agreement are non-exclusive and the Department shall not be precluded from pursuing other sources of revenue to finance the Department. Authorization for the Department to generate revenue under this Agreement shall not be construed to preclude a Party from generating revenue as authorized by law to finance the Party's financial contribution to the Department required under this Agreement.

Section 6.03. Dexter Area Fire Department. The DAFD Participants, individually, jointly, or through the DAFD, will take all action necessary to facilitate the implementation of this Agreement and the transfer of assets, liabilities, obligations, and employees of the DAFD to the Department under this Agreement. After the Effective Date, the Department may enter into additional agreements with the DAFD or DAFD Participants or execute documents as necessary to transfer assets, liabilities, obligations and employees of the DAFD or the Department or as otherwise necessary to facilitate the implementation of this Agreement. After the Transfer Date, the DAFD Participants shall terminate the DAFD consistent with the interlocal agreement authorizing the DAFD.

Section 6.04. Transfer of Assets. The assets of the Parties or the DAFD, including, but not limited to, equipment, vehicles, and other personal property related to the provision of Emergency Services, that will be transferred to the Department to support the exercise of common power under this Agreement by the Department are detailed on Exhibit B. Assets detailed on Exhibit B become the property of the Department on the Transfer Date, free and clear of any right, claim, or interest of a Party or the DAFD. The Parties may advance money to the Department to pay for costs associated with the implementation of this Agreement. After the Effective Date, the Fire Board may accept the transfer of other assets to the Department from a Party or the DAFD.

Section 6.05. Assumption of Liabilities and Obligations. Except as otherwise explicitly provided in this Agreement, the Department does not assume any liabilities or obligations of a Party or the DAFD relating to the exercise of common powers under this Agreement, other than the liabilities or obligations detailed on Exhibit C. Liabilities and obligations detailed on Exhibit C become the liabilities and obligations of the Department on the Transfer Date. After the Effective Date, the Department may assume a liability or obligation of a Party or the DAFD relating to the exercise of common powers under this Agreement only with the consent of all of the Parties.

Section 6.06. Employees. The Department shall function as the employer of the employees of the Department and have the responsibility, authority, and right to manage and direct the employees. The employees of the Parties or the DAFD relating to the exercise of common powers under this Agreement that will be transferred to the Department on the Transfer Date are detailed on Exhibit D to this Agreement. Employees detailed on Exhibit D become employees of the Department on the Transfer Date. Fire fighters employed by the Department shall comply with the Fire Fighters Training Council Act of 1966, 1966 PA 291, MCL 29.361 to 29.377.

Section 6.07. Real Property. Real property, including, but not limited to, fire buildings and fixtures, owned on the Effective Date by a Party or constructed after the Effective Date by a Party shall remain the real property of the Party. For real property owned by a Party and used by the Department in the exercise of common powers under this Agreement, the Department shall enter into a lease or other agreement with the Party to assist the Party in recouping costs associated with the operation, maintenance, and repair of the real property, including, but not limited to, electricity, water, heating, ventilation, air conditioning, insurance, roofing, eave troughs, garage doors and openers, sidewalks, gardens, and driveways. Costs recouped shall be adjusted based upon the Department's percentage of usage of the real property. For real property of a Party to be used by the Department beginning on the Transfer Date, a lease or other agreement shall be completed within 90 days of the Effective Date. After the Transfer Date, if a Party desires a new Fire Station that is consistent with the Master Services Response Plan described in Section 6.08, the Party shall construct the Fire Station at the Party's expense, the Fire Station shall remain the property of the Party, and the Department may enter into a lease agreement with the Party for the use of the Fire Station.

