

SHARED SERVICES STUDY

Cities of St. Francis and Bethel, Minnesota

Final

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Administrator Thunstrom,

I am pleased to present the attached shared services study for the St. Francis and Bethel Fire Departments. This comprehensive analysis was undertaken with the goal of identifying opportunities for collaboration that can enhance the efficiency and effectiveness of both departments while meeting the evolving needs of the communities.

The study thoroughly examines various aspects of both fire departments, including community demographics, existing collaborations, staffing levels, budgets, capital assets, and calls for service. It provides a detailed analysis based on national standards such as NFPA 1720, NFPA 1710, Insurance Services Office (ISO) Public Protection Classification (PPC) requirements and industry best practices.

Key highlights of the study include:

- Community Information: Demographics and other unique attributes of each community'
- Meetings with Stakeholders: Met with stakeholders in both communities which included City Staff, Elected Officials and Firefighters.
- Past and Current Collaboration: History and status of current services agreement.
- Daily Staffing: Analysis of current daily staffing and recommendations for future needs.
- Calls for Service and Response Times: Analysis of calls for service, related response times and comparison with national standards/best practices.
- Capital Assets: Evaluation of facilities and equipment, with a focus on optimizing joint use and maintenance. Confirmation of current Capital plan and recommendations based on national standards and best practices.
- Insurance Services Offices Public Protection Classification (ISO PPC): Analysis and meaning of ISO PPC rating.
- Funding Formula Options: Many options for elected officials to choose the correct funding formula for the community.
- Fire Taxing District information.

- Joint Powers Agreement Considerations: Information to ensure any JPA meets specific requirements.

This study provides valuable insights into how both communities can work together to improve service delivery, increase cost effectiveness, and enhance overall community safety. The proposed recommendations are created to be actionable and tailored to the specific needs and capabilities of both St. Francis and Bethel.

I encourage you to review the enclosed report and consider the potential benefits of the proposed shared services. I look forward to discussing the findings and exploring the next steps for implementation with you.

Sincerely,



Charles V. Smith IV
Chief Executive Officer
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I. EXECUTIVE SUMMARY

This study explores potential shared services between the St. Francis and Bethel Fire Departments to enhance efficiency, control costs, and improve service delivery, including consideration of expanding Advanced EMS services. By examining community demographics, current collaborations, staffing levels, budgets, capital assets, and future growth, the study provides recommendations based on National Standards and best practices. The analysis identifies opportunities for cost sharing, improved response times, enhanced EMS capabilities, and better resource utilization while maintaining or improving ISO PPC ratings. Additionally, consideration was given to designing a governance and fee structure which is scalable, providing for a streamlined process to add future members into a executed Joint Powers Agreement.

St. Francis, with 8,531 residents, and Bethel, with 475, have partnered to enhance resource sharing and service delivery despite fiscal disparities. Both departments face challenges such as budget constraints, staffing difficulties, and outdated equipment. St. Francis benefits from modern facilities, while Bethel requires significant investment to update its assets. Ensuring effective response while managing the community's fiscal limitations will be crucial to providing services for Bethel.

Response times and proper staffing are paramount to the successful response and mitigation of any emergency, with NFPA 1720 guidelines providing the benchmark for effective operations. St. Francis operates a volunteer-based model with daytime full-time staff, while Bethel significantly struggles with volunteer availability. Recommendations include adjusting administrative roles, hiring more full-time firefighters, and comprehensive data collection for planning.

Various funding formulas are identified to ensure equitable and sustainable funding, including those based on population, call volume, tax capacity and like combinations. The preferred funding formula is one agreed upon by all parties and simplifies the annual budget processes. In addition, information regarding formation of a Fire Taxing District is highlighted, describing various unique factors of such an agreement. Establishing a Joint Powers Agreement (JPA) with a robust legal framework, inclusive governance, and clear terms will ensure the collaboration is effective and legally sound.

II. COMMUNITY INFORMATION

St. Francis Community Overview

History

St. Francis, Minnesota, was established in the mid-19th century and was named after the original name of the Rum River, which flows through the area. The city has grown from a small rural community into a more suburban area over the years, maintaining its charm while adapting to modern needs.

Population

As of 2024, St. Francis has a population of approximately 8,531. With the city experiencing steady growth, increasing approximately 67.3% since 2000. The population density is around 365.9 people per square mile.

Geography

St. Francis is a City that spans two counties, Anoka and Isanti. The city covers an area of about 23.3 square miles, featuring a mix of residential areas, parks, and natural landscapes, making it a pleasant place to live.

Demographics

The racial composition of St. Francis is White (93.61%), with smaller percentages of residents identifying as two or more races (4.53%), Black or African American (1.26%), and other races. The median age is 34.4 years, with a balanced gender distribution. The City has a high rate of homeownership, with 86.3% of housing units being owner-occupied.

Community Growth

St. Francis has seen significant growth over the past few decades. The city has developed new housing, improved infrastructure, and expanded community services to accommodate its growing population. The city continues to attract new residents due to its blend of suburban living and access to natural amenities.

Income and Povertyⁱ

- Median household income in 2023 was \$101,900.
- Per capita household income in 2023 was \$38.
- Persons living below the poverty level in 2023 was 7.2%.

Bethel Community Overview

History

Bethel, Minnesota, is a small city located in Anoka County and has a rich history dating back to its establishment in the late 19th century. Originally a rural community, Bethel has maintained its small-town charm while gradually developing over the years.

Population

As of 2024, Bethel has a population of approximately 475, with the City seeing moderate growth, with an increase of about 8.4% since 2000. The population density is around 484.6 people per square mile.

Geography

Bethel covers an area of about 1.0 square mile. It is in a rural part of Anoka County, featuring a mix of residential areas and natural landscapes. The city's small size contributes to its close-knit community feel.

Demographics

The racial composition of Bethel is White (89.79%), with smaller percentages of residents identifying as two or more races (5.11%), Asian (3.83%), and other races. The median age is 41.4 years, with a balanced gender distribution. The city has a high rate of homeownership, with 85.7% of housing units being owner-occupied.

Community Growth

Bethel has grown steadily during the past few decades with the City attracting new residents due to its peaceful environment and strong sense of community. Despite its small size, Bethel offers a quality of life that appeals to families and individuals seeking a quieter lifestyle.

Income and Poverty

- Median household income in 2023 was \$102,500.
- Per capita household income in 2023 was \$39.
- Persons living below the poverty level in 2023 was 3.6%.

III. MEETINGS WITH STAKEHOLDERS

Background and Purpose

Meetings and Participants: During the late spring and summer of 2024, Triad Paradigm engaged in a series of discussions with various stakeholders in Bethel and St. Francis. These included elected officials, groups of firefighters, and city staff. The aim was to gather insights on the current agreement process, identify any challenges, and understand the progress so far. These meetings were crucial in shaping the future direction of the cooperative agreement.

Reason for Agreement: The primary reason for seeking a cooperative agreement was the critical shortage of firefighters in Bethel. At the time of the agreement, Bethel had only three firefighters, with no immediate prospects for increasing this

number. This shortage necessitated a partnership with St. Francis to ensure adequate Fire Protection and EMS services for the community.

Positive Attributes and Challenges

Positive Attributes: The meetings revealed many positive aspects of the current partnership. Participants appreciated the improved resource sharing, enhanced service delivery, and the stronger community ties that were forming. These benefits were crucial for the long-term success of any cooperative agreement.

Challenges: Despite the positives, there were significant challenges. One major concern was the potential loss of local control over the fire department, particularly for Bethel. Fiscal issues were another critical challenge, with questions about the current and future costs of the agreement and its impact on Bethel's smaller community.

Fiscal Issues

Disparity in Fiscal Capacity: A major concern is the economic disparity between St. Francis and Bethel. St. Francis, with its larger economy of scale, could more easily absorb fiscal changes, whereas Bethel's limited tax capacity made it vulnerable to significant financial shifts. This disparity needs careful consideration to ensure a fair and sustainable partnership.

Funding Formulas: To address these concerns, discussions focused on developing funding formulas that would be fair and sustainable for both communities. The goal was to balance cost-effectiveness with the need to provide high-quality fire and EMS services. Various funding models were considered to find the best fit for both communities.

Staffing and EMS Services

Future Staffing Needs: The future staffing model was a key topic of discussion. There was uncertainty about whether to continue with a volunteer model, transition to full-time staff, or adopt a hybrid approach. Each option had implications for service quality and fiscal sustainability with an emphasis on a flexible and scalable staffing model.

EMS Services: Another critical issue was the provision of EMS services. Given the long response times for advanced life support ambulances, there is need to explore whether the St. Francis Fire Department should offer advanced life support services directly. This could involve equipping fire engines with advanced life support capabilities or even providing transport services with the goal of improving response times and service quality.

Cultural Differences and Growth

Cultural Differences: The meetings also highlighted cultural differences between the two communities. Both Bethel and St. Francis have a rural mindset, but they are increasingly facing metro-type problems due to rapid growth. This growth brings new challenges and likely will require a shift in service delivery.

Understanding and addressing these cultural differences is identified as crucial for the success of the partnership.

Growth and Development: St. Francis has significant potential for growth, with plans for new multifamily and single-family homes. This growth will increase the demand for fire and EMS services and change the community's risk profile.

Planning for this growth is essential to ensure that services keep pace with the increasing population.

Reorganization and Future Fire District

Reorganization: Discussions also covered the potential reorganization of fire services and the creation of a future fire district. This would involve developing a scalable and adaptable model that other communities could join over time. The goal is to create a governance and cost sharing structure that will evolve with the needs of the communities.

Plug and Play Formula: The aim is to create a “plug and play” formula that would allow for seamless integration of new communities into the Joint Powers Agreement (JPA). This will enhance cooperative staffing and fiscal efficiency, making it easier for other communities to join and benefit from the partnership.

Fire Prevention and Inspections

Fire Prevention: Improving fire prevention services in Bethel is identified as a critical need. Currently, Bethel lacks regular fire inspections, which are essential for reducing fire risk and maintaining a safe community. Enhancing these services would be a key goal of the collaboration, ensuring that both communities could benefit from improved fire safety measures.

Bethel's Challenges

Budget Constraints: Bethel faces significant budget constraints, with the fire department's budget remaining status quo for many years. There is an operational budget but no long-term annual capital funding, limiting the department's ability to invest in new equipment and infrastructure. Addressing these budget constraints is crucial for the long-term sustainability of the fire department.

Upcoming Developments: Bethel is also anticipating new developments, such as a dispensary, which are predicted to increase the demand for fire department services. Additionally, legacy costs, such as those associated with the sewage treatment plant, pose financial challenges. Planning for these developments and managing the associated costs was essential.

City Hall: The city is planning to build a new City Hall, as the current one operates out of a church. This project requires careful financial planning and coordination to ensure it meets the community's needs.

City Council Relationship: Maintaining a positive relationship with the City Council is crucial for the fire department, ensuring continued support and collaboration. This relationship is seen as key to navigating the challenges and opportunities ahead.

Income Levels: Bethel city staff identified that Bethel is one of only two low to moderate-income communities in Anoka County. This economic reality adds another layer of complexity to the fiscal challenges, as the community has limited resources to address issues. Ensuring that the partnership could accommodate these economic constraints is essential.

Community Development in St. Francis

Expansion: St. Francis is undergoing significant expansion, with major projects such as 110 residential units including memory care and critical care, expected to be operational by 2025. Other residential projects include a 384-unit apartment building and a 100-unit building across from the fire station. Planning for this expansion is crucial to ensure that services keep pace with the growing population.

Scenic Development: Balancing development with the need to preserve the scenic nature of St. Francis is a priority. Approximately one-third of the city consists of water bodies, such as rivers, creeks, and ponds, which add to the community's charm and require careful planning to maintain. Ensuring that development proceeds without compromising the natural beauty of the area is seen as essential.

Firefighter Insights

St. Francis Firefighters: When meeting with the St. Francis firefighters, they highlighted several strengths, including strong leadership, a great relationship with Bethel, open communication, new equipment, and excellent training. They also noted a good working relationship with the police department. However, they

identified weaknesses such as resistance to change, staffing, recruiting challenges, and the limitations of the Bethel Fire Station.

Bethel Firefighters: Bethel firefighters also praised leadership and noted the current relationship has made their department more professional. They appreciated the decentralized authority, allowing company officers to make decisions, and the benefits of closest unit dispatch. However, they identified threats such as response times, territorial attitudes among fire departments, language barriers, and the challenges of recruiting and retaining volunteer firefighters.

IV. PAST AND CURRENT COLLABORATIONS

Previous/Existing Mutual/Automatic Aid Agreements

Overview: The cities of St. Francis and Bethel have long been collaborative in mutual and automatic mutual aid agreements, that mutually benefiting each community. This past relationship has led to the current situation where there is significant consideration for a formal, long-term agreement for sharing services. This would occur in a mutually agreed upon and contractual relationship, combining assets and overall organizational responsibility.

Effectiveness: The St. Francis and Bethel Fire Department collaborate well and provided effective mutual/automatic aid response to each other's communities, mostly for large incidents such as structure fires. Other than emergency response, the Fire Departments collaborated little, until recently, when the current Administrative and Management Services contract was executed.

Current Contract for Administrative and Management Services

Successful Collaboration: The previous collaboration with mutual responses, however limited, was the successful link to the establishment and execution of the current contract for Fire Management and Administrative Services. The City of Bethel recognized, along with the personnel of the Fire Department, they were no longer able to recruit and retain firefighters. This resulted in a staffing level low enough where there may be no response to emergencies. The current collaboration genesis was years ago, primarily starting with a concern for the future of emergency response for the City of Bethel.

The predicament the Bethel Fire Department found themselves in is not an isolated event confined only to Bethel, rather, it is indicative of the situation many fire departments around the State of Minnesota are facing today. If current trend continues, significant shortages of staff will continue to worsen statewide. Collaboration is the key to providing fire department services to areas that are

having difficulty staffing fire departments at all, let alone properly. The City of Bethel's leadership should be commended for identifying the staffing issue and taking difficult steps to ensure critical emergency services continue to be provided to stakeholders.

Early in the relationship, significant obstacles to effective collaboration were identified. These obstacles not only may affect a long-term relationship but also prevent the formation of an effective Joint Powers Agreement altogether. The overwhelming feedback received about the current relationship is extremely positive. The project is mutually beneficial, needed and supported by ALL stakeholders. Based on information from various stakeholder meetings, the collaboration has been successful and is ready for the next step, making the relationship permanent through the execution of a Joint Powers Agreement. While there was significant positive feedback, identification of significant issues was evident.

The top four issues/obstacles needing to be addressed are:

- **Fiscal.** How much will it cost? Will it be cost prohibitive? What will the cost share be?
- **Administrative Control.** If a JPA is executed, who will be the decision maker(s)? Will Bethel retain input into the direction and operation of the Fire Department?
- **Scalable.** Can a JPA be scalable with the streamlined ability to add future members?
- **Staffing.** What will the staffing model be like in the future? Recruitment? Retention? Daytime staffing?

The current collaboration is governed by a three-year contract for Fire Management and Administrative Services, providing the following with a fee for service format to the City of Bethel:

- Management services
- Training management and coordination
- Data collection, compilation, and analysis
- Code enforcement
- Policy development
- Policy implementation
- Policy enforcement
- Personnel Development, management, recruitment, retention
- Asset Management – inventory, maintenance
- Capital Equipment – inventory, maintenance, and planning

- Organizational Strategic Planning
- Emergency Management
- Operations and Maintenance efficiencies
- Staffing increase and responsiveness increase
- Perform Payroll Services, payables
- Overall Department Financial Management Recommendations and Review
- Human Resources consulting and policy, recommendations, implementation
- Investigations, complaint review, disciplinary recommendations, etc.

Under this contract, the leadership and administrative tasks for the Bethel Fire Department are being performed by the St. Francis Fire Department. The current collaboration was born of staffing difficulties for the City of Bethel Fire Department, which had been occurring for years prior to the current service agreement. The City of Bethel's Elected Officials and Bethel Fire Department leadership should be applauded for their efforts identify a critical issue, create solutions and make difficult decisions to mitigate them. This process is to ensure the community has effective emergency response available 24 hours a day, 365 days a year.

After realization and identification of the issues at hand, one of the options left for the City of Bethel was continuing to staff a fire department of their own (not feasible in the current environment) or engage in what is now the collaboration with the City of St. Francis Fire Department. The Fire Management and Administrative Services contract has effectively combined the two fire departments into one under the organizational umbrella of the St. Francis Fire Department. The economy of scale the St. Francis Fire Department possesses, allows for the collaboration to be feasible and highly successful.

V. **STAFFING MODEL**

Staffing the Fire Service, especially in Minnesota, has become incredibly challenging over the last decade for both volunteer and career departments. This is due to many external and internal organizational factors including generational and demographic changes, lack of long-term fiscal investment and time requirements, which have created significant difficulty in recruiting and retaining qualified firefighters. In fact, recent surveys indicate spending on Fire Departments in Minnesota ranks 48 out of 50 in the United States. The St. Francis and Bethel Fire Departments suffer from these recruiting and retention woes as well.

The most prevalent staffing model in Minnesota includes volunteers who respond at night, on weekends and during the weekday; the model St. Francis and Bethel currently rely on. In addition to the volunteer firefighters, St. Francis can deploy two full-time and one part-time staff during the weekdays: the Fire Chief, an Administrative Captain, and a Captain/Fire Inspector. These positions often have administrative duties, meetings, and out-of-town events which can delay and/or prohibit their expedient response to emergencies. Conversely, dedication to daily responses would restrict their ability to attend meetings, events and other necessary duties related to the management and administration of the Fire Department.

Proper staffing is critical for effective operations and service delivery to the community. The current structure provides adequate service but can become ineffective due to numerous factors. As the communities change and grow, it will be important to scale the chain of command and improve daily staffing to ensure effective emergency response. In the short term, significant consideration should be given to changing the Administrative Captain position to an Assistant Chief or Deputy Chief rank. This change would improve the span of control, preparing for future growth and improving the chain of command. With this change, the Fire Chief would be able to focus more on administrative duties and less on operational matters. The Assistant Chief could manage/lead operations of the two fire stations, with Captains reporting directly to them. Additionally, when collaborating with other agencies, the rank of Assistant/Deputy Chief holds more inferred authority when making collaborative decisions.

