

FIRE PROTECTION AGREEMENT FOR THE COTTAGE GROVE FIRE DISTRICT

This Fire Protection Agreement for the Cottage Grove Fire District (“Agreement”), by and between the Village of Cottage Grove and the Town of Cottage Grove (the "Municipalities") of Dane County, Wisconsin, governs the management and operations of the Cottage Grove Fire District (“District”) and the provision of fire protection services within and for the geographical area described in this Agreement (the “Fire Protection Services Area”). Therefore, in consideration of the mutual promises, obligations, and benefits provided hereunder, the receipt and adequacy of which are hereby acknowledged, the Municipalities agree as follows:

SECTION 1: PURPOSE

This Agreement specifies the responsibilities of the District and the terms of participation applicable to the Municipalities. The District shall continue to provide proper fire protection for all persons and properties located within the Fire Protection Area through the mutual cooperation of the Municipalities pursuant to Wis. Stat. § 66.0301.

SECTION 2: BOUNDARIES

A. The Fire Protection Services Area includes the following:

1. Village of Cottage Grove. All of the area within the present and future corporate limits of the Village of Cottage Grove.
2. Town of Cottage Grove. All of the area within the political boundaries of the Town of Cottage Grove.
3. Town of Pleasant Springs. Portions of the Town of Pleasant Springs specified in any applicable agreement for fire protection services between the District and the Town of Pleasant Springs.

B. Additional territory may be added to the District upon the following conditions:

1. The proposed additional territory is contiguous to the then-existing boundaries of the District; and
2. The addition of the proposed territory and the terms and conditions pertaining to such addition are approved by the Commission and ratified by the Town and Village.

SECTION 3: COMMISSION

A. The District shall be governed by the Cottage Grove Fire District Commission (the “Commission”). The Commission is created pursuant to Wis. Stat. § 66.0301 and shall consist of six commissioners.

- B. **Selection of Commissioners.** The Village and Town shall each select three commissioners, with each commissioner being an elected member of the Municipalities' respective governing bodies. Active firefighters shall be ineligible to serve on the Commission.
- C. **Terms of Office.** The term of office for Commissioners shall commence on the first day of May. Commissioners shall be appointed to one-year terms. Any commissioner appointed to fill a vacancy shall serve only for the remainder of the term. Each commissioner shall serve at the pleasure of the governing body that appointed him or her to serve on the Commission.
- D. **Officers.** The officers of the Commission shall be the Chairperson, Vice Chairperson, and the Secretary. In odd numbered years the Chairperson, Vice Chairperson, and Secretary shall be Town of Cottage Grove Commissioners, and in even years the Chairperson, Vice Chairperson, and Secretary shall be Village of Cottage Grove Commissioners. Officers shall be selected by a vote of the Commission.
- E. **Commission Business.** The Commission shall meet at least quarterly. The Commission may establish procedural rules consistent with its responsibilities. All meetings shall comply with the Wisconsin Open Meetings Laws. Meetings shall be called by the Chairperson or, on request of any four of the Commissioners, by the Secretary. Notice of all meetings shall be provided by the Secretary by mail, electronic mail, facsimile, or hand delivery to each Commissioner, and to the Clerks of each participating Municipality. A majority of the voting Commissioners shall constitute a quorum at any meeting. Decisions shall be made by a majority vote.

SECTION 4: POWERS AND DUTIES OF COMMISSION

- A. The Commission shall have the following duties and powers:
1. The possession, care, control, and management of the affairs and property of the District, subject to the terms and conditions of this Agreement;
 2. Oversight of the Emergency Services Building;
 3. Control of the finances of the District;
 4. To enter into reciprocal fire protection agreements with departments of other municipalities or other districts. All costs incurred under such agreements shall be considered as part of the overall operational expenses of the District;
 5. Oversight of any entities that the District contracts with to provide fire protection services for the District.

SECTION 5: FISCAL AND BUDGET

- A. **Accounting.** The Village shall handle day to day deposits and disbursements of the District. Each Municipality's share of proportionate costs shall be paid to the Village quarterly within 30 days of receiving an invoice from the District.
- B. **Budget.** The Fire Chief shall, prior to July 15 of each year, prepare and submit to each Commissioner and to the Clerks of the Municipalities a proposed budget for the ensuing calendar year.
1. The form and content of the budget shall generally conform to requirements for municipalities pursuant to Wis. Stat. § 65.90. The following elements shall be specifically included in the budget:
 - a. Most recent calendar year actual revenues and expenses;
 - b. Budgeted amounts for current year;
 - c. Actual expenditures and revenues for at least the first six months of the current year;
 - d. Projected expenditures through the end of the current year;
 - e. Projected revenues and expenses for the budget year;
 - f. Beginning and ending balances for all funds and reserve accounts, for the preceding year and projected for current year end and for the budget year.
 2. The Commission shall meet and review the proposed budget and supporting information provided by the Fire Chief on or before September 1 of each year. The Commission shall make such modifications to the proposed budget as it deems appropriate. The Commission shall complete its approval of the proposed budget by October 1 of each year.
 3. The Fire Chief or Chairperson shall present the budget to the governing bodies of the Municipalities in October of each year.
 4. Each of the Municipalities shall independently review the budget on or before October 31 of each year. Each Municipality shall report its action of approval or disapproval (with specific reasons for disapproval) to the Commission and to the Clerk of the other Municipality no later than the first Wednesday following October 31. The Municipalities will take such actions as necessary and appropriate to approve a budget no later than November 15 of each year. Upon such approval, each participating Municipality shall levy a tax, impose a special charge, or provide funding from other sources sufficient to pay for the Municipality's proportionate share of the District budget as determined in Section 5.E.