Completely re-written

Section 6.08. Master Service Response Plan. Within 12 months after the first permanent Fire Chief of the Department enters into the duties of the Office, the Fire Chief will present a draft Master Service Response Plan ("**Draft Plan**") to the Fire Board. The Draft Plan must use a statistical basis (including, but not limited to, all of the following: population; population density; proximity to schools, core urban areas, and industrial facilities; life expectancy of equipment; response time; and ISO standards of the International Organization for Standardization) to outline anticipated future staffing and equipment and facility needs. Existing staffing levels, equipment and facilities needs must be considered in the formulation of the Draft Plan. The Draft Plan must address coverage of the current population, commercial, and industrial centers within the area served by the Department and anticipated long-range needs, considering areas of projected residential, commercial, and industrial growth in the area served by the Department. The Draft Plan also must consider long-range capital improvement needs for the Department. Not less than 60 days after receiving the Draft Plan, the Fire Board shall either adopt the draft Plan, or return the Draft Plan with comments ("**Returned Plan**") to the Fire Chief. Not less than 60 days after the return of the Returned Plan by the Fire Board, the Fire Chief shall submit a revised draft Master Service Response Plan ("**Revised Plan**") to the Fire Board. Not less than 60 days after the Revised Plan is received, the Fire Board shall adopt the Revised Plan, with or without modifications, as the Master Service Response Plan for the Department. Annually, not less than 30 days after anniversary of the most recent adoption of a Master Service Response Plan by the Fire Board, the Fire Chief shall present a written recommendation to the Fire Board to extend or amend the Plan. The requirements and timelines

applicable to an initial Master Service Response Plan apply to subsequent extensions, modifications or approval of a Master Service Response Plan for the Department.

Section 6.09. Acts and Omissions. Except as otherwise explicitly provided in this Agreement, it is the intent of the Parties that liability for acts or omissions of a Party prior to the Effective Date shall remain with a Party and not be transferred, assigned, or assumed by the Department. The Department shall only be liable for its own acts or omissions that occur after the Effective Date and the Parties shall not be liable for any acts or omissions of the Department.

ARTICLE VII

BOOKS, RECORDS, AND FINANCES

Section 7.01. Department Records. The Department shall keep and maintain at the principal office of the Department all documents and records of the Department. The records of the Department, which shall be available to the Parties, shall include a copy of this Agreement and any amendments to the Agreement. The records and documents shall be maintained until termination of this Agreement and shall be transmitted to any successor entity.

Section 7.02. Freedom of Information Act. The Department shall be subject to and comply with the Freedom of Information Act, 1976 PA 442, MCL 15.231 to 15.246.

Section 7.03. Uniform Budgeting and Accounting Act. The Department shall be subject to and comply with the Uniform Budgeting and Accounting Act, 1968 PA 2, MCL 141.421 to 141.440a. Unless otherwise designated by the Fire Board, the Fire Chief shall serve as the Chief Administrative Officer of the Department. The Fire Board shall approve all budgets and budget amendments for the Department for each Fiscal Year.

Section 7.04. Annual Budget. Each Fiscal Year, the Fire Board shall prepare a proposed operating and capital budget reflecting the projected revenues and projected expenditures of the Department for the next Fiscal Year. The Fire Board also may develop a rolling 5-year budget to assist in planning. The Fire Board shall adopt a proposed annual budget for the next Fiscal Year ~~by the Fire Board~~ in a manner to assure submission of the proposed budget to each Party not later than February 1 of each year. The Secretary shall be responsible for submission of the tentative budget to each Party. Any budget increase over the preceding Fiscal Year of more than the CPI plus 3% shall require the approval of a majority of the governing bodies of the Parties. The Fire Board shall give final approval of the annual budget for the next Fiscal Year no later than March 31 of each year. As used in this paragraph, "CPI" means the Consumer Price Index for All Urban Consumers (CPI-U) in the Detroit-Ann Arbor-Flint Combined Metropolitan Statistical Area as reported by the Bureau of Labor Statistics of the United States Department of Labor.

Section 7.05. Deposits and Investments. The Department shall deposit and invest money of the Department, not otherwise employed in carrying out the purposes of the Department, in accordance with an investment policy established by the Fire Board consistent with laws and regulations regarding investment of public funds.

Section 7.06. Disbursements. Disbursements of money by the Department shall be in accordance with the annual budget adopted by the Fire Board, consistent with any guidelines recommended by the Fire Chief and approved by the Fire Board, and also shall be in accordance with applicable law. All checks or other forms of withdrawal on any account of the Department shall be signed or approved by two individuals authorized by the Fire Board.

Section 7.07. Financial Statements and Reports. The Department shall prepare, or cause to be prepared, at its own expense, annual audited financial statements (balance sheet, statement of revenue and expense, statement of cash flows, and changes in fund balance). The

financial statements shall be prepared in accordance with generally accepted accounting principles and shall be accompanied by a written opinion of an independent certified public accounting firm. A copy of the annual financial statement and report shall be filed with the Michigan Department of Treasury, made available to each of the Parties, and posted on a publicly accessible internet website.