Consideration should also be given to making the Captain/Inspector position a full-time position. With the position already budgeted for 16 hours a week, additional hours can be provided by adding duties to the position such as plan reviews, sprinkler system inspections, vacant property inspections as well as Community Risk Reduction public events and fire prevention education. This position would be the third, full-time day position able to respond to emergencies during the weekday, the time of day which is usually the least availability for volunteer/paid-on-call responders.

As the communities evolve, there is also a need for the Fire Department to grow to meet increased risk and calls for service. The cities will need to collaboratively determine the desired deployment model, whether it remains a combination of full-time staff and volunteers or is modified to a different model.

Statistically, one career firefighter is equivalent to 3-5 volunteer/paid-on-call firefighters. With a shift to additional career/full-time staff, the cities of St. Francis/Bethel will ensure consistent service delivery 24 hours a day and 365 days a year and a lower overall response time. Proper staffing with lower response times can significantly reduce fire loss in a community and contribute to more rapid and effective emergency medical care.

One of the popular staffing models with fire departments transitioning in the Metro is to combine two full-time personnel with volunteer/paid-on-call personnel. This staffing model is a duty crew type staffing model on a single piece of apparatus. A good example of this positive and effective transition is the Savage Fire Department. After a critical call for service and no response within the current deployment model, the Fire Chief and elected officials made changes in the operational deployment model of the Fire Department. This was to ensure prompt response to all emergencies regardless of the time or day of the week. Staffing a duty crew with a minimum of two full-time personnel (working 24-hour shifts) per day, augmented by volunteer/paid on call personnel, would be highly effective for the entire Fire District.

Recommendation #1: Consider modifying the job description/pay of Administrative Captain to the Assistant/Deputy Chief level of duties and responsibilities and pay.

Recommendation #2: Consider moving the Captain/Fire Inspector position to full-time, 40-hour week schedule to augment full-time, weekday response. Additional revenue generating options may be available for this position by charging for vacant building inspections/licensing, conducting plan reviews (contract reviews no longer necessary) and other duties.

Recommendation #3: Consider the hiring of additional full-time firefighters (working 24-hour shifts) augmented by the volunteer/paid-on-call staff in a full-time/duty crew staffing model. This will ensure minimum staffing 24 hours a day, 365 days a year.

VI. RESPONSE TIMES AND STAFFING ANALYSIS

National Fire Protection Association (NFPA) 1720 Standard

The primary mission of a fire department is to respond to calls for service, regardless of the deployment model, community risk, or demographics. The goal is to balance effective and efficient emergency response. The NFPA 1720 standard provides guidelines for response times and staffing levels to ensure fire departments can meet the needs of their communities. When setting organizational performance benchmarks, 100% compliance with NFPA response

standards may prove to be exceedingly difficult to achieve. Therefore, the 80% benchmark is provided as a more realistic goal and industry best practice.

Response Times and Staffing

NFPA 1720 is the guiding document for response times and proper staffing when responding to structural fire incidents for non-career fire departments. In addition, like most fire departments, most emergency responses for St. Francis and Bethel Fire Departments are for Emergency Medical Services. However, NFPA 1720 (2020) does not specify response times for EMS, focusing instead on fire-related incidents. Response times for EMS calls are explained later in this document.

Table 4.3.2 Staffing and Response times from NFPA 1720 identifies minimum staffing and response times to specific demand zones within a community. St. Francis and Bethel are a combination of Suburban and Rural which have differing resource requirements.

Table 4.3.2 Staffing and Response Time

Demand Zone ^a	Demographics	Minimum Staff to Respond ^b	Response Time (minutes) ^c	Meets Objective (%)
Urban area	>1000 people/mi ² (2.6 km ²)	15	9	90
Suburban area	500–1000 people/mi ² (2.6 km ²)	10	10	80
Rural area	<500 people/mi ² (2.6 km ²)	6	14	80
Remote area	Travel distance ≥ 8 mi (12.87 km)	4	Directly dependent on travel distance	90
Special risks	Determined by AHJ	Determined by AHJ based on risk	Determined by AHJ	90

^aA jurisdiction can have more than one demand zone.

^bMinimum staffing includes members responding from the AHJ's department and automatic aid

^cResponse time begins upon completion of the dispatch notification and ends at the time interval shown in the table.

Planning Areas (Demand Zone) in St. Francis

Suburban: Defined as an area with a population density of 500-1000 people per square mile. These areas are primarily the commercial and residential areas within the Highway 47 corridor. Structural fires in this areas require a minimum staffing of ten (10) firefighters, with a response time of 10 minutes. Suburban areas typically have a mix of residential and commercial properties, necessitating a balanced approach to staffing and response times.

Rural: Defined as areas with less than five hundred people per square mile. Rural areas, which make up a sizable portion of St. Francis, require a minimum staffing of six firefighters, with a response time of 14 minutes, 80% of the time. The lower population density and larger geographic area of rural zones present unique challenges for fire response which can include long driveways, advanced fire propagation, and lack of a pressurized water supply (hydrants).

Staffing Model

St. Francis and Bethel Fire Departments operate on a volunteer staffing model. Volunteers respond from home, which can create longer response times compared to fire departments who have staffed fire stations. This model relies most heavily on the availability and proximity of volunteers to the fire station.

Daytime responses are often covered by full-time administrative staff, such as the Fire Chief, Captain, and inspection personnel. This approach addresses the common issue of volunteer availability during daytime hours when many volunteers are working at their full-time employment.

Many fire departments in the Metro are already operating within or transitioning to a Duty Crew deployment model. This model has fire stations staffed with volunteers and/or paid on-call personnel for specific shifts, typically 8 to 10 hours, but shifts may also be 12 hours or more. This model ensures that there is a minimum level of staffing immediately available to respond to emergencies. The Duty Crew model can often reduce overall response times 2-3 minutes as compared to a strict volunteer deployment model. In addition, it may allow volunteer firefighters the ability to schedule their required shifts, reducing the negative impact on family and personal life by making the time commitment more defined and manageable.

Response Time Components

Overall response time includes several components. NFPA Standards recommend a maximum of:

- 1 minute for call processing at dispatch
- 1 minute for turnout time (the time it takes for firefighters to get ready and leave the station)
- 7 minutes for travel time to the incident location.
- These components together provide a total system response time of 9 minutes.

Volunteer/Paid-on-Call deployment models can have longer response times due to the time taken for those firefighters to reach the fire station from their homes or places of

employment. This can add 2 to 3 minutes to the overall response time, depending on where the firefighters reside within the community.

New Fire Station

The location of the new fire station in St. Francis contributes to maintaining low response times in the most densely populated areas of the community. Located centrally within the city, the new station will provide quick access to high-risk and high-density areas along the Highway 47 corridor along with acceptable response times to rural areas. The design and location of the new station is crucial for optimizing response times and ensuring that firefighters can reach emergencies promptly.

EMS Response

St. Francis provides Emergency Medical Service response at the Basic Life Support (BLS) level with personnel equipped with Automatic External Defibrillators (AEDs), other lifesaving interventions, and additional equipment. While NFPA 1720 does not specify EMS response times, NFPA 1710 provides guidelines that can be utilized as a performance benchmark. These response times are based on the time it takes for biological death to start occurring in a patient who has no heartbeat and is not breathing, typically 6 minutes.

According to NFPA 1710, EMS response times should be 240 seconds (4 minutes) or less for a unit with a first responder equipped with an AED or higher-level capability. This standard ensures that critical medical interventions can be provided quickly. While it is difficult to provide this level of service with the current deployment model, consideration should be given to EMS response times, especially with EMS calls for service constituting 74% of annual calls for service. Additionally, longer than normal arrival times for Advanced Life Support (ALS) ambulances in the Fire District warrant further study into the SFFD providing ALS services of its own, primarily ALS equipped engines or rescues.

Staffing and Response Times

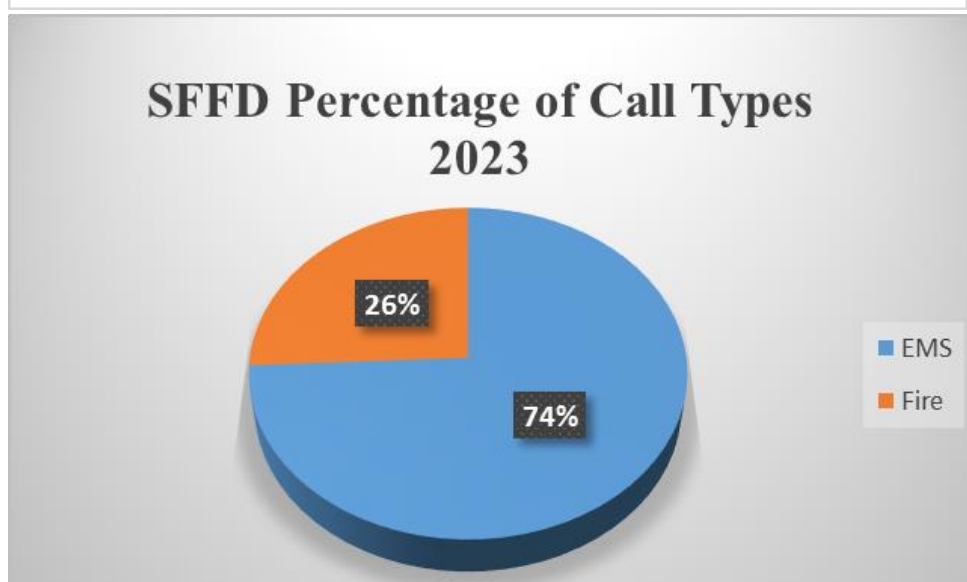
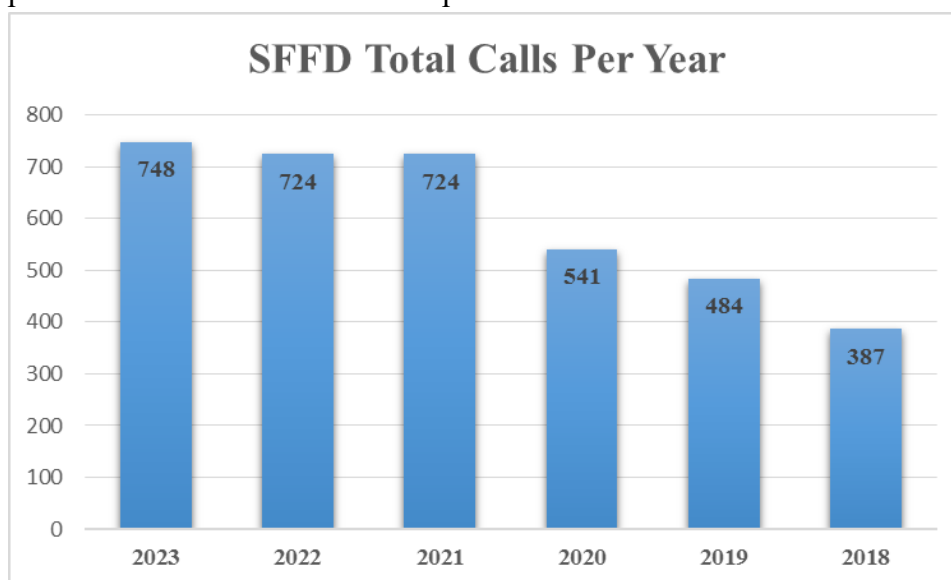
Proper and safe staffing is crucial for effective operations. Expedient response times with low staffing are less effective than longer response times with proper staffing. For example, two firefighters arriving quickly at a fire scene cannot complete all initial critical fire ground tasks, where as an apparatus arriving with four firefighters can. In addition, four firefighters comply with the OSHA 29 CFR 1910.134(g)(4)(i) (two-in-two-out) requirement that four equipped and trained firefighters shall be on scene before interior firefighting operations can commence.

NFPA 1720 specifies minimum staffing levels to ensure that fire departments can effectively and safely manage structural fire incidents. These staffing levels are designed to provide a balance between response time and operational effectiveness.

VII. CALLS FOR SERVICE

St. Francis Call Volume and Types

Annual Call Volume: In 2023, the total call volume for the City of St. Francis Fire Department was 748, which is a 93% increase over 2018's total of 387. The average annual increase in total calls is 15% with a peak increase in 2021 of 34% over 2020. In a 2020 U.S. Fire Administrationⁱⁱ survey of National Fire Incident Reporting System (NFIRS) data, Midwestern fire departments' average breakdown of annual calls for service was 67.2% EMS and 32.8% Fire. The annual SFFD percentage breakdown of call types puts it within a few percentage points of most Midwestern fire departments.



EMS Calls: In 2023, the total EMS calls for service were 557, which is an 119% increase from 2018's volume of 254 and was 74% of total calls for 2023. The top five EMS call types in 2023 were:

1. Breathing Problems
2. Lift Assist
3. Fall
4. Chest Pain/Cardiac
5. Pain

The top 5 EMS call types are consistent from 2018 to 2023 with Breathing Problems as the top EMS calls for service every year.

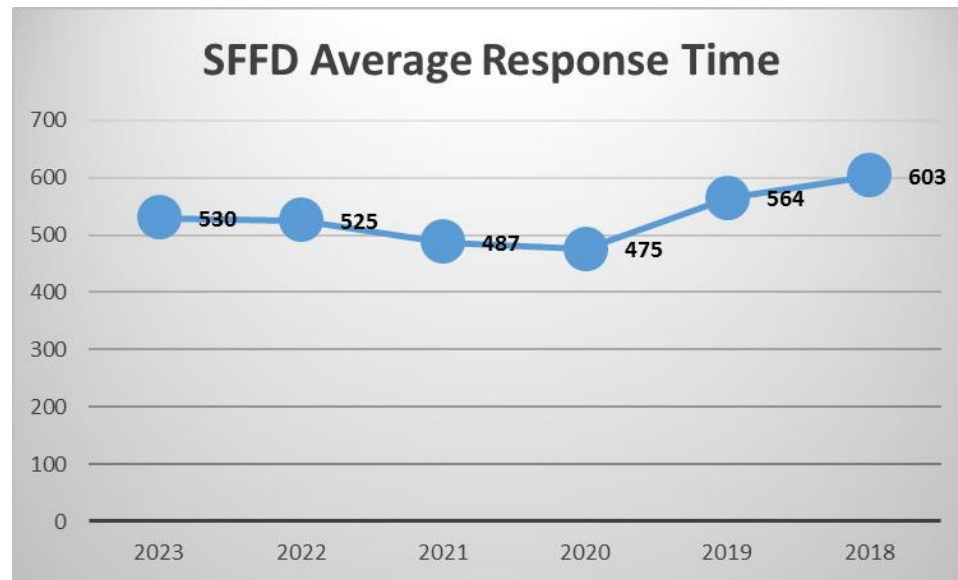
Fire Calls: In 2023, the total fire calls for service were 193, which is a 45% increase from 2018 and includes response to 12 building fires. The fire call statistics encompass all calls not EMS related such as building fires, vehicle fires, grass fires, false alarms, good intent and service calls.



Response Times: Response times reflect an organization's ability to deploy needed resources as rapidly as possible to mitigate an emergency. National standards (NFPA 1720 and 1710) provide benchmarks for this performance. This data is from the time of dispatch to arrival of the first unit on scene. Response times are critical to confining fires to the smallest area possible and providing lifesaving care.

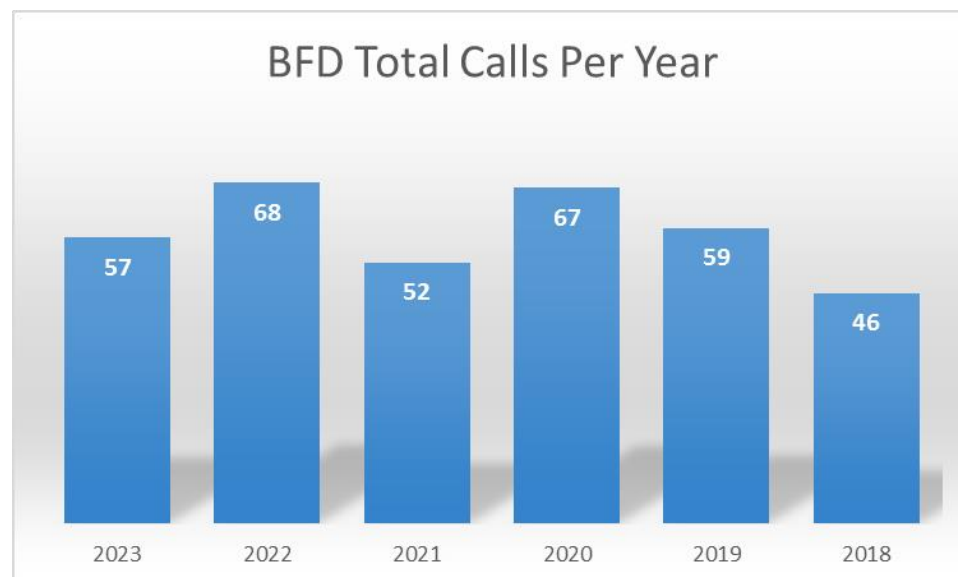
For the SFFD data provided, response time is considered the time it takes from dispatch for the first unit to arrive. For fires, NFPA 1720 recommends 600

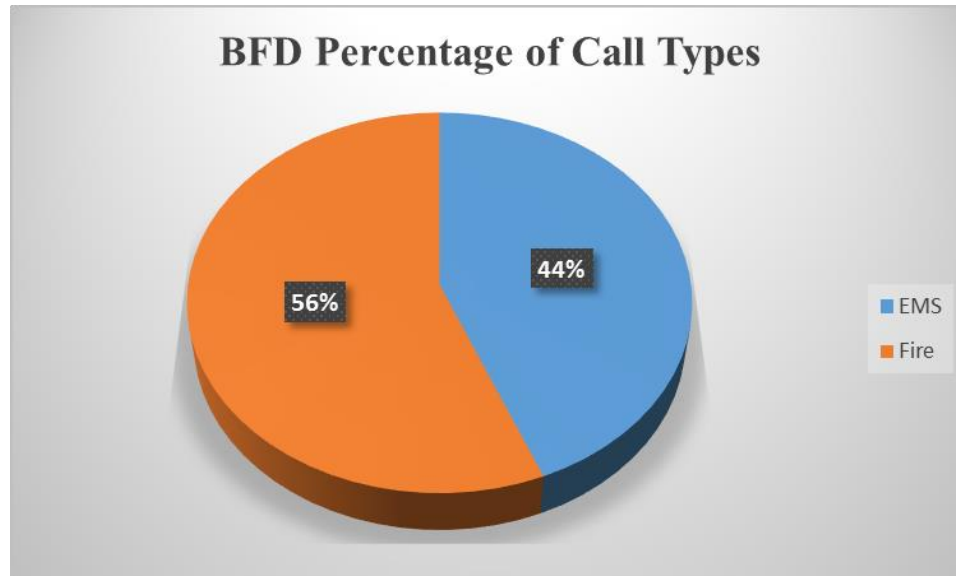
seconds for the total response time, 80% of the time. The data did not allow for a further breakdown of response performance, however, the SFFD average is quicker than the NFPA 1720 recommendation well over 50% of the time. Average response time for all calls within the SFFD response area in 2023 was 530 seconds or 8 minutes and 50 seconds. Of significant note is as SFFD's calls for service have increased; their response time has decreased.