C. **Emergency Services Building Property Repair Fund.**

1. The Commission shall have a separate Emergency Services Building Property Repair Fund account (the “Account”) for purposes of maintaining and repairing the Emergency Services Building. Contributions to the Account shall be based upon each Municipality’s ownership interest in the Emergency Services Building.
2. Appropriations from the Account shall be restricted to such projects that are approved by the Commission and for purposes of repairing or maintaining the Emergency Services Building.
3. Contractual Procedure. The District shall let contracts for public construction in accordance with Wis. Stat. § 61.54. The following additional requirements shall apply.
 - a. The Commission shall prepare a request for bids or proposal.
 - b. The Fire Chief shall make good faith efforts to obtain at least two bids, unless an emergency exists.
 - c. Following receipt of the bids, the Commission shall make a recommendation to the Village and Town as to the award of the contract.
 - d. Unless the Town or the Village provides the Commission and the other Municipality a “notice of objection” to awarding the contract within 30 days of receiving the Commission’s recommendation, the Municipalities shall be deemed to have approved the contract.
 - e. If either of the Municipalities provides a notice of objection, then the contract shall not be awarded.
 - f. If the Municipalities approve the contract, or do not provide a notice of objection, the Commission may enter into the contract.

D. Fire Dues. All fire dues received by each Municipality shall be used to fund required fire inspections or for other purposes allowed by state law. The District shall document purchases with fire dues funds to ensure the expenditures comply with state law.

E. Determination of Proportionate Share of District Expenses.

1. The costs and expenses of the District, after being offset by any revenues received for providing fire protection services outside the Town and Village, shall be divided and paid by the Municipalities as follows:
 - a. Fifty percent of the expenses of the District shall be allocated to each Municipality based on the proportion of the equalized valuation of the real property in each respective Municipality for the previous year, as a percentage of the total equalized value of the real property located within the Municipalities.

- b. The remaining fifty percent of the expenses of the District shall be allocated to each Municipality based on the proportion of fire calls for services in each respective Municipality in the previous year.
 2. Each Municipality shall be billed quarterly.
 3. Following the approval of the budget for the ensuing year by the Municipalities, the proportionate annual budget shares of the Municipalities shall be calculated by the Secretary of the Commission. The Municipalities shall cooperate with the Secretary in calculating these proportionate shares. The proportionate shares of the annual budget shall be calculated no later than November 15 of each year.
- F. **Auditing.** An audit of the District shall be performed in conjunction with the Village's annual audit. The cost of performing the audit related to the District shall be a District expense.
- G. **Withholding Payments.** No participating Municipality shall withhold payments due under the terms and conditions of this Agreement.
- H. **Support of District Operations.** The District may select either of the Municipalities to provide administrative support services for the District. If one of the Municipalities is willing to provide administrative support services it shall disclose to the District the basis on which such Municipality will be paid by the District for such services. If the District decides to contract with a participating Municipality for administrative support services, any such contract shall require the participating Municipality to provide an appropriate basis on which to measure the equitable value of such services, including, but not limited to, the following:
 1. The salary, including employer contributions to retirement plans and OASDHI/Medicare;
 2. If the services are provided by a contractor rather than an employee of a participating Municipality, records similar to those supplied in (1), to demonstrate the equitable basis for such charges to the District. Any costs incurred by the District under this Section shall be treated as a budgeted District expense following approval of such services by the Commission.

SECTION 6: TITLE AND OWNERSHIP OF EQUIPMENT

- A. **Ownership of Assets.** Except as otherwise provided in this Agreement, the Municipalities hereby stipulate and agree that from and after the date of this Agreement and notwithstanding any previous agreement or practice to the contrary, the Municipalities shall be considered to own a proportionate interest in the assets equal to their proportionate shares of expenses calculated in the same manner as set forth in Section 5.E. averaged over the most recent five budget years.

B. Ownership of Emergency Services Building. The Emergency Services Building (including the land and improvements), located at 4030 County Road N, Cottage Grove, Wisconsin, shall be jointly owned by the Town and Village. The Town shall hold a 59% interest in the Emergency Services Building, and the Village shall hold a 41% interest in the Emergency Services Building.

C. Division of funds acquired from disposition of assets. In the event that the District wishes to dispose of real estate, motor vehicles, or equipment other than under circumstances as specified in Section 7, all proceeds of sale of any such property shall be shared by the Municipalities on the basis of their current proportionate shares as provided in Section 6.A. and C.

