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City of Hinckley
Meeting with Townships for Fire Contracts – February 27, 2025

Members present: Mayor Don Zeman.

Staff present: City Administrator Leah Jackson, Fire Chief Elliot Golly, and Assistant Fire Chief Greg Pardun.

Others present: Grayling Wachsmuth, Hinckley Township; Justin Hanson, Hinckley Township; John Moffat, Hinckley Township; Ed Hattenberger, Barry Township; Sue Dutcher, Barry Township; Kim Crow, Barry Township; Al Moon, Barry Township; Richard Prenovost, Barry Township; and Mark Currie, Crosby Township.

Preliminary 2026 Fire Department Budget

Staff presented the 2026 preliminary budget as presented to the City Council at their February meeting. This includes maintaining the expected fire call income at \$37,000 for 2026 and increasing the total expenses from \$227,692 in 2025 to \$234,374 in 2026. This is a 2.93% increase in expenses, essentially just covering inflation for the regular expenses of the department. Jackson wanted the townships to know the Fire Department budget only contributes \$9,000/yr toward paying the Public Safety Building while also covering the utilities and maintenance costs. The rest of the debt service payment for the building comes directly from the City's levy.

One township member asked if the City has a vehicle replacement schedule. Jackson stated that they do, and there will need to be more money put into this fund in the future to keep up with the department's needs.

2025 Fire Department Fire Contract Formula Numbers

Staff presented the 2026 fire contract formula numbers as presented to the Council at their February meeting. These numbers comprise expenses less than the expected fire call fees to be received. This number is split proportionately among the entities covered based on a composite percentage of valuation and population. For 2026, these are: City of Hinckley \$63,320, Grand Casino \$20,609, Arlone Township \$12,954, Barry Township \$25,668, Clover Township \$17,004, Crosby Township \$5,163, Hinckley Township \$27,034, Mission Creek Township \$10,559, Munch Township \$6,607, and Pomroy Township \$7,455. Jackson noted that the expense increase was 2.93%, with the majority of the increase in the individual contract amounts being attributable to the loss of Kroschel Township. The City covered the loss of Kroschel Township for 2025, but going forward, this has been distributed across the formula members.

A township member asked if we knew what would happen if a township doesn't contract with a City. Jackson responded that the City's Fire Department would be unable to respond to any calls in that township because their insurance will not cover work in a non-contract area. The Township also would not be covered by any mutual aid from others in the area as those agreements go through the City's Fire Department. This would also affect the residents' ISO rating and insurance rates.

Staff presented the City is looking into entering into three-year contracts, with the next two years being a 3% increase, if the townships would be interested. To do this, all townships would have to participate. One of the advantages would be a known amount for the years of the contract. It is a rush to get the financial information in time to have it to the Townships before their annual meeting. One disadvantage would be that at the end of the contract period, depending on the change in value and population among the participating townships, there could be a more significant swing into the next contract period. There may be some clause stating that if an uncontrollable expense increases over a certain percentage, like 6-10%, the City may reopen the contracts on the next fiscal year. One township asked if we would need to know this now. Jackson replied that we can look into it more as long as we know when they send back the contracts.

Don Zeman, Mayor

ATTEST:

Leaha Jackson, City Administrator