Bethel Call Volume and Types

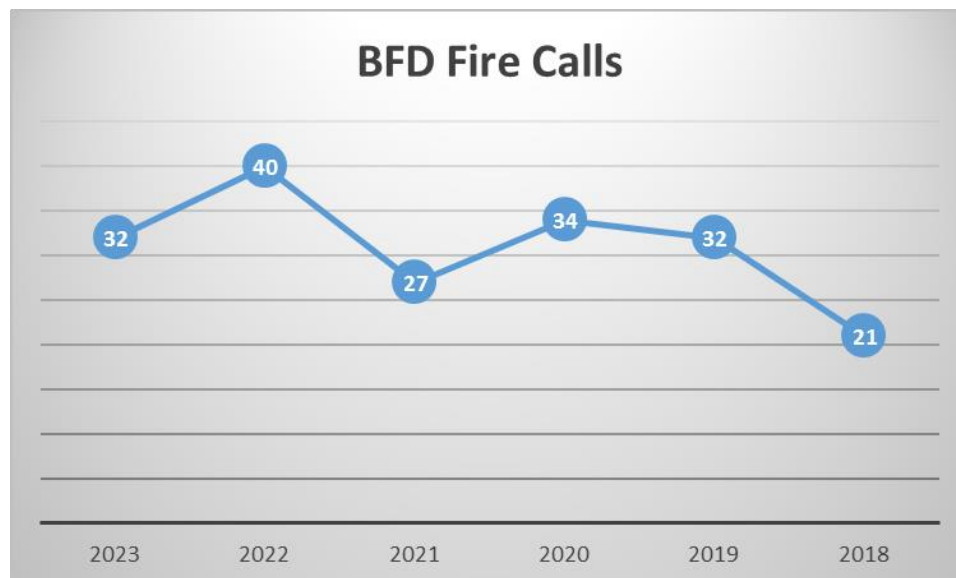
Annual Call Volume: In 2023, the total call volume for the City of Bethel Fire Department was 57, which is a 24% increase over 2018's total of 46. The average annual increase in total calls is 7% with a peak increase in 2022 of 31% over 2021.





EMS Calls: In 2023, the total EMS calls for service were 25, which is an 0% increase from 2018's volume of 25 and was 44% of total calls for 2023. The top two EMS call types were Assist EMS Crew and Motor Vehicle Accident.

Fire Calls: In 2023, the total fire calls for service were 32, which is a 52% increase from 2018 and includes response to 4 building fires. The fire call statistics encompass all calls not EMS related such as building fires, vehicle fires, grass fires, false alarms, good intent, and service calls.



Response Times: No data was available for Bethel Fire Department response times.

Recommendations

Recommendation #1: To provide better data on fire department performance to be used in planning and reporting, ensure all applicable response data is captured annually including response times, call types, property lost, property saved, staff per call, etc.

VIII. CAPITAL ASSET ANALYSIS

Both fire departments share several capital assets that can be captured within a mutually beneficial Joint Powers Agreement. A common decision to be made when executing a Joint Powers Agreement is how to value capital assets of the fire department that is merging into the larger fire department. In the current climate of the Shared Services discussion, St. Francis will benefit from the human and capital assets of Bethel and Bethel will benefit from the economy of scale St. Francis holds in fiscal capacity, staffing, work capability, administrative functions, etc.

Bethel has the older fire station and apparatus at St. Francis Station 2. The City of Bethel has done splendid work over the years on their asset inventory, especially in the acquisition of a 2008 engine, new SCBAs and new equipment for the engine. A joint value determination must be conducted prior to execution of a JPA and included in such an agreement. In addition, significant consideration will need to be given to how current assets will exist within a new relationship.

The City of Bethel's assets have value whether the agreement specifies a long-term lease of equipment, sale to the JPA, credit for future capital purchases, etc. Older, non-compliant apparatus and equipment taken out of active service and disposed of after a determination is made what assets the JPA will keep.

Major Fire Service equipment normally has a maximum service life identified in various NFPA standards. Some equipment current life spans:

- Apparatusⁱⁱⁱ– 25 years total. 15 years frontline
- Turnout gear including helmets^{iv} – 10 years
- Self-Contained Breathing Apparatus^v – Varies. SCBAs compliant with the 2007 edition of NFPA 1852 or newer editions. SCBAs must be upgraded to provisions contained in the newest standard. For grant writing purposes (FEMA Assistance to Firefighter Grants [AFG]), an SCBA older than 15 years is eligible for replacement.
- Self-Contained Breathing Apparatus Cylinders, Composite (NFPA 1852) - 15 years

Equipment that no longer meets NFPA recommended service life span should be retired and disposed of through a process determined by the owner, most often sale, donation or disposal.

CURRENT MAJOR CAPITAL ASSETS

City of St. Francis

The City of St. Francis Fire Department is in a very strong capital position, with a modern fleet of apparatus, equipment, and a new fire station.

Facilities: Fire station, 3750 Bridge Street NW, St. Francis. New building, constructed in 2025 and shared facility with City Hall.



Major Equipment Inventory:

- 1998 GMC Pumper/Tender
- 2002 Ford F-250 Rescue
- 2024 Ford Expedition Command Vehicle
- 2007 Ford F-350 Brush Truck
- 2022 EONE Typhoon Engine
- 2015 Rosenbauer Pumper/Tanker
- Polaris UTV



Condition Assessment: The City of St. Francis is in a strong capital position. With the construction of a new, modern fire station nearing completion, NFPA compliant fleet, disposal of retired (or soon to be retired) apparatus and equipment and a capital plan in place, the City of St. Francis is doing a fantastic job of upgrading fire department assets, ensuring firefighter safety and high-performance mission capability to the community and neighbors.

City of Bethel

Facilities: Fire Station, 139 Broadway Street NW, Bethel MN. The original building was constructed in 1970 and is a shared facility with Public Works. From a strategic planning standpoint, there is no national standard for fire station service life, however industry standards and best practices recommend a service life of 30-50 years. The City of Bethel has done a respectable job over the years, with limited fiscal capacity, to provide a Fire Station that serves the needs of their community.



While the Bethel Fire Station has faithfully served the community for over fifty years, modern firefighting needs/requirements have exceeded the design capacity of the current structure. Recently published NFPA research^{vi} indicates Fire Stations over the age of forty have significant deficiencies that are difficult to overcome. The difficulty with an older structure is the majority of issues will not be able to be mitigated with remodeling/repair. Some absent critical features that affect station life, firefighter safety/performance and mission capability are:

- Vehicle exhaust removal systems
- Separate facilities for female firefighters
- Backup power system
- Decontamination areas with laundry facilities
- Turnout gear storage areas separated from office/living areas
- Structural limiting factors for the size of modern fire apparatus (door and ceiling height/door width)

Often, a large factor in the calculation of homeowner's fire insurance premiums is the distance to the nearest fire station. Significant consideration should be given to the future disposition of Fire Station 2 and the effect of keeping it operational or removing it from the capital inventory. Elimination of the Station may negatively impact response times and insurance rates of property owners in the community the facility serves.

Major Equipment Inventory:

- 2008 Rosenbauer Engine
- 1992 Freightliner Tanker
- 2007 Ford F-350 brush truck



Condition Assessment: The City of Bethel Fire Department is in a marginal capital position. The City of Bethel Fire Department has newer SCBAs, 2008 Rosenbauer engine and firefighter PPE all within current NFPA recommended service life. However, the Fire Station and the 1992 pumper/tender are at, or have exceeded, their maximum service life and should be retired and/or replaced.

Replacement of these items has significant fiscal requirements. The 2007 brush truck is at or near the end of its service life. If chosen to remain as part of the active apparatus fleet, a plan for replacement should begin, if one is not already underway.

Recommendation 1: Determine a value for Bethel Fire Department assets and how that value plays into the future relationship. Determine future ownership methodology and asset transfer process if needed.

Recommendation 2: The Bethel fire station has strategic importance when providing emergency response compliant with National Standard response times to the City of Bethel and St. Francis. Conduct needs assessment to determine if the fire station would be of long-term value to the needs of the community and if so, develop a capital plan for major remodel/replacement.

Recommendation 3: Retire and dispose of all equipment exceeding NFPA recommended service life span.

Recommendation 4: Ensure a capital replacement plan is in place for all NFPA standard equipment.

IX. INSURANCE SERVICES OFFICES PUBLIC PROTECTION CLASSIFICATION (ISO PPC)

The Insurance Services Office (ISO) Public Protection Classification (PPC) system measures the structural firefighting capability of a fire department in a specific community. The most current rating for St. Francis is a 6/9. This rating is on a scale of one to ten, with ten being a community that has no fire department and one being a community that has a fully staffed career fire department meeting all or most of the parameters for a Class 1 rating. ISO Class 6 is the most common rating for fire departments in Minnesota with 361^{vii} fire departments rated as Class 6.

The ISO Public Protection Classification (PPC) rating evaluates a community's fire suppression capabilities based on several key components. Here are the major components^{viii}:

Emergency Communications: This includes how well the fire department receives and dispatches fire alarms. It covers the emergency reporting system, the communications center, the number of telecommunicators, computer-aided dispatch (CAD) facilities, and the dispatch circuits.

Fire Department: This component assesses the fire department's equipment, staffing, training, geographic distribution of fire companies, and operational

considerations. It also looks at the maintenance and testing of the fire department's equipment.

Water Supply: This evaluates the community's water supply system, including the inspection and flow testing of hydrants, the availability of water for fire suppression beyond daily maximum consumption, and the number of hydrants within 1,000 feet of representative locations.

Community Risk Reduction: This section recognizes efforts in fire prevention, public fire safety education, and fire investigation. It offers additional points for communities that proactively work to reduce fire risks.

The PPC rating is used by some insurance companies to determine the annual insurance rate for residential and commercial properties. For residential fire insurance, ratings below a 5 typically do not affect the insurance rates significantly. However, for commercial properties, the PPC rating can still have a substantial impact depending on the size of the occupancy. A one-point change in the PPC may result in an annual insurance cost variation that could be significant as a reduction or an increase, depending on the direction of the change. Discussions with insurance agents have revealed that such a change could prompt an insured owner to switch insurance companies to reduce costs.

The PPC is an important measure for insurance purposes and serves as a critical indicator of the fire department's effectiveness within a community. Improvements in the ISO rating can lead to reduced insurance costs and typically indicate enhanced structural fire response and extinguishment capabilities within the community. While the PPC is not the sole determinant for fire department deployment, it encompasses various elements such as community water supply, training, apparatus, staffing, and station locations. These factors contribute to the overall rating, making it a comprehensive measure of a community's structural firefighting capabilities.

Recommendation #1: Consider how all changes to the St. Francis and Bethel Fire Departments and related agencies/categories may affect the ISO PPC rating in a negative or positive way.

Recommendation #2: Consider working to improve ISO PPC rating by focusing on areas the fire department may significantly improve on such as staffing, apparatus, community risk reduction programs, training, etc.

X. FUNDING FORMULA OPTIONS

To facilitate equitable sharing of costs and resources, several funding formula options are available to assist the communities in choosing a funding solution which meets their needs. To provide formulas illustrating cost breakdown, the operational budgets for 2023 were used (capital costs would use the same formula):

- **St. Francis Fire Department = \$483,800**
- **Bethel Fire Department = \$36,053**
- **Hypothetical Joint 2023 Fire Department Budget = \$519,853**

It is important to note that funding not only provides for response (call volume), but more so the readiness of fire departments to respond to all calls for service, 24 hours a day. This would include training, community risk reduction activities, maintenance, testing and other critical items.

Proportional Funding Based on Population (also known as Per Capita)

- **Description:** Costs are allocated based on the population served by each department.
 - i. St. Francis 2023 population^{ix} = 8585
 - ii. Bethel 2023 population^x = 484
 - iii. Total district population = 9,069
 - iv. St. Francis percentage population = 94.6%
 - v. Bethel percentage population = 5.4%
- **Pros:** Simple to calculate and align with the level of service required by each community.
- **Cons:** May not account for differences in call volume or service demand between communities.
- **Calculation:** Each community would pay annually the percentage of the budget the community population represents
 - i. *Formula = Total Budget/Total Population = Per Capita Cost x Community Population*
 - ii. *2023 Per Capita cost = \$57.32*
 - iii. *2023 St. Francis cost = \$492,092*
 - iv. *2023 Bethel cost = \$27,743*

Proportional Funding Based on Call Volume:

- **Description:** Costs are shared based on the number of calls each department responds to. A rolling three-year average may be used to reduce outlier effect on calculation.
 - i. St. Francis calls for 2023 = 748
 - ii. Bethel calls for 2023 = 57

- iii. Total calls = 805
- **Pros:** Reflects the actual service demand and resource utilization.
- **Cons:** Requires accurate tracking of call data and may fluctuate with call volume trends. Especially vulnerable to acute surge calls occurring during severe weather events, major incidents, etc. Does not take into account the overall cost of fire department operations. Allows for manipulation of formula by arbitrary reduction in number and type of calls responded to.
- **Formula Calculation:**
 - i. *Total Budget x Percentage of Call Volume*
 - ii. *St. Francis share = 93%*
 - iii. *Bethel share = 7%*
 - iv. *2023 St. Francis Cost = \$483,463*
 - v. *2023 Bethel Cost = \$36,390*

Even Split:

- **Description:** Costs are divided equally between the two departments.
- **Pros:** Simple and straightforward.
- **Cons:** May not accurately reflect the differences in service demand or resource utilization and be cost prohibitive for some communities.
- **Formula/Calculation:**
 - i. *Total Budget/2*
 - ii. *St. Francis share = \$259,926.50*
 - iii. *Bethel Share = \$259,926.50*

Tax Capacity and Call Volume:

- **Description:** Combines elements of rolling three-year tax capacity and call volume-based funding in algebraic formula $A.C. = (F.C. + A.V.) / 2 \times (O.C. - O.R.)$
 - i. AC = Annual Cost
 - ii. FC = The percentage of total number of fire calls to each city for the previous three years divided by the total number of fire calls to both cities.
 - iii. AV = The percentage that the Assessed Valuation (unadjusted tax capacity) of each city to the total Assessed Valuation (unadjusted tax capacity) to both cities
 - iv. OC = Operational cost as approved by the cities
 - v. OR = Budgeted Non-City Revenues to include only other contract funds.
- **Pros:** Balances tax generating capacity with consideration of actual service demand.
- **Cons:** More complex to calculate and requires agreement on the weight of each factor. Large swings in call volume or tax capacity may significantly

alter AC and AV factors each year, however rolling three-year call volume and tax capacity valuation provide some buffer to large swings.

- **Calculation**

- i. *Most simple method is using excel to determine cost share percentages.*
- ii. *St. Francis Formula Percentage = 92.4%*
- iii. *Bethel Formula Percentage = 7.6%*
- iv. *2023 St. Francis Cost = \$480,344*
- v. *2023 Bethel Cost = \$39,509*

Population and Call Volume:

- **Description:** Combines elements of rolling three-year tax capacity and call volume-based funding in algebraic formula $A.C. = (F.C. + A.P.) / 2 \times (O.C. - O.R.)$
 - i. AC = Annual Cost
 - ii. FC = The percentage of total number of fire calls to each city for the previous three years divided by the total number of fire calls to both cities.
 - iii. AP = Annual population
 - iv. OC = Operational cost as approved by the cities
 - v. OR = Budgeted Non-City Revenues to include only other contract funds.
- **Pros:** Balances population with actual service demand.
- **Cons:** More complex to calculate and requires agreement on the weight of each factor. Large swings in call volume or population may significantly alter AC and AP factors each year, however rolling three-year call volume and population provide some buffer to large swings.
- **Calculation**
 - i. *Most simple method is using excel to determine cost share percentages.*
 - ii. *St. Francis Formula Percentage = 92.7%*
 - iii. *Bethel Formula Percentage = 7.3%*
 - iv. *2023 St. Francis Cost = \$481,904*
 - v. *2023 Bethel Cost = \$37,949*

Tax Capacity and Population:

- **Description:** Combines elements of rolling three-year tax capacity and call volume-based funding in algebraic formula $A.C. = (A.P. + A.V.) / 2 \times (O.C. - O.R.)$
 - i. AC = Annual Cost
 - ii. AP = Annual Population

- iii. AV = The percentage that the Assessed Valuation (unadjusted tax capacity) of each city to the total Assessed Valuation (unadjusted tax capacity) to both cities
- iv. OC = Operational cost as approved by the cities
- v. OR = Budgeted Non-City Revenues to include only other contract funds.
- **Pros:** Balances tax generating capacity with consideration of population.
- **Cons:** More complex to calculate and requires agreement on the weight of each factor. Large swings tax capacity may significantly alter AV factors each year, however rolling three-year population and tax capacity valuation provide some buffer to large swings.
- **Calculation**
 - i. *Most simple method is using excel to determine cost share percentages*
 - ii. *St. Francis Formula Percentage = 94.1%*
 - iii. *Bethel Formula Percentage = 5.9%*
 - iv. *2023 St. Francis Cost = \$489,182*
 - v. *2023 Bethel Cost = \$30,671*

Fixed Contribution Based on Percentage of Total Population

- **Description:** Each department contributes a fixed amount, with adjustments based on actual usage or service demand at regular intervals.
- **Pros:** Provides stability with flexibility for changes in demand.
- **Cons:** Requires regular adjustments and tracking.
- **Calculation:**
 - i. *City Population/Total Bethel and St. Francis Population*
 - ii. *St. Francis Percentage = 94.6%*
 - iii. *Bethel Percentage = 5.4%*
 - iv. *St. Francis Share = \$491,780*
 - v. *Bethel Share = \$28,072*

Tax Capacity

- **Description:** Calculates a cost share by using the tax capacity of a community. Tax capacity is often calculated based on property values, income levels, and other economic indicators within the community.
- **Pros:** Ensures that communities with higher tax capacities contribute more, potentially leading to a more equitable distribution of resources. Aligns funding with the economic strength of the community, potentially providing a more stable and predictable source of revenue.
- **Cons:** Funding can be sensitive to economic downturns, potentially leading to budget shortfalls during recessions or property market crashes. Calculating and adjusting funding based on tax capacity can be administratively complex and require regular updates and assessments.