D. Title of Vehicles. Vehicles shall be titled in the Town's name, but ownership interests shall be in accordance with Section 6.A.

SECTION 7: TERM OF AGREEMENT AND WITHDRAWAL FROM DISTRICT

A. Term. The term of this Agreement shall be for five years from the effective date. The Agreement shall automatically renew for a successive five year period unless either Municipality provides notice to the other Municipality of an intent to withdraw or amend this agreement twelve months prior the expiration of this Agreement.

B. Distribution of Assets upon Dissolution of Agreement. Upon dissolution of the District, all real estate, motor vehicles, equipment, and all other District assets remaining after settling District debts shall be sold and the proceeds distributed to the participating Municipalities, based on proportionate shares as set forth under Section 6.A. and C., unless other means of dissolution are implemented by agreement of the Municipalities.

C. Right to Withdraw. The participating Municipalities shall have the right to withdraw from the District in accordance with the terms of this provision. The procedure for withdrawal and distribution of assets shall be accomplished as follows:

1. Withdrawal from the District is permitted as of the end of any calendar year providing that such withdrawing Municipality gives at least twelve (12) months written notice to the other Municipality.
2. If one Municipality provides notice of withdrawal and the other municipality, within 60 days of the original notice of withdrawal, provides the withdrawing municipality notice that it will also withdraw, the assets of the District shall be dissolved under Section 7.B.
3. If a Municipality withdraws from this Agreement, the other Municipality shall have the right to acquire the interest of the withdrawing Municipality in any or all real estate, motor vehicles, equipment, and other assets of the District at the fair market value of the withdrawing Municipality's proportionate share of the assets, under Section 6.A. and C., as determined under Section 7.E. If the remaining

Municipality chooses not to acquire the withdrawing Municipality's interest in certain District assets, then those assets shall be liquidated and proceeds distributed according to ownership interests in Section 6.A and C..

4. If the Town withdraws from this Agreement, the Town may buy the Village's interest in the Emergency Services Building. If the Town does not buy the Village's interest, then the Emergency Services Building shall be liquidated and proceeds distributed according to each Municipality's ownership interest under Section 6.B.
5. Any surplus funds of the District shall be distributed according to Section 7.B.

D. **Debt.** If the District has any outstanding debt when a Municipality withdraws, any payments under this Section to a withdrawing Municipality shall be reduced in accordance with the withdrawing Municipality's proportionate share of outstanding debt determined pursuant to Section 5.E.

E. **Appraisal Process.**

1. Unless the Municipalities can agree on a value, the value of District assets which either Municipality believes to be worth more than \$5,000 shall be determined by three disinterested appraisers active in appraising the type of asset being appraised. The withdrawing Municipality and the District shall each select one appraiser, and the two appraisers so selected shall select a third appraiser. None of the appraisers may own property within the District.
2. If an asset is appraised under this section, the appraisers shall determine the fair market value of the asset by majority vote of said appraisers. Notice of the appraisers' decision shall be given in writing to the District Secretary. Within ninety (90) days thereafter, the transfer of the withdrawing Municipality's interest shall be executed and the withdrawing municipality shall convey its interest in said asset by good and sufficient means. If the asset is real property, the withdrawing municipality shall convey its interest to the remaining municipality by warranty deed, free and clear of all encumbrances.
3. All costs in connection with the purchase of assets by the remaining Municipality from the withdrawing Municipality, including the fees of the appraisers and the remaining municipality's legal fees and closing costs, shall be paid by both of the Municipalities in proportion to their then-current proportionate shares of operating costs of the District under Section 5.E.

SECTION 8: INSURANCE

- A. The Town will obtain insurance coverage for the District of types and in amounts customarily utilized by fire districts. The Cost of District insurance shall be shared by the Municipalities in the same proportions as other District Expenses.

SECTION 9: MISCELLANEOUS PROVISIONS

- A. Amendments. The Commission and the Municipalities may, from time to time, propose amendments to this Agreement. Any amendments approved by the Commission must be approved by each of the Municipalities. It is understood and agreed that this Agreement shall be reviewed by the Municipalities every five (5) years from date of ratification and amended as necessary.
- B. Non-Integration. This Agreement supersedes any and all agreements previously made between the parties relating to the subject matter of this Agreement. All previous agreements are hereby rescinded and repealed.
- C. Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the law of the State of Wisconsin.
- D. Headings. Headings used in this Agreement are for convenience only and shall not constitute a part of this Agreement.
- E. Severability. If any provision of this Agreement shall be deemed invalid or inoperative, this Agreement shall be construed with the invalid or inoperative provision deleted, and the rights and obligations construed and enforced accordingly.
- F. Notice. Notices shall be deemed delivered as of the date of postmark or the date of sending by electronic mail. Any notices required shall be sent to the following:

Town of Cottage Grove:

Town Clerk
4058 County Road N
Cottage Grove, Wisconsin 53527
clerk@towncg.net

Village of Cottage Grove:

Village Clerk
221 E Cottage Grove Road
Cottage Grove, WI 53527

(Signature page to follow)