Section 7.08. Annual Financial Contributions. Each year, after first determining projected annual fees, rates, charges, or other revenue payable to or collectable by the Department, the Fire Board shall determine any additional amount of each Party's financial contribution necessary to support the approved Department budget for the ensuing Fiscal Year using a cost-weighted formula based on population, SEV, and historical usage factors, as follows:

a. Population: 30% of each Party's financial contribution shall be allocated among the Parties based on the population of each Party's portion of the Service Area in proportion to the total population of all of the total Service Area of the Department, according to the most recent United States Census Bureau Report, as updated bi-annually by the Southeast Michigan Council of Governments.

b. SEV: 30% of each Party's financial contribution shall be allocated among the Parties based on the SEV of each Party's portion of the Service Area in proportion to the total SEV of all total Service Area of the Department. Property in a village shall not be included in the SEV of a township for purposes of this paragraph.

c. Historical Usage: 40% of each Party's financial contribution shall be allocated among the Parties based on the number of Department Runs performed in each Party's portion of the Service Area in proportion to the total number of Department Runs performed in the total Service Area of the Department, as determined using the most recently completed three calendar years of report data. However, the actual number of Department Runs for Scio Township in the 3 preceding years shall be increased by 25% to account for the difference in the service level between Scio Township Fire Department (Level 2) and the Department (Level 1A). This adjustment shall only be made to the data for the calendar years prior to the Effective Date.

In applying the cost-weighted formula under this section, the sum of the calculations for population, SEV, and historical usage must equal 100% and the overall percentage cost allocations for each of the Parties must together equal 100%. An example of an application of the cost-weighted formula is attached as Exhibit E

Section 7.09. Payment of Financial Contribution. Each Party shall pay to the Department not less than 1/12th of its total financial contribution calculated under Section 7.08 for each Fiscal Year on the first day of each month of the Fiscal Year.

ARTICLE VIII

TERM AND TERMINATION

Section 8.01. Term. This Agreement and the Department shall commence on the Effective Date and continue for an initial term of 15 years. After the initial term, the Agreement is extended in 10-year increments unless not extended by joint action of all of the Parties. Notwithstanding the term of the Agreement under this paragraph, this Agreement may be terminated before the expiration of a term as provided under Section 8.05 of this Agreement.

Section 8.02. Withdrawal. Any Party may withdraw from this Agreement by notifying each of the other Parties in writing at least 12 months before the beginning of a Fiscal Year. A withdrawal becomes effective at the end of the Fiscal Year following the Fiscal Year in which notice was provided. A Party that withdraws from this Agreement shall remain liable for its portion of the debts and liabilities of the Department incurred while a Party to this Agreement based on the cost-weighted formula under Section 7.08 of this Agreement, for the Party's last Fiscal Year as a Party. Property of the Department in the possession of a withdrawing Party or in the possession of personnel who will no longer remain with the Department after the withdrawal of the Party shall be returned to the Department before the withdrawal becomes effective. A withdrawing Party shall not be entitled to the return of, or any credit for, any property or money transferred or paid to the Department by the withdrawing Party.

Section 8.03. Effect of Withdrawal. The withdrawal of a Party shall neither terminate nor have any effect upon the provisions of the Agreement as long as not less than 2 Parties remain as Parties to this Agreement.

Section 8.04. Expulsion. If a Party fails to comply with this Agreement or the policies of the Department, the Party may be expelled from the Department by resolution approved by at least 2/3 of the Representatives on the Fire Board, including any Alternate Representatives serving on behalf of a Representative. Before adopting an expulsion resolution, the Fire Board first shall notify a Party of its potential expulsion, state the reasons for the potential expulsion, and request compliance by the Party with the Party's obligations under this Agreement. An expulsion resolution shall include an effective date for the expulsion. An expelled Party is obligated to pay contributions accrued as of the effective date of the expulsion.

Section. 8.05. Termination. This Agreement may be terminated by a concurrent resolution adopted by the governing bodies of a majority of the participating Parties. Before termination is effective, all outstanding indebtedness of the Department shall be paid. This Agreement shall not be terminated if the termination could operate as an impairment of any of the Department's contracts. This Agreement may be terminated when the outstanding indebtedness of the Department exceeds the value of the assets of the Department if the net indebtedness of the Department is assumed and paid by the participating Parties, with the amount payable by each participating Party determined using the cost-weighted formula for financial contributions for the Fiscal Year under Section 7.08 of this Agreement.