○ **Calculation:**

- i. *St. Francis Cost Share = City of St. Francis Tax Capacity/ (St. Francis's Tax Capacity + Bethel's Tax Capacity)*
- ii. *St. Francis Percentage 93.9%*
- iii. *St. Francis Cost = \$488,142*
- iv. *Bethel Cost Share = City of Bethel Tax Capacity/ (City of Bethel Tax Capacity + City of St. Francis Tax Capacity)*
- v. *Bethel Percentage 6.1%*
- vi. *Bethel Cost = \$31,711*

The best funding formula is one that begins with all parties in agreement on the specifics of the formula. No funding formula is the same and may be unique to each community. The simpler the process, the easier it will be for various governing bodies to reach an agreement each fiscal year during the budget development process.

XI. FIRE PROTECTION TAXING DISTRICT

During the 2024 Minnesota Legislative session, the Legislature passed, and the Governor signed 144F.01 into law. This Statute provides general requirements in forming a fire protection taxing district and allows for two or more political subdivisions who may establish the taxing district. The Statute defines the following:

- Authority to Establish
- Board of Governance
- Property Tax Levy Authority
- Use of Levy Proceeds
- Debt Issuance
- Powers
- Additions and Withdrawals
- Dissolution

This organizational option should be a strong consideration for the future for a many of reasons. St. Francis and Bethel enter into a Joint Powers Agreement, the substantial portion of the work to form a taxing district will already have been done. In addition, it will remove the cost of the Fire Department from the municipal budget, provide for direct accountability to the taxpayers and streamline oversight of the Fire Department to only the Board of Directors, especially in the case of addition of multiple municipalities into the agreement. While many the factors in forming a taxing district are positive, there are some disadvantages. One of the major disadvantages is that the taxing district would now be responsible for all facets of governance such as human resources, finance, building maintenance, apparatus maintenance, etc. This would require more full-time administrative employees and/or contractual relations to perform the required tasks.

XII. JPA CONSIDERATIONS

When executing a Joint Powers Agreement (JPA) for the administration and management of a fire department, several key factors be considered to ensure its success. Primarily, it is essential to establish a solid legal framework that complies with Minnesota Statute Section 471.59. This statute allows two or more governmental units to exercise any power common jointly or cooperatively to the contracting parties. Clearly defining the purpose and scope of the JPA is crucial, as it outlines the specific administrative and operational responsibilities of each participating entity.

A recommended governance structure for a fire department Joint Powers Agreement (JPA) typically involves the creation of a joint powers board. This board is crucial for overseeing the administration and management of the fire department and ensuring that all participating entities have a voice in decision-making. The joint powers board should be representative of all parties involved in the JPA. This means including members from each participating entity, such as cities, counties, or townships.

The agreement should also specify its duration and the conditions under which it can be terminated or renewed, providing clarity on its lifecycle. Finally, having the JPA reviewed by legal counsel is vital to ensure it meets all legal requirements and adequately protects the interests of all parties involved. By addressing these considerations, the JPA can be comprehensive, legally sound, and effective in achieving its intended goals. Many JPAs have agreement lengths of 5-10 years. Appendix D provides a draft JPA for St. Francis and Bethel.

If an entity wants to join the existing Joint Powers Agreement (JPA), several steps need to consider ensuring a smooth and legally compliant integration:

- **Initial Inquiry and Discussion:** The interested entity should first express its interest to the existing JPA members. This involves initial discussions to understand the benefits, responsibilities, and expectations associated with joining the JPA.
- **Review of Existing Agreement:** The interested entity should thoroughly review the current JPA document to understand its terms, governance structure, financial obligations, and operational procedures. This helps in assessing compatibility and identifying any necessary amendments.
- **Proposal Submission:** The entity should formally submit a proposal to the JPA board or governing body, outlining its intent to join, the benefits it brings, and how it plans to contribute to the JPA's goals.
- **Negotiation and Agreement:** Engage in negotiations with the existing JPA members to address any concerns and agree on the terms of the entity's inclusion. This may involve amending the original JPA to incorporate the new members' roles, responsibilities, and financial contributions.

- **Approval by Governing Bodies:** The governing bodies of both the existing JPA and the new entity must approve the amended JPA. This typically involves formal resolutions or ordinances passed by the respective councils or boards.
- **Legal Review:** Have the amended JPA reviewed by legal counsel to ensure it complies with all relevant laws and adequately protects the interests of all parties involved.
- **Formal Execution:** Once approved, the amended JPA should be formally executed by the authorized representatives of all participating entities. This may include signing ceremonies or official meetings.
- **Filing and Notification:** File the amended JPA with the appropriate state or local authorities, if required. Notify all relevant stakeholders, including employees, contractors, and the public, about the new entity's inclusion in the JPA.
- **Integration and Orientation:** Integrate the new entity into the JPA's operations. This includes orienting the new members to the JPA's procedures, governance structure, and operational protocols.
- **Ongoing Collaboration:** Establish regular communication and collaboration mechanisms to ensure the new entity is fully integrated and actively participates in the JPA's activities.

XIII. **SUMMARY**

Throughout the completion of the shared services study for the fire departments of St. Francis and Bethel, it is evident that both communities have experienced significant growth and development. St. Francis, with a population of approximately 8,531 as of 2024, has transformed from a small rural community into a more suburban area. Bethel, although smaller with a population of 475, has maintained its small-town charm while gradually redeveloping. Past collaboration between the two fire departments has led to improved resource sharing, enhanced service delivery, and consolidation, despite challenges such as fiscal disparities and potential loss of local control.

The fire departments in both St. Francis and Bethel have faced substantial challenges, including budget constraints, staffing difficulties, and the need for updated equipment and facilities. St. Francis is in a strong capital position with modern facilities and equipment, while Bethel's fire department has some assets that require replacement or retirement. The shared resources between the two communities could be beneficial, but Bethel's older fire station and apparatus necessitate careful planning and investment for future sustainability. Enhancing fire prevention services and addressing budget constraints are critical for any joint venture's long-term viability.

Response times and staffing are crucial issues for fire departments and Bethel and St. Francis are no different. Complying with NFPA 1720 guidelines, which provide benchmarks for response times and staffing levels, is essential for effective operations.

St. Francis operates a volunteer-based model with daytime coverage by full-time administrative staff and supplemented volunteers with Bethel personnel becoming St. Francis firefighters. Recommendations include modifying administrative positions, hiring additional full-time firefighters, and ensuring comprehensive data collection for planning and reporting purposes.

To ensure fair and sustainable funding for joint fire department operations, several funding formula options have been offered, including proportional funding based on population, call volume, or tax capacity. The most effective funding formula is one that all parties agree upon, aiming for simplicity to facilitate annual budget agreements. Establishing a Joint Powers Agreement (JPA) involves creating a solid legal framework, a representative governance structure, and clear terms for duration and termination. This approach ensures that the collaboration is comprehensive, legally sound, and effective in achieving its goals.

ⁱ Met Council Community Profiles. <https://stats.metc.state.mn.us/profile/>

ⁱⁱ US Fire Administration Fire Department Overall Run Profile, 2020 chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/<https://www.usfa.fema.gov/downloads/pdf/statistics/v22i1-fire-department-run-profile.pdf>

ⁱⁱⁱ

NFPA 1901, Standard for Automotive Fire Apparatus

^{iv} NFPA 1851, Standard on Selection, Care, and Maintenance of Protective Ensembles for Structural Fire Fighting and Proximity Fire Fighting

^v NFPA 1852, Standard on Selection, Care, and Maintenance of Open-Circuit Self-Contained Breathing Apparatus (SCBA)

^{vi} Renovation Needs of the Fire Service, NFPA, May 2024

^{vii} ISO Mitigation <https://www.isomitigation.com/ppc/program-works/facts-and-figures-about-ppc-codes-around-the-country/>

^{viii} ISO Mitigation <https://www.isomitigation.com/>

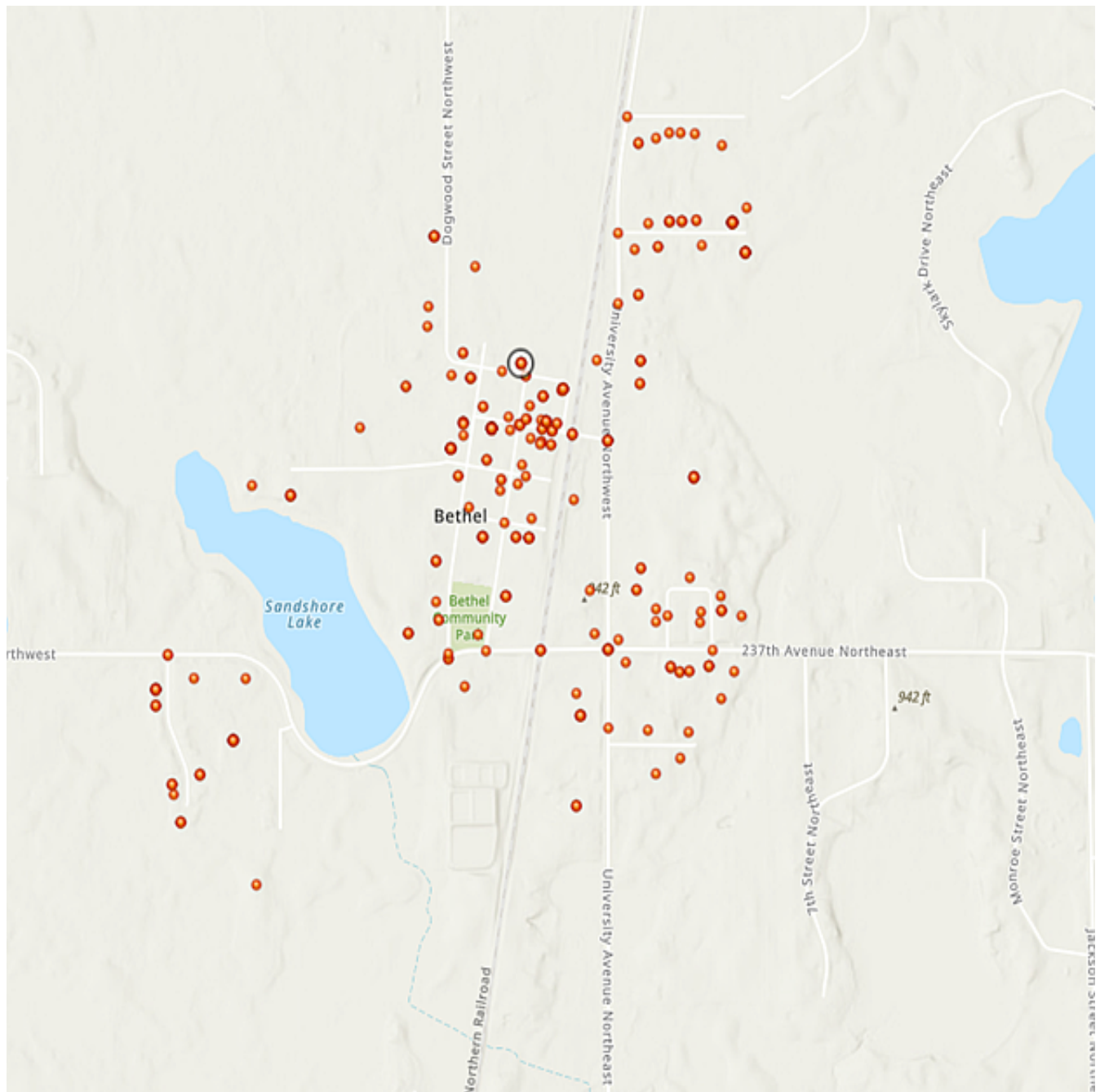
^{ix} Met Council Community Profiles <https://stats.metc.state.mn.us/profile/detail.aspx?c=02394156>

^x Met Council Community Profiles. <https://stats.metc.state.mn.us/profile/detail.aspx?c=02394156>

