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**Billings Urban Fire Service
Agreement for Fire Services
City of Billings and Yellowstone County [Montana] Commissioners**

THIS AGREEMENT is made and entered into this ____ day of _____, _____, by and between the **CITY OF BILLINGS, MONTANA**, a municipal corporation, hereinafter referred to as the "**CITY**" and the **YELLOWSTONE COUNTY COMMISSIONERS - BILLINGS URBAN FIRE SERVICE AREA**, hereinafter referred to as the "**BUFSA**".

WITNESSETH

WHEREAS, the CITY maintains a fire department and is willing to provide fire protection, investigation and to properties within the BUFSA at the same level as such services are provided to properties within the corporate limits of the CITY, upon the terms and conditions hereinafter provided; and,

WHEREAS, the BUFSA has been duly and properly created by the Board of County Commissioners of Yellowstone County pursuant to the provisions of Sections 7-33-2401 through 7-33-2404, inclusive, of the Montana Code Annotated; and,

WHEREAS, inclusive of the agreement and attached hereto is the BUFSA boundary description and map, and,

WHEREAS, the BUFSA desires to continue with the above named fire services from the CITY and renew the contract with the CITY for such services; and,

WHEREAS, the Board of County Commissioners for Yellowstone County have, pursuant to 7-33-2403 MCA and Resolution 01-33, appointed a Board of Trustees to govern and manage the affairs of the BUFSA; and

WHEREAS, in accordance with Section 7-33-2403 MCA, the Board of County Commissioners shall retain the right to transfer the management of the BUFSA back to the Board of County Commissioners, and written notice of such transfer shall be provided to the CITY thirty (30) days prior to the effective date of transfer.

NOW THEREFORE, it is agreed by and between the parties hereto as follows:

1. SERVICES

The CITY will furnish the following services to properties and resident within the BUFSA, at the same level as such services are provided to properties and residents within the corporate limits of the CITY:

- a. fire protection and suppression;
- b. fire investigation;
- c. hazardous material response
- d. medical emergency first responder
- e. grass and timberland fire suppression

2. SERVICE AREA

Fire services will be provided to all properties located within the boundaries of the BUFSA (including MetraPark) as specified in the resolution of the Yellowstone County Commissioners creating said BUFSA, and as amended from time to time by agreement of the parties. Any enlargement of the BUFSA will not receive fire services unless the CITY approves the enlargement in writing. Other than annexation, no property shall be deleted without the written consent of both parties.

3. REVIEW OF SERVICE

A summary of services will be completed by the Billings Fire Department and reported in its annual report to the BUFSA Board, as outlined in Section 13 of this contract.

4. ANNEXATIONS

In the event that the CITY annexes any property located within the BUFSA, said property would automatically be excluded from the BUFSA, effective as of

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January 1 of the year following the year in which annexation occurred. Pursuant to this section, any properties within the BUFSA which are annexed to the CITY will continue to be responsible for payments of charges to BUFSA attributable to the full year during which the annexation occurs. On January 1 of the year following the date of annexation, said property will be subject to CITY property taxes and will no longer be required to pay charges for services provided through the BUFSA. In the event the City annexes property from the BUFSA which results in a decrease in the total taxable value of property within the BUFSA, then the parties will make appropriate adjustments to the fees and charges for the BUFSA. Adjustments based on annexations will occur only if the total taxable value for all property in the BUFSA is less for the tax year following the annexation than it was for the tax year in which the annexation occurred and then only if the reduction is directly and solely caused by the annexation.

5. TERM

This Agreement shall be effective on approval and execution by the parties hereto, and shall remain in effect, unless renewed by the parties as provided herein.

6. RENEWAL

This Agreement may be renewed, with the terms and conditions of the renewal Agreement to be as mutually agreed upon by the parties. In the event BUFSA wishes to negotiate a renewal of this Agreement, it must deliver a written request to initiate renewal negotiations to the CITY on or before January 1, of each year. Any renewal contract must be agreed to and executed by the parties on or before June 30 of the following year, and shall become effective on July 1st.

The purpose of requiring the execution of a renewal agreement one-year before expiration of the current Agreement is to allow the parties adequate time to make adjustments in the event that the parties cannot reach agreement on the terms of a renewal contract. The CITY will need to make adjustments in budgets, staffing and equipment. The BUFSA will need to make arrangements for obtaining fire services from a different fire service agency.

7. CHARGES AND PAYMENT

The fee for providing services for 2014 shall be \$1,088,072.00.

One-half of said fees will be paid by Yellowstone County, on behalf of the BUFSA on or before December 31st. The remaining one-half shall be paid on or before June 30th. Fees for the remaining years of this Agreement shall be paid in the same fashion on or before each succeeding December 31st and June 30th.

