



## REQUEST FOR BOARD ACTION

ITEM NO. 23.

**DATE OF MEETING:** May 03, 2010

**REQUESTED BY:** Tom Collins, Emergency Management Director

**SHORT TITLE:** Resolution Authorizing Amendment to the Existing Hampstead Volunteer Fire Department, Inc. Funding Agreement

**BACKGROUND:** On June 06, 2003 Pender County signed a contract with the Hampstead Volunteer Fire Department to provide continuing fire protection services within its primary coverage area and mutual aid to surrounding County Fire Departments.

The Hampstead Volunteer Fire Department received its Medium Rescue Certification on August 26, 2006. The North Carolina Secretary of State officially changed the department name to Hampstead Volunteer Fire & Rescue Inc. With this change, they are now eligible for additional grant funding through The Office of Emergency Medical Services.

In order to maintain consistency, it is necessary for Pender County to amend the current Fire Department Funding Agreement to reflect this name change. Attached is a proposed agreement with Hampstead Volunteer Fire & Rescue Department, Inc. The execution of this name change will not change or alter response protocols established by the Fire Department and no funding levels will be affected.

Staff respectfully recommends approval.

**SPECIFIC ACTION REQUESTED:** The Pender County Board of Commissioners is requested to adopt a resolution approving the attached contract with Hampstead Volunteer Fire & Rescue, Inc.



NORTH CAROLINA)  
 )  
PENDER COUNTY )

**FIRE DEPARTMENT FUNDING AGREEMENT**

**THIS AGREEMENT**, made and entered this \_\_\_\_\_ day of \_\_\_\_\_, 2010, by and between **PENDER COUNTY**, North Carolina, a political subdivision of the State of North Carolina, hereinafter referred to as "County"; and **Hampstead Volunteer Fire & Rescue, Inc.**, a political subdivision organized under the laws of the State of North Carolina, having its principal office in Pender County, North Carolina, hereinafter referred to as "Department";

**WITNESSETH:**

**WHEREAS**, the Department has agreed to provide continuing fire protection service within its primary area of coverage, and the other areas on the basis of mutual aid contracts with other County Fire Departments for the benefit of the citizens of Pender County; and

**WHEREAS**, the Department has requested County to assist in the funding of above-described services by collecting and distributing a service district tax; and

**WHEREAS**, G.S. 153A-11, 153A-13, 153A-223, 153A-305 authorize County to provide the Department with financial support for the above described services;

**NOW, THEREFORE**, in consideration of the mutual benefits inuring to the parties hereto, and based upon the mutual covenants contained herein and the considerations stated therein, the parties do hereby covenant and agree as follows:

**I. Purpose of Agreement and the Department's Use of Funds**

A. Purpose of Agreement - County shall provide funds to the Department for the provision of continuing fire protection, as follows:

(1) The Department shall provide continuing fire protection service consistent with the levels of equipment, personnel and training required by the North Carolina Department of Insurance to all citizens of the Service District as defined in Exhibit A, maintain through the State Fire Marshal's Office at least the 9S rating for the six mile insurance district covered by the department, and will respond to mutual aid calls by the County Dispatcher with back-up assistance as called upon, at the Chief's discretion. The Department will respond simultaneously, upon the initial call of a structure fire with the neighboring department in which the CAD has identified them as the first mutual aid department, with a piece of fire apparatus capable of carrying 1,000 gallons of water or more. For purpose of this Agreement, "Mutual Aid" is defined as requests for assistance when requesting fire department has exhausted all of it's available resources and the department called for mutual assistance has available resources to send, as determined by the on-duty supervisor of the squad from which mutual aid is requested.

(2) The County shall operate a communication system sufficient to alert the Department and other agencies of fires which occur in the County. The County Central Dispatch shall be responsible for the dispatch of the fire departments with their primary and mutual aid areas of coverage.

B. Description of the Department's Service Area - The Department's service area is defined in Exhibit A, attached hereto and incorporated herein by reference.

C. Term of Agreement - The term of this agreement shall be from the date of execution through September 30, 2002; provided, however, that in the event no replacement contract is executed covering this service district on or before September 30, 2002, this contract shall be extended under the same terms and conditions unless it is cancelled by written notice mailed to the other party ninety (90) days prior to termination.

D. Payment - For their services, County agrees to pay to the Department the full amount of fire service district taxes collected from the Department's service area, to be paid on a monthly basis. If the Department does not collect at least Thirty Thousand (\$30,000) Dollars annually in fire service area taxes, then the County will use the Countywide Fire Line Item or other revenues to supplement the Department's Fire Tax Collections in order to bring them up to Thirty Thousand (\$30,000) Dollars per annum. The County shall furnish to the Department by October 1<sup>st</sup> of each year an accounting of all Fire Taxes collected during the properly approved, executed, and on file at the County Manager's Office, no later than November 20, 2001.