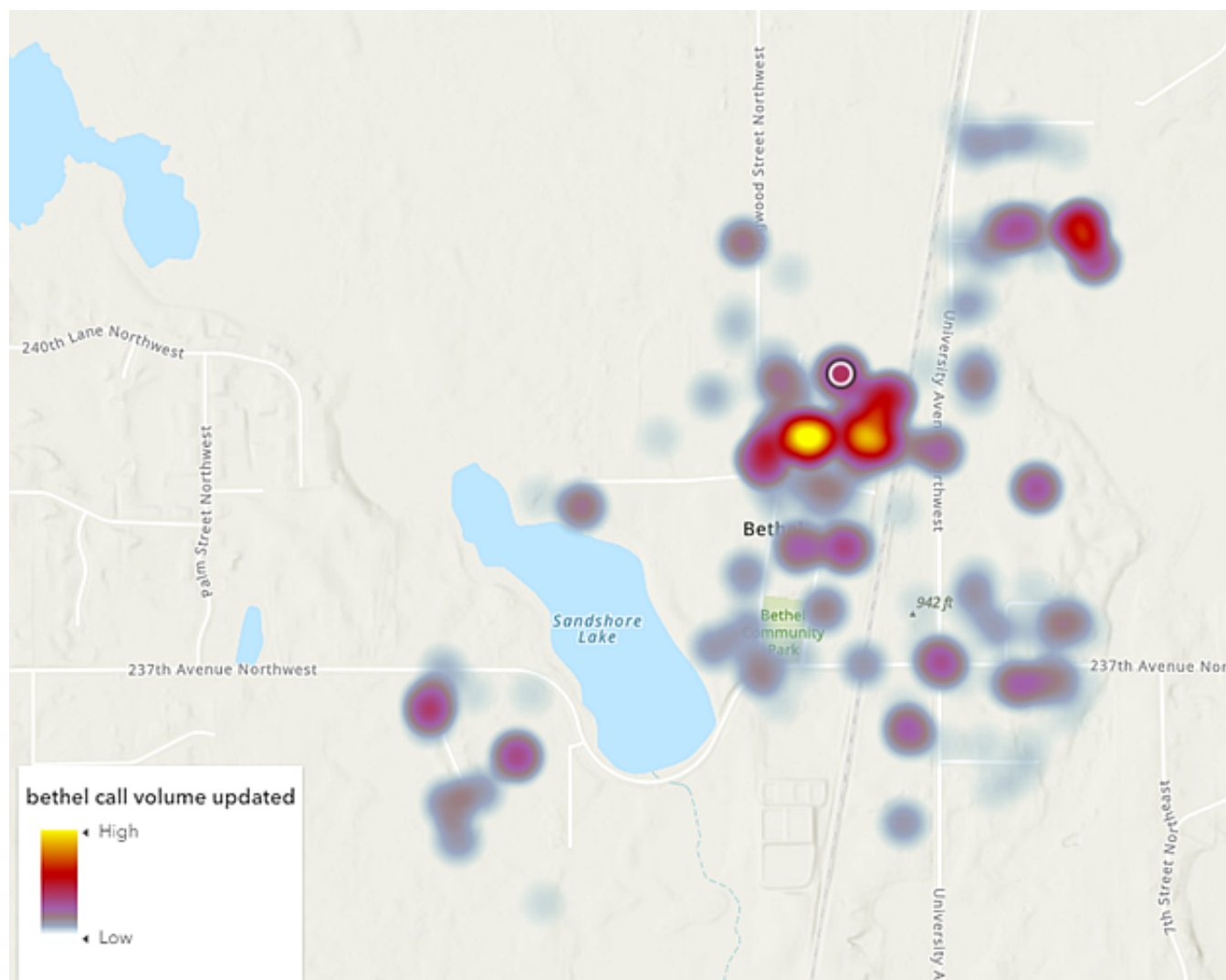
APPENDIX A

RESPONSE TIME MAPS

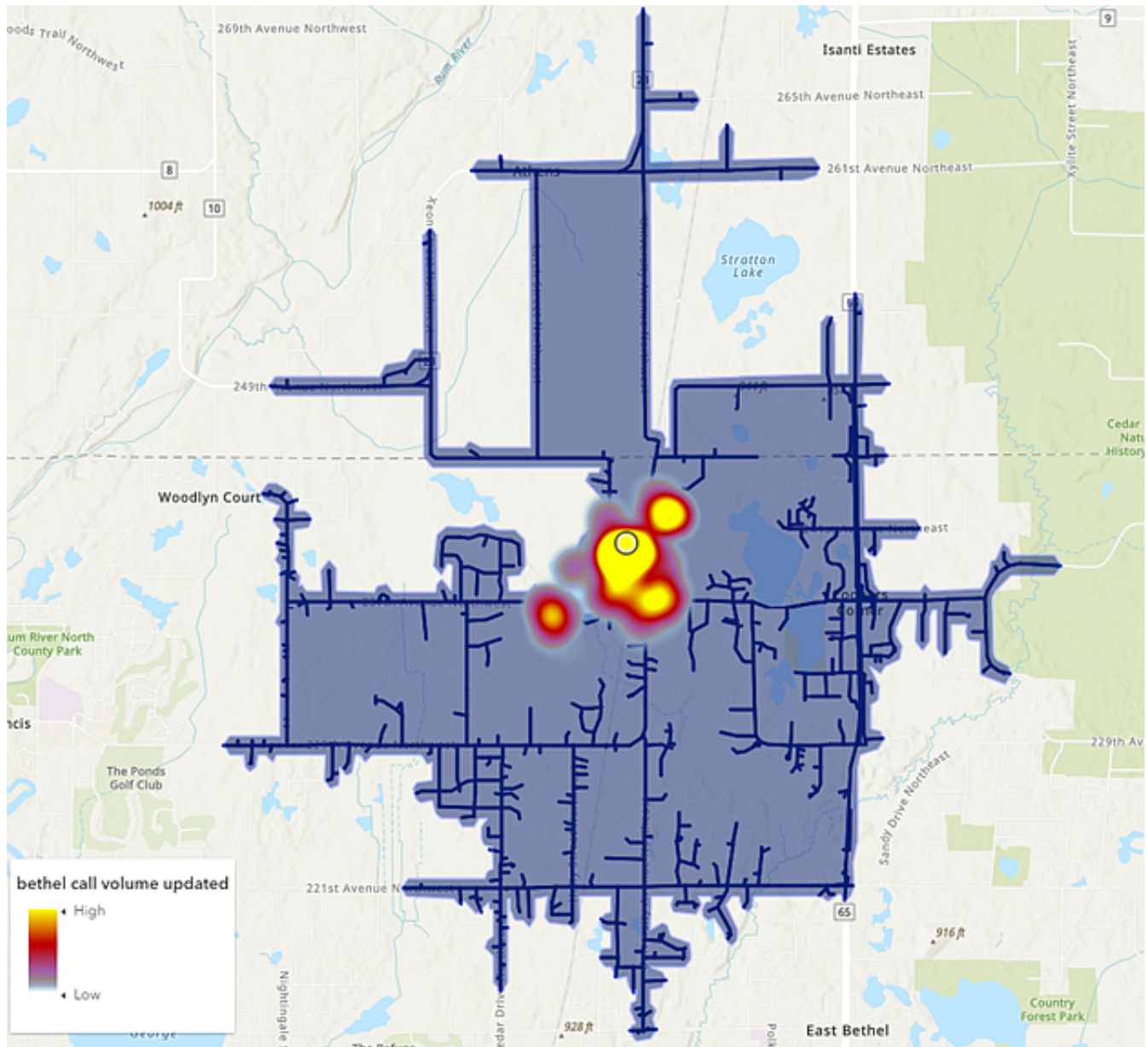
Bethel Incidents, 2018–2023



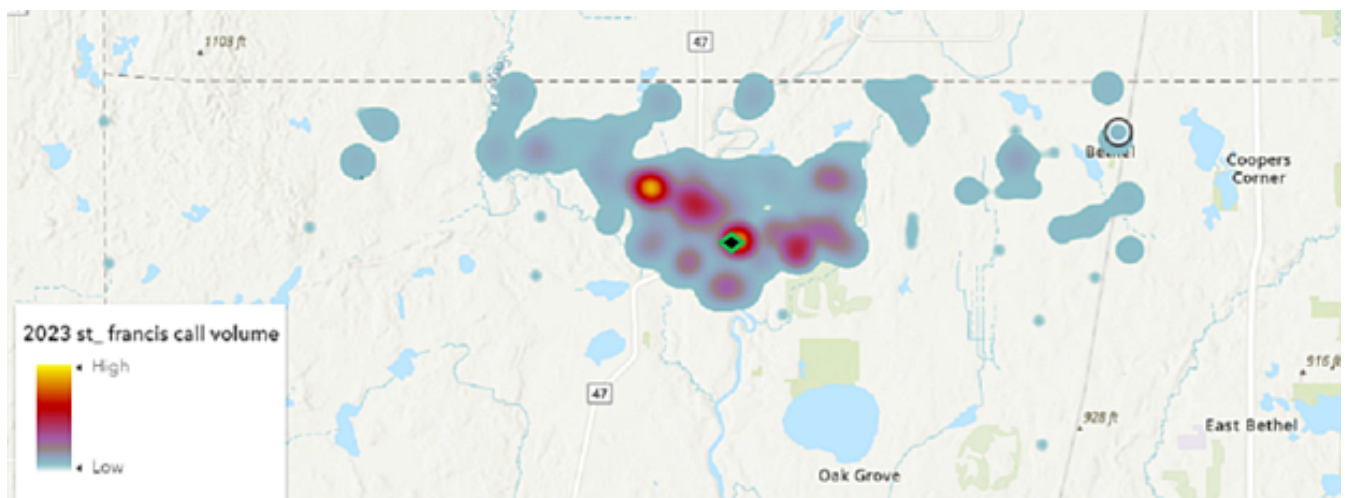
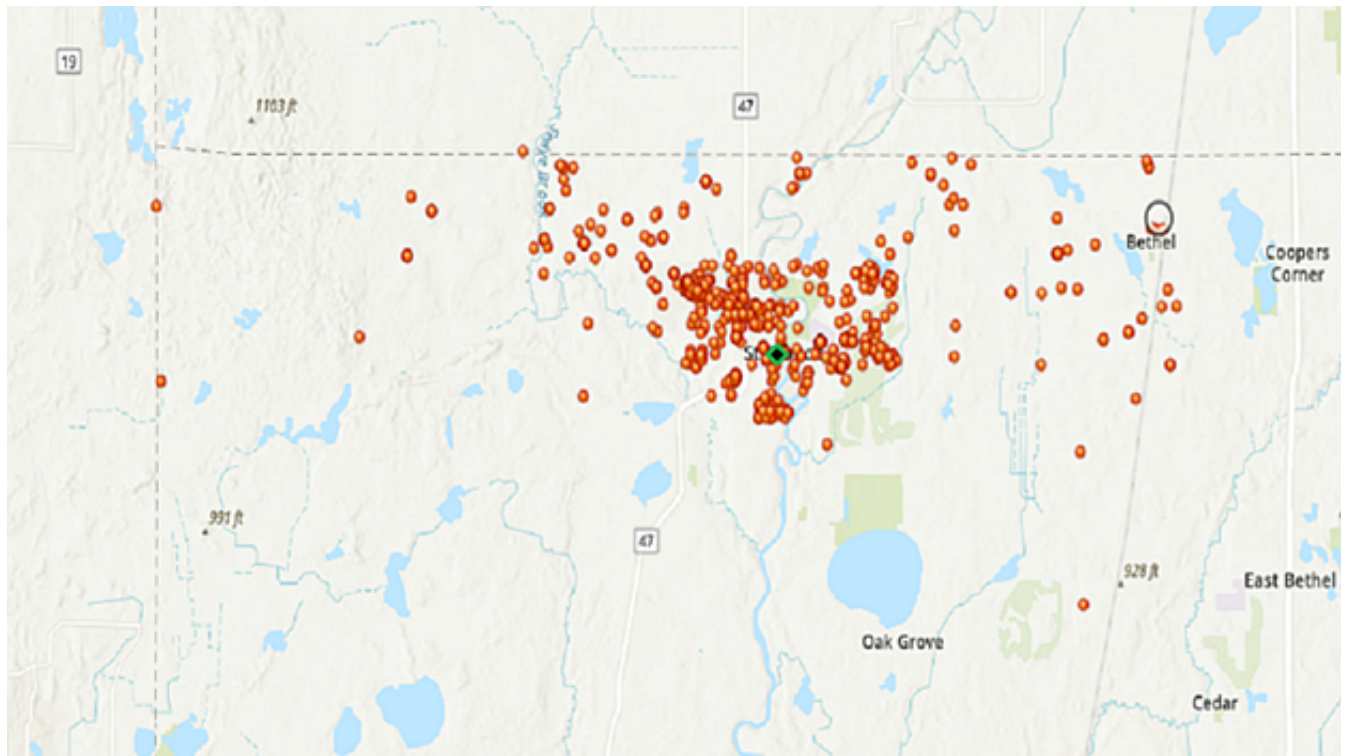
Bethel Incidents Heat Map 2018–2023



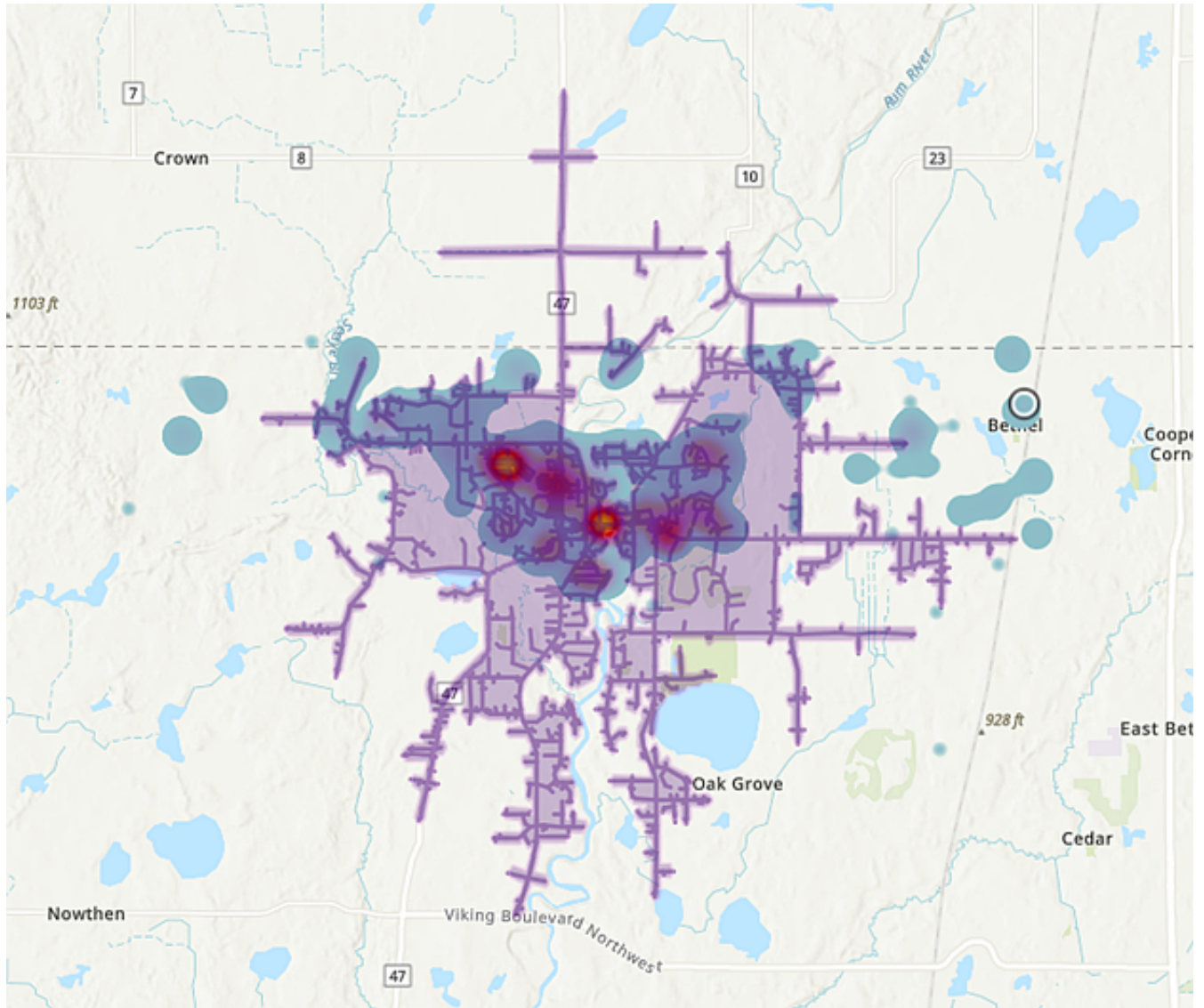
Bethel Incidents 2018–2023 Heat Map and 6 Minute Travel Time



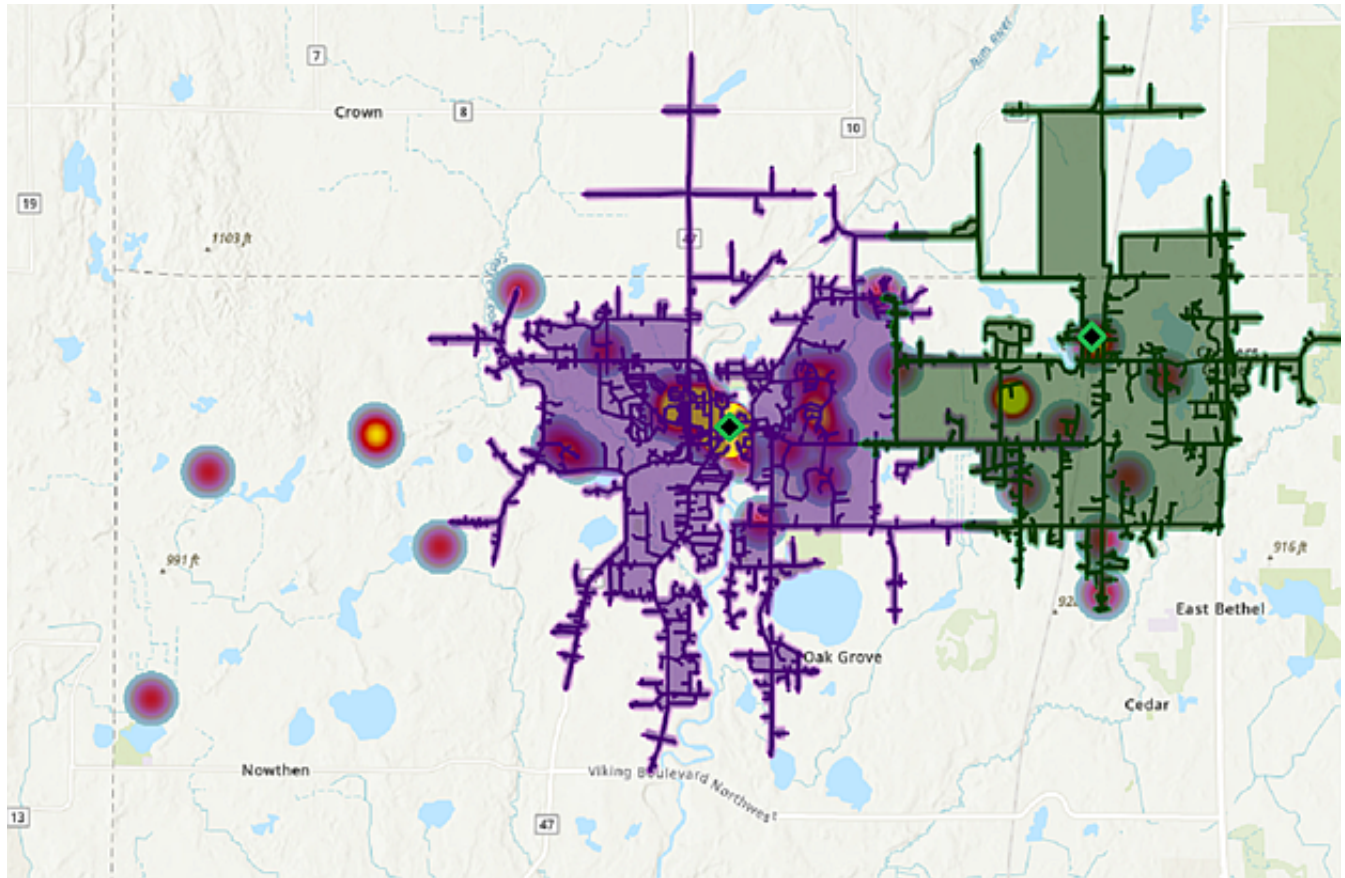
St Francis Incidents 2023 and Heat Map



St Francis Incidents 2023, Heat Map and 6 Minute Travel Time



Combined Structure Fires 2018–2023, Heat Map and 6 Minute Travel Time



APPENDIX B

COMMUNITY SURVEY

Responses Overview Active

Responses

149



Average Time

06:20



Duration

371 Days



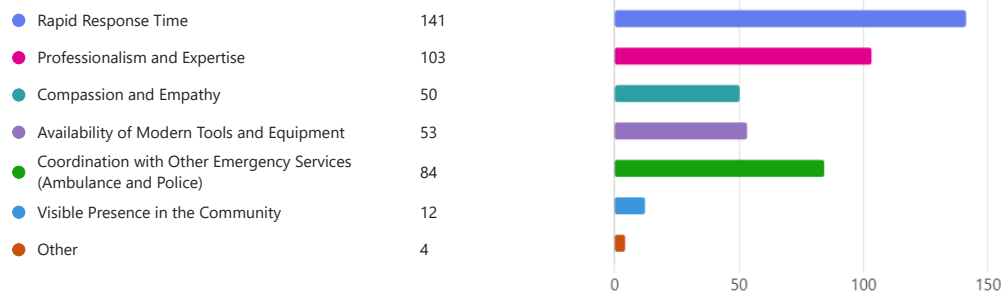
1. What area of the Community do you live in?



2. How do you feel about the proposed merger of the St. Francis and Bethel fire departments?

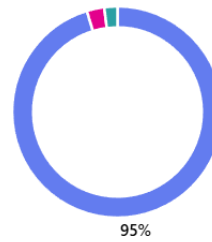


3. When calling 911 for a fire or medical emergency, what characteristics do you expect from the fire department? Please select up to three key characteristics



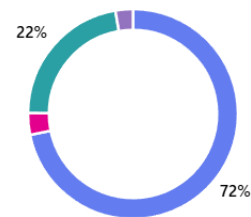
4. How important is response time to you when utilizing 911 services for a fire or medical emergency?