Section 8.06. Disposition upon Termination. As soon as possible after termination of this Agreement, the Department shall wind up its affairs as follows:

- (a). All of the Department's debts, liabilities, and obligations to its creditors and all expenses incurred in connection with the termination of the Department and distribution of its assets shall be paid first.
- (b). Title to all property owned by the Department then shall be distributed by the Fire Board to the Parties, with the property distributed proportionately to the Parties using the cost-weighted formula for financial contributions for the final Fiscal Year under Section 7.08 of this Agreement.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Due Execution of this Agreement. Each Party shall duly execute not less than 7 copies of this Agreement, each of which, taken together, is an original but all of which constitute 1 instrument.

Section 9.02. Public Purpose and Governmental Function. The powers, duties, rights, obligations, functions, and responsibilities of the Department constitute essential public purposes and governmental functions.

Section 9.03. Non-impairment. Nothing in this Agreement authorizes the impairment of a bond, note, security, or uncontested legal obligation of a Party.

Section 9.04. Notices. Any and all correspondence or notices required, permitted, or provided for under this Agreement to be delivered to any Party shall be sent to that Party by first class mail. All written notices shall be sent to each Party's signatory to this Agreement, or his or her successor. All correspondence shall be considered delivered to a Party as of the date that the notice is deposited with sufficient postage with the United States Postal Service. A notice of withdrawal shall be sent via certified mail to the address included with each Party's signature to this Agreement.

Section 9.05. Entire Agreement. This Agreement sets forth the entire agreement between the Parties and supersedes any and all prior agreements or understandings between them in any way related to the subject matter of this Agreement. It is further understood and agreed that the terms and conditions of this Agreement are contractual and are not a mere recital and that there are no other agreements, understandings, contracts, or representations between the Parties in any way related to the subject matter of this Agreement, except as expressly stated in this Agreement.

Section 9.06. Severability of Provisions. If any provision of this Agreement, or its application to any Person, Party, or circumstance, is invalid or unenforceable, the remainder of this Agreement and the application of that provision to other Persons or circumstances and to the remaining Parties is not affected but will be enforced to the extent permitted by law, it being the intent of the remaining Parties to continue to agree to the substantive provisions of this Agreement and to implement the Agreement.

Section 9.07. Governing Law. This Agreement is made and entered into in this State and shall in all respects be interpreted, enforced, and governed under State law without regard to the doctrines of conflict of laws. The language of all parts of this Agreement shall in all cases be construed as a whole according to its fair meaning and not construed strictly for or against any Party.

Section 9.08. Resolution of Disputes. In the event of any dispute, claim, question, or disagreement arising from or relating to this Agreement or the breach of this Agreement, the Parties shall use their best efforts to settle the dispute, claim, question, or disagreement. To this effect, the Parties shall consult and negotiate with each other in good faith and, recognizing their

mutual interests, attempt to reach a just and equitable solution satisfactory to the Parties. If the Parties do not reach a solution within 90 days, then, upon notice by a Party to the other Parties, all disputes, claims, questions, or differences shall, upon mutual agreement of the Parties, be finally settled by arbitration administered by the American Arbitration Association in accordance with the Association's policies and procedures. Any arbitration award shall be final and may be enforced by an order of the Washtenaw County Circuit Court. Each Party shall pay its proportionate share of the costs of arbitration and all of their respective legal and professional fees, regardless of outcome. Arbitration under this clause is optional. Disputes not submitted to arbitration or otherwise resolved by the Parties shall be submitted to the courts of the State in Washtenaw County.

Section 9.09. Amendment. This Agreement may be amended or an alternative form of this Agreement adopted only upon written agreement of all Parties. Any agreement or contract among the Parties that is inconsistent with this Agreement shall be adopted as an amendment to the Agreement and be approved as provided in the Act by the governing bodies of the Parties and by the Governor prior to becoming effective. Any amendment to allow the participation in the Department by another Public Agency as a Party will be completed in a manner consistent with the Act.

Section 9.10. Effective Date. This Agreement is effective on the Effective Date.

