

First Amendment – Exhibit D
Orono / Long Lake New Fire Services Term Sheet

Orono / Long Lake
New Fire Service Contract
Term Sheet
April 9, 2025

1. Objective.

- a. Consolidation of the two current departments into one new department to provide exceptional service to the current service area while utilizing the assets of each member community through a joint effort.
- b. Establish a Joint Powers Agreement (JPA) between Long Lake and Orono. Other stakeholders (e.g. Medina or Minnetonka Beach) may join the JPA or receive fire protection through a service agreement.
- c. Explore the option of establishment of a fire district with taxing authority, but the establishment of a JPA would not be contingent upon or delayed by the establishment of a fire district.

2. Term of Contract.

- a. JPA (or fire district, if agreed upon) would be effective no later than the termination date of the existing contract, as amended by the First Amendment.
- b. Term is TBD, but no shorter than 5 years, unless the parties agree to form a fire district, with automatic renewals of 3 or 5 years.
- c. Each party shall have the right to withdraw from the JPA or fire district upon the provision of adequate notice to other parties. The notice period is TBD and dependent upon the determined terms but shall not be less than 2 years unless all parties agree to a shorter term.

3. Governing Body / Decision Making.

- a. Establish a board to oversee the department.
- b. Make-up of the board - Voting members appointed by cities, with Orono to have no less than 50% of the members until such time as Orono is paying less than 50% of the cost. The parties agree that an even-numbered board could be used. If Orono's portion of the costs were to drop below 50%, Orono is amenable to a one vote per city approach. Each city's administrator would be an ex-officio/non-voting member of the board.
- c. The cities will research and determine the appropriate representation of the board by evaluating examples of other JPA's/fire districts in Minnesota and what has worked well and not worked well.
- d. Board Powers - Staffing, budgeting, capital planning, procurement, organizational structure changes, review department performance, and entry into mutual aid agreements.
- e. Budget and Service Levels – Unless a taxable fire district is established, cities to retain approval of their portion of budget and capital plan contribution amount. The establishment of and any amendment to a capital improvement plan (CIP), an annual operating budget, and levels of service shall be the responsibility of the board. The board shall submit an annual Capital contribution amount, annual operating budget, and any amendments thereto as well as any amendment to the levels of service to each member city. Each member city must approve the Capital contribution amount, annual operating budget, and/or change in level of service by City Council action. A vote to approve the Capital contribution amount, annual operating budget, and/or level of service or any amendments thereto shall be binding upon the member city. If any member city does not approve the board's recommended Capital contribution amount, annual operating budget, and/or level of service or any amendments thereto, then the member

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cities shall expediently convene a meeting to consider and resolve the matter. Until such resolution is achieved, the most recently approved Capital contribution amount, annual operating budget, and/or service level shall be utilized by the board.

4. Operational Model.

- a. New department to include full-time, part-time and paid on call personnel to include duty crew and duty officer structures.
- b. New department to provide and JPA to outline full spectrum of fire services. (e.g., firefighting, rescue, emergency medical, fire code enforcement and review, Hazmat response, disaster response, fire prevention, etc.).
- c. JPA to outline levels of service to be provided to ensure the department meets NFPA guidelines and OSHA requirements along with state and local ordinances and best practices.

5. Administration.

- a. Governing board will determine the appropriate resources needed to provide administrative and operational support, including finance, human resources, fleet and facilities.
- b. Orono and Long Lake agree to cooperate with one another and the current relief associations on facilitating a Relief Association for the department's POC members. Recommend the formation of a subgroup to work on options for this issue.
- c. The Orono and Long Lake City Administrators will collaborate to determine the appropriate method for filing for Fire State Aid disbursements with the goal of preventing any disbursements for the fire service area from being lost
- d. If received, Orono will agree to provide an amount of funding equal to 2025 Fire State Aid for the Orono Relief Association to the new combined Relief association special pension fund.

6. Cost Sharing Model.

- a. Operating and capital funds to be established to support the department.
- b. Operating budget to be approved annually by the board.
- c. Capital Improvement Plan to be approved annually by the board.
- d. Contribution to the Capital fund to be approved annually by the board.
- e. JPA operating and capital costs to be distributed using a 1/3 call volume, 1/3 property value, and 1/3 population formula.

7. Capital.

- a. Upon the parties' establishment of a JPA:
 1. Current ownership of vehicles and equipment to stay as is, subject to any changes mutually agreed-upon by the parties.
 2. Revenues from disposal of excess equipment to be added to the Department capital fund.
 3. Facilities will not be owned by the department but will be leased to the department by the owner(s).

8. Settlement of Legal Claims

- a. The negotiating teams have agreed to a preliminary framework to settle all legal actions brought by Long Lake vs. Orono.
- b. A formal settlement agreement to be subject to approval and execution by the respective councils prior to or concurrent with the approval and execution of a JPA.

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9. Department Name.

- a. A new name will be needed for the new department. A task force will be established to choose.

10. Process.

- a. Respective negotiating teams agree to broad terms and establish milestones for obtaining an agreement.
- b. City Staff (administrator and attorneys) tasked to work out details of JPA.
- c. A task force(s) of existing firefighters and potentially community members will be established to provide input on process and key aspects of new department functions, including:
 - Department name
 - Input on equipment to retain
 - Relief association issues