Very Important	142
Moderately Important	4
Important	3
Not Important	0



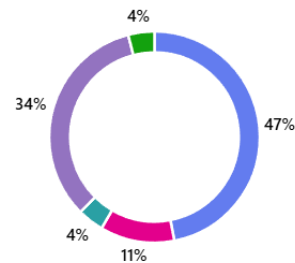
5. Should the way we decide how much money each city pays for fire protection be simple and easy to understand? For example, using a formula based on how many people live in each city to figure out how much each one should pay?

Yes	107
No	5
Undecided	33
Not Important	4



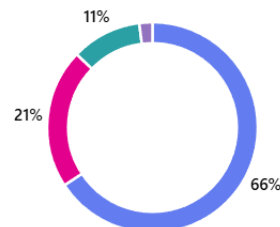
6. How important is it to you that **each** city continues to maintain an operational fire station?

Very Important	70
Important	17
Undecided	6
Only if it proves to be more efficient or effective at providing services	50
Not Important	6



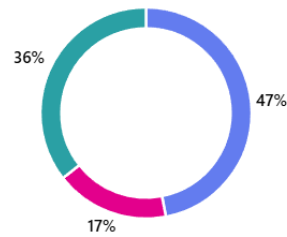
7. If you or a member of your family was experiencing a life threatening medical emergency or you experience a fire in your home, business, or property; how quickly should the fire department to arrive? (NFPA Standard Recommends 4 minutes)

5 minutes or less	98
6 to 8 minutes	32
9 to 10 minutes	16
11 to 13 minutes	3
Greater than 13 minutes	0



8. If it were necessary to otherwise improve the fire or emergency medical service delivery system to meet your expectations, would you be willing to pay more in taxes?

Yes	70
No	26
Maybe	53



9. How much would you be willing to invest annually (per year) to ensure adequate fire protection and safety for our communities, knowing that this contribution could significantly enhance emergency response and provide long-term benefits for everyone?

During Fiscal Year 2023, the average annual cost of Fire and EMS services for both communities is:

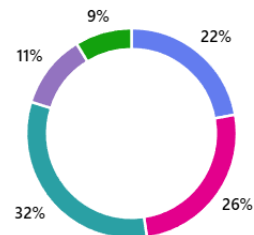
Bethel

- 2023 Fire Department Cost = \$36,052
- 2023 Cost Per Person (484) = \$74
- 2023 Cost Per Household (190) = \$189

St. Francis

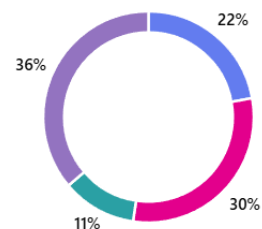
- 2023 Fire Department Cost = \$483,800
- 2023 Cost Per Person (8585) = \$56
- 2023 Cost Per Household (3041) = \$159

\$0 - \$25, Minor improvement/status quo in Fire and EMS services delivered	33
\$26 - \$50, Small improvement in Fire and EMS services delivered	38
\$51 - \$100, Significant improvement in Fire and EMS services delivered	48
\$101 - \$200, Major improvement in Fire and EMS services delivered	17
Other	13

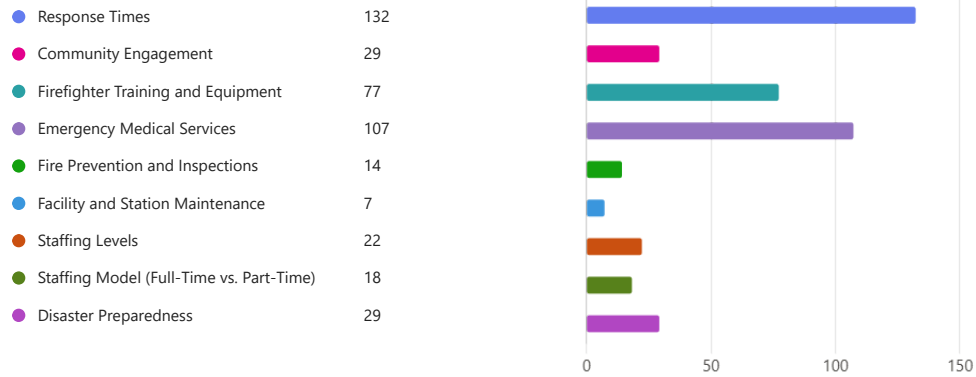


10. What would be the best way to advise you of the progress of the current project?

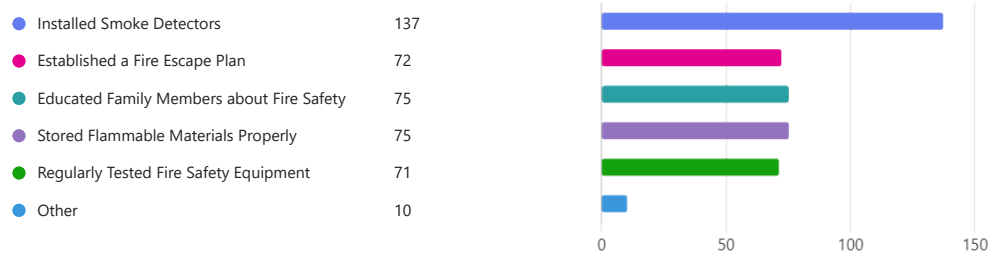
Text	33
Website Post	45
Public Forum	17
Newsletter	54



11. What aspects of the fire department's services do you value most? Choose up to 3



12. What measures have you taken to enhance fire safety in your home? (Select all that apply)



13. In the past five years, has the fire department rendered aid to you?



14. If the two Fire department's merge permanently, should the Fire Departments be renamed or stay the same?



APPENDIX C

DRAFT JPA

JOINT POWERS AGREEMENT TO PROVIDE FIRE SERVICES

THIS AGREEMENT (the "Agreement") is initially made and entered into this ____ day of _____, 20____ by and between the City of St. Francis, a municipal corporation under the laws of the State of Minnesota ("St. Francis"), and the City of Bethel, a municipal corporation under the laws of the State of Minnesota ("Bethel"); (collectively hereinafter referred to as the "Parties").

WHEREAS, the Parties hereto are each authorized by Minnesota Statutes, Section 412.221, Subdivision 17, to provide fire protection services to their residents; and

WHEREAS, the Parties have determined that it is mutually beneficial for them to join together to improve the efficiency and effectiveness of fire and emergency services to the public within the geographic service area of the Parties, and specifically, the joint fire District to be created hereby will cooperatively address the Parties' long-term needs for those fire services as defined herein below or as otherwise authorized by this Agreement; and

WHEREAS, the Parties have previously participated in mutual aid agreements that were successful in encouraging cooperation among the group, but said mutual aid agreements did not provide sufficient legal authority for the group to meet upcoming needs and desires; and

WHEREAS, St. Francis and Bethel respectively own firefighting/rescue equipment listed in Exhibit A, which is attached hereto and incorporated herein by reference; and

WHEREAS, St. Francis owns a fire station located at 3750 Bridge Street NW, St. Francis, MN (the "St. Francis Fire Station"), as well as the real property upon which the St. Francis Fire Station sits; and

WHEREAS, Bethel owns a fire station located at 139 Broadway Street NW, Bethel (the "Bethel Fire Station"), as well as the real property upon which the Bethel Fire Station sits; and

WHEREAS, St. Francis presently operates the St. Francis Fire Department with a staff of a fire chief, other fire officers and paid on call firefighters; and

WHEREAS, Bethel presently owns the Bethel Fire Department with a fire station and apparatus

WHEREAS, the creation of a joint power's agreement will meet the legal needs for the Parties to accomplish the purposes as set forth herein, including but not limited to interaction with the area fire services, Anoka County Sheriff's Office and other private and public entities; and

WHEREAS, the Parties have determined that they are jointly able to provide better and more efficient fire services than individually, and that their powers under Minnesota Statutes may best be exercised jointly; and

WHEREAS, the Parties hereto desire to reach an agreement for joint administration, operation, ownership, and control of a joint fire District for the purposes contained herein; and

WHEREAS, Minnesota Statutes, Section 471.59 authorizes the Parties by agreement of their governing bodies to jointly exercise any power common to them.

NOW THEREFORE, in consideration of the mutual promises and benefits that each Party shall derive from this Agreement, and other good and valuable consideration, the Parties agree as follows:

ARTICLE I NAME OF ORGANIZATION

The Parties do hereby establish a joint fire District to be called “TBD” (hereinafter the “District”).

ARTICLE II DEFINITIONS OF TERMS

For purposes of this Agreement, the terms in this Section shall have the meanings given them.

- A. “Fire Chief” means the individual selected by the Joint Powers Fire Board to act as administrator of the District and with the powers specified in this Agreement or as otherwise established by the Board.
- B. “Joint Powers Fire Board” or “Board” means the governing joint powers board established under this Agreement pursuant to Minnesota Statutes, Section 471.59 to operate and manage the District.
- C. “Board Member” means a member of the Joint Powers Fire Board appointed and serving pursuant to this Agreement.
- D. “City Council” means the governing body of the Governmental Unit that is a Party to this Agreement.
- E. “Governmental Unit” means a City or other entity as defined by Minnesota Statutes, Section 471.59, subd. 1.
- F. “Original Parties” means the City of St. Francis and the City of Bethel as the Governmental Units that have approved this Agreement at a duly noticed meeting of their City Councils and authorized and directed their respective authorized representatives to execute this Agreement thereby creating the District.
- G. “Later Party” means a Governmental Unit that subsequently approves this Agreement, or such other amended Agreement as required by the Board and authorized by the Original

Parties, at a duly noticed meeting of its governing body. and authorized and directed representatives thereof to execute the same thereby becoming Party to the Agreement at some time after the District was created by the Original Parties.

- H. "Party" means a Governmental Unit, which enters into this Agreement or such other amended Agreement as required by the Board and authorized by the Original Parties. Parties means more than one Governmental Unit to this Agreement.
- I. "Fire Services" means those services provided by the District, including but not limited to the following: fire code enforcement, fire suppression, fire protection, fire prevention, fire-fighting and emergency equipment, fire records data systems, fire-fighter and EMS training, fire investigation, fire and life safety public education, ALS/BLS ambulance, first responder rescue, hazardous materials response, emergency medical services (EMS), technical rescue and other fire and emergency related duties and functions customarily desired of a Fire District or as otherwise directed by the Board for the Parties within the fire services areas established herein.
- J. "Day" means a calendar day.

ARTICLE III MEMBERSHIP

Any other Governmental Unit adjacent to any of the Original Parties may become a Later Party to this Agreement or such other amended Agreement as required by the Board and authorized by the Original Parties upon consent of the Parties to this Agreement and in accordance with the process provided herein below.

ARTICLE IV PURPOSE

The general purpose of this Agreement is to create a joint powers organization governed by a joint powers board pursuant to Minnesota Statutes, Section 471.59, which shall provide Fire Services for the Parties within the fire services areas established herein.

ARTICLE V EFFECTIVE DATE, FIRE SERVICES COMMENCEMENT DATE, AND TERM

The effective date of this Agreement (the "Effective Date") shall be the date of the first meeting of the Board, which shall be 1 s r ___ day, November 2026__, except that Fire Services by the District shall not commence until 1 s t day, January_____, 2027 (the "Fire Services Commencement Date"). The period from the Effective Date (_____, 20__) until the Fire Services Commencement Date (December 31_____, 2026__) shall serve as a transition period for the Board to, among other matters set up its organizational structure, adopt policies and procedures, and ensure any other appropriate administrative items are established or implemented. The above timeframe shall apply notwithstanding the dates of approval and execution of this Agreement by the Original Parties. This Agreement shall continue in full force and effect until it is terminated in a manner provided herein. Except as provided herein, the Fire Services Commencement Date is the date that

provisions of this Agreement shall be implemented in full transferring all Fire Services operations to the District, provided however, that the Original Parties hereto have adopted a resolution approving this Agreement and authorizing its execution, and the Agreement has been fully executed by the authorized representatives of the Original Parties.

ARTICLE VI ORGANIZATION AND GOVERNANCE

A Joint Powers Fire Board (hereinafter referred to as the "Board") is hereby created for the governance of the District and to facilitate the performance of this Agreement throughout its term. Such Board shall have the powers specifically given herein and shall have the power to make recommendations to the Parties to improve cooperation and efficiency in carrying out the intent of this Agreement and to make recommendations for amendments and supplements to this Agreement.

Subdivision 1. The Board shall consist of five members:

- a. Two members of the Board shall be appointed by the city council of each Original Party from its city council membership to serve on the Board until replaced by the respective city council of that Original Party. In order to stagger the term ending dates, in the first year of this Agreement, one member of each Original Party's city council shall be appointed to a one (1) year term; and one member of each city council shall be appointed to a two (2) year term. Thereafter, Board Member terms shall be two (2) years in duration, except that the term must coincide with the Board Member's term on the respective city council. The City Administrators of the Original Parties shall serve as ex-officio, non-voting members of the Board. Board members appointed under this clause a. must reside within the area served by the District. No employee, former employee or immediate relative of a current or former employee, full or part-time, of the District shall serve as a member of the Board.
- b. There shall also be One (1) At Large Board Member selected as follows:
 - i. The term for the At Large Board Member shall be two (2) years, except that the At Large Board Member may serve successive terms if reappointed by the Board.
 - ii. The At Large Board Member shall be one who is not a resident of, or employed by, any city that is a Party to this Agreement.
 - iii. The At Large Board Member shall not reside in the primary fire service area of the District.
 - iv. Applications to be the At Large Board Member will be requested by the Board at least one month prior to the end of the term of the current At Large Board Member. The current At Large Board Member may re-apply to serve successive terms on the Board. Advertisements for applications to be the At Large Board Member shall be made by the Board in the manner prescribed by the Board.
 - v. From the applications received, the Board shall compile a list of applicants to interview, which list shall not exceed five individuals. Interviews shall be thereafter conducted by the Board with the At Large Board Member chosen by a majority vote of the other existing Board Members. The outgoing At Large Board Member may participate and vote on the new At Large Board Member, unless the outgoing

At Large Board Member is seeking to serve a successive term.

- vi. In the event of a tie in the vote of the Board Members such that they do not appoint an At Large Board Member by majority vote, the appointment of the At Large Board Member shall be as follows:
 - i. The two Board Members from each respective Original Party city will appoint one other individual who is not an elected official of either city, an appointed member of any commission or employed by either City.
 - ii. The selection of these two additional individuals shall occur within 15 days of the Board's vote on the matter, which resulted in a tie vote.
 - iii. The two individuals so appointed shall thereafter be charged with selecting the At Large Board Member from the list of finalists interviewed by the Board.
 - iv. The selection process by the additional two individuals shall occur within 30 days following the date the second individual was selected.
 - v. The individual At Large Board Member applicant selected by this process will be appointed as the At Large Board Member without further action by the Board and shall commence duties as the At Large Board Member at the next duly noticed meeting of the Board.
- vii. In the event that the two selected individuals are unable or unwilling to agree on the appointment of the At Large Board Member pursuant to the above process within the time specified herein, the Board shall, within 10 days thereof, make a written request to the Chief Judge of the District Court that the Chief Judge appoint the At Large Board Member from the list of finalists interviewed.

Subdivision 2. Board Members must attend a minimum of 75% of the Board meetings. Failure to maintain this attendance requirement will require the appropriate City Council to make another appointment to the Board or another appointment of the At Large Board Member in accordance with the above process. If desired by the appropriate City Council, the same individual may be reappointed, and the At Large Board Member may serve successive terms as provided herein above.

Subdivision 3. Board Members shall be compensated in a fixed amount determined during the annual budgeting process

Subdivision 4. Each Board Member may serve a maximum of three terms with the ability to be appointed to a fourth term with a 75% majority vote of current Board Members.

ARTICLE VII

EXECUTION OF AGREEMENT, MEETINGS, AND ELECTION OF OFFICERS

Subdivision 1. Each Party shall execute this Agreement through its proper officials by authority conferred by the respective City Council following a duly noticed meeting thereof. The City Administrator of each Party shall file an executed copy of this Agreement and a certified copy of the respective City Council authorization with each of the other Parties.

Subdivision 2. The Board shall hold regular meetings at least once in each month for the first year of its existence with the time and place of the regular meetings of the Board to be determined by the Board. After the first year, the Board will meet at least quarterly in each calendar year as determined by the Board. The Board shall establish a list of regular meeting dates and times each year for approval at the first meeting of the Board each calendar year. The purpose of the regular meetings of the Board shall be to approve expenditures, review services and exercise the powers and duties enumerated in this Agreement. Each Board Member shall have one vote. Proxy voting by Board Members is not permitted. Special meetings shall be held at the call of any Board member, the Fire Chief, or the Board's designated administrative representative, upon three days' notice to all Board Members, except in the case of an emergency meeting, which shall be noticed as provided in applicable law. All meetings of the Board are subject to the notice requirements contained in the Minnesota Open Meeting Law, Minnesota Statutes, Chapter 13D. A quorum for the purposes of conducting Board business at a noticed meeting shall consist of one Board Member from each Original Party and any one other Board Member. Procedures of the Board shall be governed by Robert's Rules of Order, and the Board may adopt other rules of procedure and bylaws not inconsistent with this Agreement or applicable law.

Subdivision 3. The officers of the Board shall consist of a Chairperson, Vice-Chairperson, and Secretary chosen by the Board Members. The Chairperson shall act as the presiding officer at all Board meetings and the Vice-Chair shall act in the absence of the Chairperson. During the first year covered by this Agreement, the positions of Chairperson and Vice-Chairperson shall be held by Board Members representing each of the Original Parties. Said officers shall alternate between representatives of each city in each succeeding year.