This Agreement has been approved by the governing bodies of the Parties and is executed on behalf of the Parties on the following dates:

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ID\SCLI

DEXTER TOWNSHIP

Dated: _____

By: _____

Pat A. Kelly,
Township Supervisor

Address: 6880 Dexter-Pinckney Rd.
Dexter, MI 48130

VILLAGE OF DEXTER

Dated: _____

By: _____
Shawn W. Keough,
Village Council President

Address: 8140 Main St.
Dexter, MI 48130

SCIO TOWNSHIP

Dated: _____

By: _____
E. Spaulding Clark,
Township Supervisor

Address: 827 N. Zeeb Rd.
Ann Arbor, MI 48103

WEBSTER TOWNSHIP

Dated: _____

By: _____
John Kingsley,
Township Supervisor

Address: 5665 Webster Church Rd.
Dexter, MI 48130

Pursuant to Section 10 of the Urban Cooperation Act of 1967, 1967 (Ex Sess) PA 7, MCL 124.510, I find that this agreement meets the conditions set forth in the Urban Cooperation Act of 1967, is in proper form, and is compatible with the laws of the State of Michigan.

Dated: _____

RICHARD D. SNYDER
Governor

EXHIBIT A

DEPARTMENT SERVICE AREA

1. **Village of Dexter** – the entire geographic area of the Village of Dexter.

2. **Dexter Township** – the entire geographic area of the Township of Dexter, excluding Sections 31 and 32 (see attached map).

3. **Scio Township** – the entire geographic area of the Township of Scio, ^{excluding} and property within the geographic area of the Village of Dexter.

4. **Webster Township** – the entire geographic area of the Township of Webster, excluding property within the geographic area of the Village of Dexter.

EXHIBIT B

**ASSETS
TRANSFERRED TO DEPARTMENT ON TRANSFER DATE**

Asset Description

Type of Asset

Transferred by

EXHIBIT C

**LIABILITIES AND OBLIGATIONS
ASSUMED BY DEPARTMENT ON TRANSFER DATE**

Liability/Obligation Description

Type

Transferred by

EXHIBIT D
TRANSFERRED EMPLOYEES

Employee Name

Title/Position

Pre-Transfer Employer

Exhibit E

Example of Proposed Cost-Weighted Formula

Unit	Population	% Total Pop.
Dexter Twp	6,042	18.36%
Dexter Village	4,067	12.36%
Scio Twp	16,470	50.05%
Webster Twp	6,328	19.23%
Total	32,907	100.00%

2010 Census

Unit	SEV	% Total SEV
Dexter Twp	\$342,092,600	14.57%
Dexter Village	\$205,837,200	8.76%
Scio Twp	\$1,372,951,400	58.46%
Webster Twp	\$427,843,600	18.22%
Total	\$2,348,724,800	100.00%

Washtenaw County Report, 2011

Unit	Usage*	Usage
Dexter Twp	855	14.73%
Dexter Village	891	15.35%
Scio Twp	3,128	53.89%
Webster Twp	930	16.02%
Total	5,804	100.00%

* - Usage shall be the total of the prior three years Department Runs for the Member's service area except that Scio Twp's Usage was increased by 25% for the calendar years prior to the Effective Date of this Agreement

Actual data from 2010, 2011 and 2012

Unit	Population	SEV	Usage	Total
Dexter Twp	5.51%	4.37%	5.89%	15.77%
Dexter Village	3.71%	2.63%	6.14%	12.48%
Scio Twp	15.02%	17.54%	21.56%	54.11%
Webster Twp	5.77%	5.46%	6.41%	17.64%
Total	30.00%	30.00%	40.00%	100.00%

Weight per factor 30% 30% 40%

Sample Budget \$2,234,714

Unit	Budget Allocation
Dexter Twp	\$352,431
Dexter Village	\$278,847
Scio Twp	\$1,209,149
Webster Twp	\$394,286
Total	\$2,234,714

(15.77% of comb. Budget)
 (12.48% of comb. Budget)
 (54.11% of comb. Budget)
 (17.64% of comb. Budget)

Runs	2010	2011	2012	Total
Dexter Twp	296	281	278	855
Dexter Village	292	295	304	891
Scio Twp	855	921	726	2,502
Webster Twp	323	304	303	930
Total	1,766	1,801	1,611	5,178

Dexter Township	2010	2011	2012
CAFA	49	0	0
DAFD	203	246	276
Putnam	44	35	2
Total	296	281	278