The parties understand and agree that the Yellowstone County Commissioners shall annually establish, levy and collect an assessment against all structures located within the BUFSA, sufficient to pay all charges against the BUFSA under this Agreement. These assessments shall be included on the annual property tax bills processed by Yellowstone County and shall be collected in the same manner as property taxes are collected.

8. ANNUAL ADJUSTMENTS TO CHARGES

The parties agree that the charges herein shall be reviewed and adjusted annually by the CITY in order to reflect actual costs incurred in providing services, both to properties within the BUFSA and within the CITY limits. Except for increases in costs of providing services to the BUFSA which are beyond the control of the CITY and which are solely attributable to providing services to the BUFSA, any increase in charges to the BUFSA must be in direct proportion to increases in costs incurred by the CITY in providing the same services to CITY residents. For example, if the costs for providing fire services to properties within the CITY increase by two percent (2%), then the charges to BUFSA will be increased by two percent (2%). Any increases in costs of providing services to the BUFSA which are beyond the control of the CITY and which are solely attributable to providing services to the

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BUFSA, will be included in an increased annual charge to the BUFSA. The CITY shall substantiate such adjustments when furnishing the budget to the BUFSA pursuant to Section 13 of this Agreement.

For purposes of this section, the phrase "costs of providing services to BUFSA, which are beyond the control of the CITY" means costs, which are legally, mandated by any agency or entity other than the City of Billings.

9. DISPUTE SETTLEMENT - ARBITRATION

All claims, disputes and other matters in question between the CITY and the BUFSA arising out of or relating to this Agreement or the breach thereof, except for any disputes or controversies arising out of or related to Section Seven (7) and Eight (8) of this Agreement, will be decided by arbitration in accordance with the rules of the American Arbitration Association then prevailing except as modified herein.

Each party shall name one arbitrator and the third arbitrator shall be chosen by Agreement of the other two or, in lieu of such agreement, the third arbitrator shall be appointed by the Arbitration Committee of the American Arbitration Association.

Either party may demand arbitration in writing within forty-five (45) days after the dispute arises, which demand shall include the name of the arbitrator selected by the party demanding arbitration and a statement of the matter in controversy. Within ten (10) days after receipt of such demand, the other party shall notify the demanding party of the name of that party's arbitrator. The two arbitrators so chosen shall, within ten (10) days, select the third arbitrator.

The arbitration hearing shall be held at Billings, Montana, on fifteen (15) days notice to the parties. Each party shall bear its own arbitration costs and expenses and one-half of all other costs and expenses, including the costs of the third arbitrator.

Nothing contained herein shall be deemed to give the arbitrators any authority, power or right to modify, add to or subtract from any of the provisions of this Agreement.

10. INDEPENDENT CONTRACTOR

For the purposes of this Agreement, the CITY shall be regarded as an independent contractor providing fire services, as described herein to the BUFSA.

All decisions as to the type and amount of equipment used, number of men, firefighting techniques employed, and whether or not to respond to a particular call shall be made by the Fire Chief of the CITY or his designee. The Fire Chief or his designee shall use the same criteria to respond within the CITY and within BUFSA, such that the level of service shall be the same for the CITY and BUFSA. The BUFSA agrees that it will exercise no supervision, control or discretion over the CITY'S Fire Department pursuant to this Agreement.

11. STANDARD OF PERFORMANCE

The CITY agrees to provide the same level of service to the BUFSA as provided to City residents. The same level of service shall mean that all resources available to the fire department, to deliver all services offered to the residents of the City of Billings, shall be available to deliver the services to the residents of BUFSA.

In the event of passage of laws, by either the State Legislature or by the people through the initiative process, which would require the CITY to make significant reductions in Fire Department staffing, equipment, stations or other facilities from current levels, then this Agreement shall be renegotiated. In the event that the parties cannot reach agreement, then this Agreement shall be terminated at the end of the next fiscal year.

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12. INDEMNIFICATION

The CITY will be liable for any injury to persons or damage to property caused by negligence of the CITY or its employees in performance of its obligations under this Agreement. The CITY hereby agrees to indemnify and hold harmless the BUFSA from any claims for such injury or damage.

13. REPORT

The CITY will furnish a quarterly written report to BUFSA, which will include the number, and type of incidents responded to within the BUFSA by CITY personnel.

Quarterly Reports shall include the following:

1. Station responding
2. Total run times
3. Number and type of incidents responded to in BUFSA

In addition to the quarterly services reports, the CITY shall furnish to the BUFSA an annual detailed budget and other financial information concerning charges to BUFSA under this Agreement.

14. MODIFICATION

This Agreement cannot be modified or amended except in writing executed by the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

CITY OF BILLINGS

By _____
Mayor

ATTEST:

City Clerk

[seal]

County

BILLINGS URBAN FIRE SERVICE AREA

By _____
County Commission, Chair

By _____
County Commission, Member

By _____
County Commission, Member

ATTEST:

Clerk and Recorder—Yellowstone