Subdivision 4. For the first year of this Agreement the position of Chairperson shall be held by one of the Board Members appointed by the City of St. Francis and the position of Vice-Chairperson shall be held by one of the Board Members appointed by the City of Bethel.

Subdivision 5. There shall be a joint meeting of the City Councils of the Original Parties to this Agreement held once per year for the remainder of this Agreement.

ARTICLE VIII POWERS AND DUTIES OF THE BOARD

Subdivision 1. The powers and duties of the Board shall include the powers set forth in this Section and all incidental powers reasonably necessary to carry out the purposes of this Agreement.

Subdivision 2. The Board shall have, and is hereby given, all powers, duties and functions enumerated in this Agreement and provided by law, and all such further powers necessary to carry

out the intent and purposes of the District as set out in this Agreement, including but not limited to, all the following:

- a. To direct the administration of the affairs of the District;
- b. To make recommendations to the governing bodies of the Parties relating to the District;
- c. To submit a proposed annual District budget to the governing body of each Party before June 30 in each year;
- d. To approve an administrative/organization structure;
- e. To establish and execute operating and capital improvement budgets;
- f. To receive and disburse funds, purchase and sell equipment, and fund all operations of the District;
- g. To enter into fire service contracts and mutual aid agreements with neighboring governmental units as necessary to carry out the functions and operations of the District;
- h. To comply with all public laws applicable to the Parties individually, including but not limited to, the Minnesota Open Meeting Law, Minnesota Government Data Practices Act, and the Minnesota Uniform Municipal Contracting Law;
- i. To contract with consultants, including but not limited to, accountants, auditors, fiscal agents, engineers, architects, and legal counsel or other services professionals as it determines is necessary and convenient;
- j. To manage, own, lease and operate equipment, vehicles and facilities and buildings;
- k. To perform those functions necessary for protection of the public as authorized by law;
- l. To allocate costs to service recipients and make all operational and Fire Services decisions;
- m. To approve policies and procedures and safety regulations for operations and Fire Services;
- n. To insure and indemnify the District, the Parties, the Board and employees;
- o. To cause reports, plans, studies, and recommendations to be prepared;
- p. To consider applications from additional local units of government for membership in the District and to become a Party to this Agreement or such other amended Agreement as required by the Board and authorized by the Original Parties;
- q. To adopt bylaws, rules, employee policies, guidelines, and regulations for employees and the operation of the District and its vehicles, equipment, facilities and buildings;
- r. To annually establish and update a capital improvement program/finance plan (including an equipment replacement schedule of not less than ten (10) years' duration);
- s. To purchase or lease land and fire trucks/fire apparatus, and to cause the construction of buildings to implement the purposes of the District, except that any purchase or lease of land, fire trucks/fire apparatus having a cumulative cost in excess \$50,000, or construction or major renovations with a cumulative cost in excess of \$50,000 of a building or facility must be approved by all of the Parties respective governing bodies. The authority herein shall be subject to the terms and conditions of any leases for buildings, equipment or fire vehicles/apparatus between the District and the Original Parties;

- t. To lease or purchase equipment (including capital equipment) and supplies necessary for the proper operation, care, maintenance, and preservation of the District. The authority herein shall be subject to the terms and conditions of an leases for buildings, equipment or fire vehicles/apparatus between the District and the Original Parties;
- u. To incur debt, as allowed by law, and approve financial obligations of the District, subject to prior approval thereof by all of the Parties respective governing bodies;
- v. To acquire, operate, maintain, replace, and dispose of District vehicles, equipment, and supplies as may be deemed expedient in carrying out the purposes of this Agreement and providing Fire Services. The authority herein shall be subject to the terms and conditions of an leases for buildings, equipment or fire vehicles/apparatus between the District and the Original Parties;
- w. To provide a firefighters' pension benefit through the voluntary statewide volunteer firefighter retirement fund under Minnesota Statutes, Chapter 353G for eligible employees of the District and to make such contributions to the fund as required by law;
- x. To exercise such other powers of the District as are necessary to carryout, and that are consistent with, the purposes of this Agreement and applicable law;
- y. To establish qualifications and duties for the position of Fire Chief and all other District employees in consultation with the Fire Chief;
- z. To provide office space, equipment and supplies necessary to accomplish the duties and responsibilities of Fire Services and emergency management within the boundaries of the Parties;
- aa. To enforce the ordinances of the Parties and laws of the State of Minnesota and to provide for emergency management within the boundaries of the Parties;
- bb. To make a financial accounting and report to the Parties at least quarterly each year;
- cc. To make available to the Parties all of its books, reports, and records for examination by the Parties at all reasonable times;
- dd. To accumulate reasonable reserve funds for the purposes as herein provided and to invest funds not currently needed for its operations in a manner consistent with the laws of the state of Minnesota applicable to the respective Parties;
- ee. To collect monies from Parties subject to this Agreement and manage and account for the same;
- ff. To recommend changes in this Agreement to the Parties, which shall be effective only upon Agreement of all the governing bodies of the Parties;
- gg. To exercise general supervision over Fire Services and emergency management for the Parties;
- ii. To obtain property, workers compensation, errors and omissions, and other liability insurance policies on behalf of itself and all Parties consistent with Minnesota law and sufficient to cover claims arising from the operation of the District, its vehicles and equipment, and the actions of the Board Members and all employees within the scope of their employment; and
- jj. To be responsible for the management of all funds designated in the annual operating budget for the District and the funds designated as contingency funds.

ARTICLE IX FINANCIAL MATTERS

Subdivision 1. Except as otherwise provided herein, District funds may be expended by the Board in accordance with procedures established by law for the expenditure of funds by Minnesota cities. Orders, checks and drafts shall be signed by at least two authorized persons, who shall be designated by resolution of the Board. Other legal instruments of the Board shall be executed by the Chairperson and the Secretary as designated by the Board.

Subdivision 2. As Original Parties, the City of St. Francis shall contribute and the City of Bethel shall contribute \$_____ to a fire fund managed by the Board (the “fire fund”) for payment of the cost of Fire Services in the budget year of 20__.

Subdivision 3. Beginning in 20__, the percentage of contribution of each Party to the fire fund for purposes of funding the annual District budget for Fire Services shall be based on percentage funding formula contained in Exhibit B. The percentage of contribution may be revised only if all Parties agree to said changes, but such percentage of contribution shall be reviewed each year in setting the annual budget and shall be adjusted based on the most current population numbers for the Parties from the State Demographer.

Subdivision 4. The District shall follow all current MN State Statutes applicable to the purchasing process including, but not limited to, the ability to purchase items from various joint purchasing agreements. The Cities may issue bonds to provide funding for Capital items

ARTICLE X BUDGET AND JOINT FIRE FUND

Subdivision 1. Prior to June 30 in each year, the governing body of each Party shall act to approve or disapprove the District budget submitted by the Board for the next calendar year. If either of the two governing bodies of the Original Parties do not approve the Board’s recommended budget, then the Parties shall forthwith convene a meeting of the two city councils to consider the matter. Until the new budget is approved by both Original Parties, continuing District expenditures shall be in accord with the last approved budget plus 5%.

Subdivision 2. On the first business day of January, April, July, and October of each year, each Party shall pay to a joint fire fund an amount equal to one quarter of that Party’s share of the annual District budget. The fund shall be administered by the Board or by the Fiscal Agent as designated by the Board. Funds paid therefrom shall be approved by the Board as provided in this Agreement.

Subdivision 3. Interest accruing to the fire fund shall become part of the fire fund and be used towards the District annual budget. Funds on hand at year end shall be reserved and separately accounted for and dedicated for future fire equipment and capital replacement or purchases.

Subdivision 4. The Board shall prepare and submit to the City Administrator/Mayor of each Party a written quarterly financial report of the Board’s revenues and expenditures for the prior quarter and current fiscal year.

Subdivision 5. Fees and payments from all fire contracts and other services rendered shall be deposited into the fire fund upon receipt. Fees and payments for fire contracts and other services rendered shall be estimated for the following budget year before the annual assessment for each governmental unit is computed.

Subdivision 6. Annual Audit. The Board shall cause to be made an annual, independent, financial audit of the books and records of the District, consistent with the requirements of the State Auditor and in accordance with Generally Accepted Accounting Principles (GAAP), and shall submit such annual audit report to the Parties within four (4) months after the end of each fiscal year (January 1-December 31). The audit shall be conducted by a qualified, independent CPA firm and shall include a review of the District internal and financial control environment as required by current professional auditing standards.

Subdivision 7. Annual Report. The Board will submit an annual fire District/fire services report by July 1 to the governing bodies of the Parties. The report shall include, at minimum, the following:

- a. Budget and actual for the current year of all revenues and expenditures for all operations;
- b. Budget projections for the following 2 years;
- c. Income statement and balance sheet for the current year and the previous 2 years;
- d. Description of fire services provided;
- e. Description of present vehicles and facilities and potential needs;
- f. Fire calls by type;
- g. Response times;
- h. Organization chart;
- i. List of employees and number of employees;
- j. Number of firefighters responding;
- k. Summary of Insurance Services Organization (ISO) scoring and rating; and
- l. Such other information as deemed necessary or relevant to District operations.

Subdivision 8. Fiscal Agent. The City of St. Francis shall be designated as the Fiscal Agent (the "Fiscal Agent") to provide budgeting, recordkeeping, and accounting services necessary or convenient for the operations of the District. The Fiscal Agent shall provide services including, but not limited to, the following:

- a. Management of all District funds, including Party contributions and grant monies;
- b. Assist in preparation of budgets and audits; and
- c. Keep and maintain all financial records.

Subdivision 9. It is agreed that continuity of fire protection services constitutes a top priority for the allocation of the Cities' financial resources. In the event of any annual revenue shortfall in one or more of the Cities, it is agreed that the District operating budget may be reduced on the same basis as budgets for other services involved in exercise of the safety services of the Cities; provided that (i) the District's basic financial needs will be met by the Cities and (ii) the application of any operating budget reductions will be determined by the District

ARTICLE XI

ORIGINAL PARTY INVENTORY OF EXISTING REAL PROPERTY, EQUIPMENT AND PERSONAL PROPERTY

Subdivision 1. Any real property, equipment, fire apparatus, fire vehicles, or other items

of personal property purchased or in the possession of a Party prior to the Fire Services Commencement Date, shall be donated to the district. An inventory of the property owned by each Party is attached hereto and incorporated herein by reference as Exhibit A.

Subdivision 2. After the Fire Services Commencement Date, all equipment or capital items purchased by the Board with fire funds designated for the District shall be the property of the District.

Subdivision 3. On the Fire Services Commencement Date, the equipment, fire apparatus/vehicles, personal property and other items listed in Exhibit A shall be donated to the District for use in District operations. Termination or withdrawal shall be as otherwise provided in this Agreement with respect to division/disposition of assets.

ARTICLE XII OWNERSHIP OF JOINT EQUIPMENT

The Original Parties shall acquire an undivided interest in any equipment jointly purchased by the Board after the Fire Services Commencement Date in proportion to the amount that each Party has contributed to the cost. A master District inventory of all newly purchased items will be maintained by the District. The inventory will indicate a description of the item, identification or serial numbers, fire District inventory number, the year of purchase, and the total cost of the item. When jointly purchased equipment is traded or sold, the trade-in value or sale price will be credited back to the fire fund for use in equipment purchases. In case of dissolution, the division of assets shall be as provided in this Agreement. Title to equipment and vehicles purchased by the District with fire funds shall be held by the District.

ARTICLE XIII REAL ESTATE (LAND AND BUILDINGS)

Subdivision 1. St. Francis owns a fire station and land upon which it sits located at 3750 Bridge Street NW, St. Francis (the “St. Francis Fire Station”), which prior to the establishment of the District was used by the City of St. Francis Fire Department.

Subdivision 2. Bethel owns a fire station and land upon which it sits located at 139 Broadway Street NW, Bethel (the “Bethel Fire Station”), which prior to the establishment of the District was used by the City of Bethel Fire Department.

Subdivision 3. St. Francis shall donate the use of the St. Francis Fire Station and the real property upon which it is located (the “St. Francis Station”) to the District, effective as of the Fire Services Commencement Date, for the purpose of supporting the operations and services of the District. The District shall be responsible for the financial costs and management of any maintenance, alterations, or improvements

Subdivision 4. Bethel shall donate the use of the Bethel Fire Station and the real property upon which it is located (the “Bethel Station”) to the District, effective as of the Fire Services Commencement Date, for the purpose of supporting the operations and services of the District. The District shall be responsible for the financial costs and management of any maintenance, alterations, or improvements to the Bethel Station

Subdivision 5. All new joint buildings and land may be owned and to the extent permitted by law, financed by the District, unless the Parties determine otherwise. The cost of new or

upgraded facilities must be approved by all the Parties to this Agreement. The District shall be responsible for managing and overseeing the construction of any new joint buildings, including compliance with the requirements of the Uniform Municipal Contracting Law for competitive bidding, as applicable.

ARTICLE XIV USE OF EQUIPMENT

Subdivision 1. District equipment shall be used as follows:

- a. Within the jurisdiction of the Parties.
- b. In areas adjacent to the jurisdiction of the Parties where a fire may spread into them.
- c. In areas served by a Fire Services contract between the /District and another governmental unit.
- d. To assist neighboring fire Districts as may be agreed upon a reciprocal agreement mutual aid agreement between the District and another governmental unit.
- e. To assist with an emergency to areas outside the Parties jurisdictions of Fire Services contract areas pursuant to Minnesota Statutes, Chapter 12 or when, in the opinion of the Fire Chief, or his or her designated representative, such assistance is necessary for the immediate public safety or for humanitarian reasons. Such assistance must be requested by the governmental body affected or by the fire District of the affected governmental unit.

ARTICLE XV TERMINATION, WITHDRAWAL AND DISSOLUTION

Subdivision 1. Termination. This Agreement shall terminate and the District thereby dissolved upon the occurrence of any one of the following events, whichever occurs first:

- a. When the Parties, by written agreement approved by the governing bodies of each Party, or when the Parties constituting a majority of the Parties hereto if the number of Parties is greater than two, agree to dissolve the District and terminate this Agreement. A termination of this Agreement under this mechanism shall not be effective for at least 60 months from its approval by the Parties, unless an earlier termination date is approved by the Parties.
- b. In the event there are only two Parties to this Agreement, when one Party files a written notice of withdrawal with the other Party. A termination of this Agreement under this mechanism shall not be effective for at least 60 months from the date of notice from the withdrawing Party, unless an earlier termination date is approved by the Parties.
- c. When necessitated by the operation of law or as a result of a decision by a court of competent jurisdiction.
- d. When necessitated based upon the failure to obtain the necessary funding from the Parties or grant funding from the State of Minnesota and/or the United States federal government.

Subdivision 2. Effect of Termination/Dissolution of District. Upon termination of this Agreement, the District shall be dissolved, and the Board shall provide for the distribution of all of the District's funds and assets in the following manner:

- a. The Board may decide to sell and liquidate all non-monetary District assets prior to distribution that are not otherwise owned by a Party individually. Upon dissolution, the Parties will have 120 days to agree upon a division of the assets of the District among themselves. The remaining property jointly acquired by the District shall be sold for a reasonable price on competitive bids and the proceeds divided among the owners in

proportion to their contribution to the purchase. The Parties may be bidders at any such sale.

- b. Any and all personal property used by the District and owned by a Party shall be returned to that Party upon dissolution.
- c. Any remaining funds and assets shall be divided and distributed to the Parties in proportion to the percentage of annual contribution of funds by the Party to the District at the time of dissolution.

Subdivision 3. Termination shall not act to discharge any liability incurred by the District or the Parties during the term of this Agreement. Such liability shall continue until discharged by law, this Agreement or any other agreement.

Subdivision 4. If the Parties do not agree on the fair market value of a non-liquid asset, the District may submit the item to a professional appraiser, whose written opinion of the fair market value shall be conclusive.

Subdivision 5. Withdrawal of a Party. A Party may withdraw from this Agreement by providing at least sixty 60 months prior written notice of its intent to withdraw to the other Parties. Withdrawal shall not act to discharge any liability incurred by the Party prior to withdrawal. Such liability shall continue until discharged by law or agreement of the remaining Parties. If a Party withdraws from the District, and the remaining Parties decide to continue the operations of the District under the terms of this Agreement, including any amendment(s) thereto to change the allocation formula, the withdrawing Party shall be entitled to distribution under this and the remaining Parties shall pay the withdrawing Party for its interest in the District's assets and funds in proportion to the percentage of annual contribution of funds by the Party to the District at the time of withdrawal. If the Parties do not agree on the fair market value of a non-liquid asset, the District may submit the item to a professional appraiser, whose written opinion of the fair market value shall be conclusive. The distribution to the withdrawing Party shall be reduced by the amount of unfunded liabilities or unpaid expenses as of the end of said fiscal year, unless the withdrawing Party assumes responsibility to pay such unfunded liabilities or unpaid expenses. If the withdrawing Party wishes to sell its share, the remaining Party or Parties shall have the right to purchase said share at its current value before it is offered to any other potential purchaser and in any case shall have a right of first refusal at a price equal to that offered by the selling Party by any third party.

Subdivision 6. Any party desiring to withdraw from the district shall pay all legal fees for the withdrawing party and the District. A legal fee escrow amount of \$10,000 shall be paid by the withdrawing party at the start of the withdrawal process. These funds shall be held by the fiscal agent and identified as such.

Subdivision 7. Withdrawals may be accomplished by the Party filing notice with the Secretary of the Board.

Subdivision 8. Term and Renewability. This contract shall replace all previous fire protection service contracts between the respective Cities. The term of this contract shall be for ten (10) years from _____ to _____. The contract shall be effective upon execution and shall be automatically renewed for successive 10-year periods on the same terms and conditions

contained herein unless either party gives a six-month written notice to terminate this contract or renegotiate any portion thereof within the last year of any 10-year increment of this contract. In the event the term of this contract expires prior to the execution of a subsequent contract and during the time in which negotiations between the parties are proceeding there shall be a 90-day grace period commencing on the date of such expiration during which this contract shall continue in full force and effect.