E. Assets Should Department Dissolve - Should the Department voluntarily disband, dissolve or otherwise become unable to provide fire protection service for their service area, or fail to maintain at least a 9s fire insurance rating from the NC Department of Insurance, any and all equipment and other assets acquired by the use of the fire district tax funding (in whole or in part) will revert to the Pender County Fire Commission for recommendation to the County Commissioners for approval as to final disposition. To protect the service district taxpayers, the County Commission will assure that this equipment and other assets will be used for fire protection in the service area the Department used to serve.

## **II. Termination of Agreement; Breach of Agreement -**

Each party shall have the right to terminate this Agreement by giving the other party one hundred eighty (180) days written notice of termination. In the event of termination, the Department shall only be entitled to a pro rata share of the fire district tax collected during the fiscal year based on the length of time that the contract was in effect. In the event the Department loses its Department of Insurance certification of meeting 9S standards, the County may terminate the contract on giving thirty (30) days written notice. In addition, the Department shall provide County with a financial accounting, as required by County, for all funds received by the Department and on hand up to date of termination.

## **III. Department Financial Reporting Requirements.**

A. Annual Written Accounting - Within sixty (60) days of the end of the Department's fiscal year, which extends from July 1 through June 30, the Department shall provide the County with all information necessary to complete a full financial accounting or provide the County with an audit from a recognized CPA firm. If the Department contracts with a separate CPA firm, the audit report is due within one hundred twenty (120) days of the end of the fiscal year.

B. Financial Records - The Department shall establish fiscal control and accounting procedures in accordance with generally accepted accounting principles. The procedures shall account for all funds paid by the County to the Department, and the Department shall maintain such

records for three (3) years after the date of termination of the contract.

C. County Access to Financial Records - The Department shall allow the County Manager, or his designee, access to and the right to inspect and copy at reasonable hours and upon reasonable notice, all financial records concerning County funds.

D. Approval of Purchase Requiring Loans/Lease-Dept service shall not exceed 25% of tax revenue from the county. In order for the County to be aware of all potential financial liability, any asset purchased through a loan or lease process with a financial company must be submitted to the County Finance Officer for certification that the total debt service of the department including the proposed loan does not exceed 25% of the tax revenue received from the county. Loans/Leases must be approved by the County Commission in cases where the total debt service will exceed 25% of tax revenue

#### **IV. Independent Contractor -**

The Department understands and agrees that, in entering into this Agreement and providing services, it is acting as an independent contractor. Neither the Department, nor its employees, members nor personnel shall be deemed or construed to be employees of Pender County. The Department shall remain in complete operational control of its vehicles, program, volunteers, assistants and employees. The Department shall be responsible for any on the job injuries to its agents, volunteers, or employees. The Department shall control the hours, manner, and methods of providing fire suppression coverage by their volunteers, employees and all other persons acting in their behalf. The Department shall maintain insurance coverage covering their activities.

#### **V. Indemnity Agreement -**

The Department shall indemnify and save harmless Pender County from any and all liability and expenses, including attorney fees, court costs, and other costs incurred by Pender County as a result of the negligence of the Department, its agents and employees in the performance of this contract.

#### **VI. Entire Agreement -**

This Agreement, with exhibits, constitutes the entire understanding of the parties and contains all of the terms agreed upon with respect to the subject matter hereof. No modification or rescission of this Agreement shall be effective unless evidenced by a writing signed by both parties to this Agreement.

Any prior contracts between the parties hereto are hereby declared null and void as to the parties to this Agreement, save and except any prior agreement which has as its third party beneficiary any financial institution for the purpose of a loan guarantee. The portion(s) of said agreement setting out the loan guarantee shall be incorporated in this contract by reference.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals, by authority duly given, on the date first above written.

**PENDER COUNTY**

(CORPORATE SEAL)

ATTEST:

BY:

\_\_\_\_\_  
Rick Benton  
Clerk to the Board of Commissioners

\_\_\_\_\_  
Jimmy Tate, Chairman  
Board of Commissioners

I, \_\_\_\_\_, a Notary Public of the State and County aforesaid, certify that \_\_\_\_\_ personally appeared before me this day and acknowledged that he is Clerk to the Board of Commissioners of Pender County, and that by authority duly given and as the act of the Board, the foregoing instrument was signed in its name by its Chairman, sealed with its official seal and attested by himself as its Clerk.

WITNESS my hand and official seal, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

**Hampstead Volunteer Fire & Rescue, Inc.**

(CORPORATE SEAL)

ATTEST:

BY:

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
President

I, \_\_\_\_\_, a Notary Public of the State and County aforesaid, certify that \_\_\_\_\_ personally appeared before me this day and acknowledged that (s)he is Secretary of the Hampstead Volunteer Fire & Rescue Inc., a non-profit corporation and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President and attested by him/ herself as its secretary.

WITNESS my hand and official seal, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_