ARTICLE XVI

EMPLOYEES AND OTHER DUTIES, OBLIGATIONS AND AUTHORITY

Subdivision 1. The Board shall ensure the continuance of a strong District and fire service.

Subdivision 2. On the Fire Services Commencement Date, all employees of the City of St. Francis Fire Department as of _____, 20 shall become employees of the District, except for employees that either stated that they are voluntarily resigning from employment with the City of St. Francis Fire Department on such date or do not take the normal and reasonable steps to effectuate their employment with the District as specified by the Board.

The Board shall act on or after the Effective Date, but prior to the Fire Services Commencement Date, to effectuate appointment of said employees to the District in order that the same are employees of the District upon the Fire Services Commencement Date. The District shall be solely responsible for all aspects of appointing individuals upon the Effective Date and for all aspects related to employment of such individuals upon the Fire Services Commencement Date, including but not limited to compensation, benefits and collective bargaining.

Subdivision 3. Rules, Policies and Procedures. The Board must, in a reasonable time following the Effective Date, but prior to the Fire Services Commencement Date, adopt rules, policies, procedures, bylaws and regulations governing operation, management, District structure, personnel administration and all other like matters related to the District and its employees and operations.

Subdivision 4. It shall be the duty and responsibility of the Fire Chief, unless otherwise designated by the Board, to communicate directly with the respective City Councils of the Parties. If a Party deems it necessary to receive direction on any matter, the Fire Chief, unless otherwise designated by the Board, shall attend, or direct a District employee to attend, one City Council meeting per quarter.

Subdivision 5. The District shall enforce and shall be provided authority to enforce state and federal laws and the ordinances of the Parties to this Agreement in the provision of the Fire Services through proper action of the City Council of said Parties, as applicable.

Subdivision 6. The Board shall manage the District and Fire Services contemplated by this Agreement for the District. Upon the Fire Services Commencement Date, the Board shall assume and be responsible for workers' compensation, P.E.R.A., withholding tax, insurance, fringe benefits, social security and all other employer obligations for District employees as may be applicable. The City of Bethel and the City of St. Francis each waive their respective rights to make a claim against the other or District arising out of workers compensation issues involving District employees upon the Fire Services Commencement Date.

Subdivision 7. The method of operation shall be determined by the District including, but not limited to, (i) apparatus response appropriate to each type of incident or condition; (ii) emergency or routine response; (iii) manning strength per station; (iv) location of apparatus; (v) fire dispatching procedures and protocols; (vi) membership in various fire-related associations; (vii) fire fighter training procedures; and (viii) all other activities usually associated with a Fire District.

Subdivision 8. The District shall enter into an employment agreement with the City of St. Francis. Additional TBD.

ARTICLE XVII ALLOCATION OF RESOURCES

The Parties recognize that occasions will arise on which demand for fire services outlined in this Agreement will exceed the resources available for provision of such fire services. In such circumstances, the District shall use its best judgment to prioritize the delivery of fire services. The District shall have complete discretion in prioritizing the delivery of fire services pursuant to this Agreement.

ARTICLE XVIII LIABILITY AND INDEMNIFICATION

Subdivision 1. The District is a separate and distinct public entity to which the Parties have transferred all responsibility and control for actions taken pursuant to this Agreement. The District shall comply with all laws and rules that govern a public entity in the State of Minnesota and shall be entitled to all of the protections of Minnesota Statutes, Chapter 466.

Subdivision 2. The District shall hold harmless, defend and indemnify the Parties, and their officers, employees, agents, and volunteers, from and against all claims, damages, losses, and expenses, including reasonable attorney's fees, arising out of the acts or omissions of the District in carrying out the terms of this Agreement. The District's duty to indemnify will be limited to its applicable insurance coverage and does not constitute, or shall be construed as, a waiver by either the District or any or all Parties of any exemptions, immunities, or limitations on liability provided by law or of being treated as a single governmental unit as provided in Minnesota Statutes, section 471.59, subdivision 1a. The District's obligation under this section shall survive the termination of this Agreement.

Subdivision 3. Under no circumstances shall a Party be required to pay on behalf of itself and other Parties any amounts more than the limits on liability established in Minnesota Statutes, Chapter 466, applicable to any other Party. The limits of liability for some or all the Parties may not be added together to determine the maximum amount of liability for any Party. Nothing herein shall be construed to provide insurance coverage or indemnification to an officer, employee, or volunteer of any Party for any act or omission for which the officer, employee, or volunteer is guilty of malfeasance in office, willful neglect of duty, or bad faith.

Subdivision 4. To the fullest extent permitted by law, this Agreement and all actions and activities carried out hereunder are intended to be and shall be construed as a "cooperative activity" and it is the intent of the Parties that they, together with the District, shall be deemed a "single

governmental unit” for the purposes of liability, all as set forth in Minnesota Statutes, Section 471.59, subd. 1a, provided further that for purposes of that statute, each Party to this Agreement expressly declines responsibility for the acts or omissions of another Party. The Parties to this Agreement are not liable for the acts or omissions of another Party to this Agreement except to the extent they have agreed in writing to be responsible for the acts or omissions of the other Parties. In addition to the foregoing, nothing herein shall be construed to waive or limit any exemption or immunity from, or limitation on, liability available to the Parties, whether set forth in Minnesota Statutes, Chapter 466 or otherwise.

Subdivision 5. In the event that it is determined, by Court Order or by agreement of all Parties, that an excess or uninsured liability is the responsibility of all Parties, such excess or uninsured liability shall be borne by the Parties in proportion to their population. This does not include the liability of any individual officer, employee, or volunteer which arises from his or her own malfeasance, willful neglect of duty, or bad faith. If a Party has procured or extended insurance coverage pursuant to Minn. Stat. §§ 466.06 or 471.981 more than the limits on governmental liability under section 466.04, subdivision 1, covering participation in this Agreement, the procurement of that insurance constitutes a waiver of the limits of governmental liability for that governmental unit only to the extent that valid and collectable insurance or self-insurance, including, where applicable, proceeds from the Minnesota Guarantee Fund, exceeds those limits and covers that Party’s liability for the claim, if any.

ARTICLE XIX INSURANCE

Subdivision 1. The District shall obtain and maintain at all times during the term of this Agreement commercial general liability (CGL), directors and officers, public officials errors and omissions, property insurance for contents and mobile and miscellaneous equipment, property, and auto insurance and such other insurance as it or the Parties deem necessary for the District to fully indemnify the District, the Board, and the Parties for actions or omissions of the District, the Board, and the Parties arising out of this Agreement as well as for employees, vehicles, personal property, facilities and buildings, except as otherwise provide in this Agreement.

Subdivision 2. The level of insurance maintained for each identified category provided herein shall include insurance coverage equal to or greater than the maximum municipal liability limit contained in the Minnesota Tort Claims Act, Minnesota Statutes, section 466.04. The CGL policy shall contain a general aggregate limit not less than \$4,000,000 or the maximum municipal liability limit contained in the Minnesota Tort Claims Act, Minnesota Statutes, section 466.04, whichever is greater. Additionally, the Organization shall maintain workers’ compensation coverage for its employees equal to the statutory limits. Each Member shall be named as an additional insured on the Organization’s insurance.

ARTICLE XX NEW MEMBERS

Subdivision 1. Another governmental unit may be added to this Agreement upon the unanimous approval of all the governing bodies of the Parties and any such amendments to this Agreement as the Parties determine necessary. If approved, the rights and obligations of the new party shall be set forth in a writing amending this Agreement and the new Party shall be fully obligated and bound by the terms of this Agreement as amended. The new party shall pay an

upfront fee in escrow of \$5,000 to cover all reasonable legal fees for developing and executing the new agreement. Any funds remaining in the escrow account after execution of the agreement will be applied to the next annual budget cycle as a credit. If a new party removes itself from the agreement process at any time, the escrow amount expended shall not be refunded. The new Party, based upon a duly adopted resolution of its governing body, shall execute the amended Agreement and file it with the District. A new Party shall not be compensated for any equipment donated to the District. A new Party shall not have an interest in any assets upon withdrawal or dissolution until the new Party has been a member of the District for a period of ten (10) continuous years.

Subdivision 2. A new Party shall donate equipment, vehicles, real property, facilities, or other assets to the District upon joining. All donations shall be transferred by the new Party to the District free and clear of all liens and encumbrances and must be accompanied by all necessary documentation of ownership and transfer, including deeds, titles, or bills of sale. The District shall not provide financial compensation, reimbursement, or credit for any donated assets, and such donations shall become the sole property of the District.

A new Party shall not acquire an interest in the assets of the District upon joining. No ownership rights, equity interest, or right to proceeds upon withdrawal or dissolution shall vest in the new Party unless and until the new Party has remained a member in good standing of the District for a period of ten (10) continuous years following the effective date of its membership.

Subdivision 3. If a new party desires to join the District and the new party has no assets, the Board has the discretion to evaluate the new party and determine required fees/costs to enter into the JPA. Generally, the buy in for a new entity will be three times the annual budget amount as determined by the annual formula with the new entity calculated into the formula. The buy in amount will be deposited into the Capital Fund.

ARTICLE XXI

VOLUNTARY STATEWIDE VOLUNTEER FIREFIGHTER RETIREMENT FUND

Subdivision 1. Both St. Francis and Bethel prior to the Effective Date hereof participated in the voluntary statewide volunteer firefighter retirement fund under Minnesota Statutes, Chapter 353G. The District on the Fire Services Commencement Date shall continue to participate in the same and shall be responsible for supporting and funding the same, including any underfunded amount in accordance with applicable law. The District shall contact PERA regarding this organizational change immediately following the Effective Date for implementation upon Fire Services' Commencement Date and take all actions necessary to make such a change to allow existing and new employees of the District to be eligible for participation.

Subdivision 2. The Parties agree to contribute to the voluntary statewide volunteer firefighter retirement fund annually through the District's budget and Party contribution process. The amount paid by each Party for the voluntary statewide volunteer firefighter retirement fund shall be in proportion to each Party's annual contribution to the District. The voluntary statewide volunteer firefighter retirement fund is a separate and independent organization apart from the District. It is up to the voluntary statewide volunteer firefighter retirement fund to manage its accounts and allow pension benefit changes as appropriate under governing law.

ARTICLE XXII

DISPUTE RESOLUTION AND MEDIATION

Subdivision 1. Good Faith Negotiation. In the event a dispute arises between the Parties or between a Party and the District concerning the interpretation, application, or performance of any provision of this Agreement, the Parties shall first make a good faith effort to resolve the dispute through direct negotiation between designated representatives of the Parties and/or the District. Such negotiation shall occur within thirty (30) days after written notice of the dispute is delivered to the non-notifying Party or the District, as applicable.

Subdivision 2. Mediation Requirement. If the dispute is not resolved through direct negotiation within sixty (60) days of the initial written notice, the Parties agree to submit the matter to non-binding mediation before an independent, neutral third-party mediator mutually selected by the Parties. If the Parties cannot agree on a mediator, a mediator shall be appointed by the Chief Judge of the Tenth Judicial District of Minnesota upon application by any Party.

Subdivision 3. Cost of Mediation. The cost of mediation shall be shared equally among the Parties participating in the mediation unless otherwise agreed. Each Party shall bear its own costs for legal representation, expert witnesses, and other associated costs.

Subdivision 4. Preservation of Rights. Participation in mediation shall not be construed as a waiver of any legal rights or remedies available to the Parties. If mediation is unsuccessful, the Parties may pursue all available legal remedies.

Subdivision 5. Exceptions. Nothing in this section shall prevent a Party from seeking injunctive or other equitable relief in a court of competent jurisdiction if such relief is necessary to prevent irreparable harm pending the outcome of the mediation process.

ARTICLE XXIII

AMENDMENTS TO AGREEMENT

Subdivision 1. Amendment Authority. This Agreement may be amended only upon written agreement executed by all Parties through duly authorized action of their respective governing bodies, as provided in Article XXII.

Subdivision 2. Subject Matter Limitation. Each amendment shall address only the specific subject matter proposed for modification. No amendment shall be construed to revise, affect, or alter any other provision, section, or article of this Agreement beyond the clearly identified and stated scope of the amendment. Unrelated provisions or multiple subject matters shall not be combined within a single amendment.

Subdivision 3. Notice and Review. The proposing Party or the Board shall provide written notice of any proposed amendment to all Parties and the Board at least thirty (30) calendar days prior to any vote or formal action. The notice must clearly identify the specific section(s) to be amended and the full text of the proposed changes. The Board shall issue a report and recommendation regarding the proposed amendment within sixty (60) calendar days of receipt of notice.

Subdivision 4. No Implied Amendments. No action, inaction, or agreement by any Party or the Board shall be deemed to constitute an amendment to this Agreement unless expressly adopted in writing as an amendment in accordance with this Article.

ARTICLE XXIV GENERAL TERMS

The following general terms shall apply to this Agreement:

- a. Voluntary and Knowing Action. The Parties, by executing this Agreement, state that they have carefully read this Agreement and understand fully the contents thereof; that in executing this Agreement they voluntarily accept all terms described in this Agreement without duress, coercion, undue influence, or otherwise, and that they intend to be legally bound thereby.
- b. Authorized Signatories. The Parties each represent and warrant to the others that (1) the persons signing this Agreement are authorized signatories for the entities represented, and (2) no further approvals, actions or ratifications are needed for the full enforceability of this Agreement against it; each party indemnifies and holds the others harmless against any breach of the foregoing representation and warranty.
- c. Notices. The Party's representatives for notification for all purposes are:

To City of St. Francis:
City Administrator
City of St. Francis
3750 Bridge Street
NW
St. Francis MN 55792

To City of Bethel: City
Mayor
City of Bethel
PO Box 64
Bethel, MN 55005

- d. Assignment. This Agreement may not be assigned by a Party without the written consent of the others.
- e. Modifications/Amendment. Any alterations, variations, modifications, amendments or waivers of the provisions of this Agreement shall only be valid when they have been reduced to writing and signed by authorized representatives of all of the Parties hereto. The Board or any Party may propose amendments to this Agreement. The Party seeking to amend shall present the proposed amendment to the other Parties and the Board, as applicable. The Board shall issue a report on all proposed amendments and its recommendation regarding the proposed amendment. Parties shall act to approve, modify or deny a proposed amendment within ninety (90) days after the Board issues its report concerning the proposed amendment.

- f. Records—Availability and Retention. Pursuant to Minn. Stat. § 16C.05, subd. 5, the Parties agree that any Party, the State Auditor, or any of their duly authorized representatives at any time during normal business hours and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, etc., which are pertinent to the accounting practices and procedures of the District and involve transactions relating to this Agreement.
- g. Governing Law. This Agreement shall be deemed to have been made and accepted in Anoka County, Minnesota, and the laws of the State of Minnesota shall govern any interpretations or constructions of the Agreement without regard to its choice of law or conflict of laws principles.
- h. Compliance with Laws. The District shall be responsible for compliance with all Federal and State regulations, standards and requirements. The District shall at all times be in compliance with such equipment, employees and training standards as may be required by law.
- i. Dispute Resolution. The Parties agree to engage in good faith to attempt to resolve any disputes that may arise over the establishment, operation, or maintenance of the District.
- j. Data Practices. The Parties acknowledge that this Agreement is subject to the requirements of Minnesota's Government Data Practices Act, Minnesota Statutes, Section 13.01 *et seq.*
- k. No Waiver. Any Party's failure in any one or more instances to insist upon strict performance of any of the terms and conditions of this Agreement or to exercise any right herein conferred shall not be construed as a waiver or relinquishment of that right or of that Party's right to assert or rely upon the terms and conditions of this Agreement. Any express waiver of a term of this Agreement shall not be binding and effective unless made in writing and properly executed by the waiving Party.
- l. Entire Agreement. These terms and conditions constitute the entire Agreement between the Parties regarding the subject matter hereof. All discussions and negotiations are deemed merged in this
- m. Agreement. Headings and Captions. Headings and captions contained in this Agreement are for convenience only and are not intended to alter any of the provisions of this Agreement and shall not be used for the interpretation of the validity of the Agreement or any provision hereof.
- n. Survivability. All covenants, indemnities, guarantees, releases, representations and warranties by any Party or Parties, and any undischarged obligations of the Parties arising prior to the expiration of this Agreement (whether by completion or earlier termination), shall survive such expiration.
- o. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

- p. Duration of Agreement. This Agreement shall remain in effect for a term of ten (10) years, auto renewing at the end of each ten (10) year period.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, the undersigned governmental units, by action of their respective governing bodies, have caused this Agreement to be executed in accordance with the authority of Minnesota Statutes § 471.59.

CITY OF BETHEL

BY: _____
 , Its Mayor

Date _____

BY: _____
 , Its City Clerk

Date _____

STATE OF MINNESOTA)
) ss.
 COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by _____, respectively the Mayor and City Clerk of the City of Bethel, a Minnesota municipal corporation, on behalf of the municipal corporation and pursuant to the authority granted by its City Council.

Notary Public

CITY OF ST. FRANCIS

BY: _____ Date _____
 , Its Mayor

BY: _____ Date _____, Its City Administrator

STATE OF MINNESOTA)
) ss.
 COUNTY OF Anoka)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by _____, respectively the Mayor and City Administrator of the City of St. Francis, a Minnesota municipal corporation, on behalf of the municipal corporation and pursuant to the authority granted by its City Council.

 Notary Public

EXHIBIT A**Inventory of Equipment, Fire Apparatus/Vehicles and Personal Property**

TBD

EXHIBIT B

FUNDING FORMULA

Tax Capacity and Population

Combines elements of rolling three-year tax capacity and call volume-based funding in algebraic formula $A.C. = (A.P. + A.V.) / 2 \times (O.C. - O.R.)$

AC = Annual Cost

AP = Annual Population (Met Council Population for Prior Year)

AV = The percentage that the Assessed Valuation (unadjusted tax capacity) of each city to the total Assessed Valuation (unadjusted tax capacity) to both cities Anoka County Tax Capacity for Prior Year

OC = Operational cost as approved by the cities

OR = Budgeted Non-City Revenues to include only other contract funds.