

**FIRE SERVICES CONTRACT BY AND BETWEEN
MISSION TOWNSHIP AND PELICAN TOWNSHIP**

This Fire Services Contract ("Contract") is made and entered into this 1st day of March 2026, by and between Mission Township, Crow Wing County, Minnesota, a public corporation, ("Mission") and Pelican Township, Crow Wing County, Minnesota, a public corporation ("Pelican").

In consideration of the mutual promises and agreements hereinafter set forth, the parties hereby agree as follows:

1. **Fire Service.** Pelican agrees to purchase from Mission, and Mission agrees to provide Pelican, through its Mission Township Fire Department ("Department"), fire and rescue services consistent with level and types of services Mission makes available to properties within Mission (collectively "Fire Services").
 - (a) **Allocation of Resources.** The parties understand the Department's officer in charge of the particular scene shall exercise judgment to determine, in consideration of all the established policies, guidelines, procedures, and practices, how best to allocate the available resources of the Department under the circumstances of a given situation. Failure to provide Fire Services because of poor weather conditions or other conditions beyond the control of Mission shall not be deemed a breach of this Contract.
 - (b) **No Guarantee.** The parties understand and agree Mission will endeavor to provide the Fire Services to the best of its ability given the circumstances, but Mission makes no guarantees that the Fire Services it actually provides in a given situation will meet any particular criteria or standard.
2. **Service Area.** Mission shall provide Fire Services to the area in Pelican described below and/or as indicated on a map which is attached hereto and made part of this Contract. The identified area shall constitute Pelican's "Service Area" for the purposes of this Contract.

All of Sections 12, 13, 25, 35, 36 and part of Section 11.

3. **Annual Payment Amount.** Each year, or a portion thereof, during the term of this Contract Pelican agrees to pay Mission the total payment amount determined in accordance with the following provisions. Such amount is hereinafter referred to as the "Annual Payment Amount" and is comprised of the "Fair Share Amount" and "Relief Association Amount", each determined in accordance with the formulas set out in this section.
 - a. **Fair Share Amount.** The Fair Share Amount is determined based on the following formula developed to fairly divide the costs of making available and providing Fire Services to the Department's entire service territory. The Department's entire service territory is comprised of individual service areas that include all land within Mission Township, Center Township, and a portion of Pelican Township. The following factors identify specific information for each service area that is then taken as a percentage of the entire service territory.

Fair Share Factors

(U) Use Factor: The number of Fire Service calls responded to within the

Pelican Service Area over the previous 5 years as a percentage of all calls responded to by the Department within the entire service territory of the same period.

(T) Total Market Value: The most current total market value of Pelican Service Area as a percentage of the total market value of the entire service territory

(C) Cost of Department: The Department's annual budget for the year in which the Fire Services are to be provided

Fair Share Formula

The Fair Share Amount is determined using the following formula:

$$\frac{U + T}{2} \times C = \text{Fair Share Amount}$$

Fair Share Calculation for 2026

$$\frac{9.2 \text{ Use Factor} + 20.45 \text{ TMV}}{2} = 14.82\% \times \$137,750.00(2026 \text{ Budget}) = \$20,415.00$$

- b. **Relief Association Amount.** In recognition of the fact that supporting the Department's relief association is an important part of maintaining a sufficient number of firefighters to provide Fire Services, part of the Annual Payment Amount Pelican is required to pay to Mission is a payment to the relief association ("Relief Association Amount"). The Relief Association Amount shall be determined each year in accordance with the formula set out in this section. Mission shall forward the Relief Association Amount it receives from Pelican to the Department's Relief Association.

Relief Association Amount Formula

The Relief Association Amount is determined by multiplying Pelican's most current total market value by 0.00003 as follows:

$$\text{TMV} \times 0.00003 = \text{Relief Association Amount}$$

Relief Association Amount Calculation

$$\$208,093,188.00(\text{TMV}) \times 0.00003 = \$6,243.00$$

- c. **Mandatory Contribution.** $.137 \times \$12,397.00 = \$1,698.00$

Total relief contribution: $\$6,243.00 + \$1,698.00 = \underline{\$7,932.00}$

- d. **2025 Annual Payment Amount.** The Annual Payment Amount Pelican is required to pay Mission in 2026, in accordance with the schedule established herein, equals \$28,347.00 At least 30 days prior to March 1st of each subsequent year of service Mission shall provide Pelican written notice of the calculations and totals that make up the Annual Payment Amount for the upcoming year of service.

- 4. **Payment Schedule.** Each year during the term of this Contract Pelican shall pay Mission 50% of the Annual Payment Amount by April 1st and pay the remaining 50% by September 1st. If this Contract is

terminated early, Pelican shall be required to pay Mission the pro rata share of the Annual Payment Amount for the partial year of service, and the full amount of any additional charges incurred prior to the termination of this Contract.

5. **Additional Charges.** In addition to the Annual Payment Amount, Pelican shall be required to pay Mission the following additional charges as they may arise during the term of this Contract.
 - a. **Relief Association Shortfall.** If at any time during the term of this Contract Mission is required by law to make one or more payments to the relief association to cover a shortfall in the relief association's special fund (such payments being referred to by statute as the "minimum obligation"), Pelican shall be required to pay Mission its fair share of the minimum obligation payment. Pelican's fair share of the minimum obligation shall be the same percentage developed under the Fair Share Amount formula in the year of service in which the minimum obligation must be paid (U plus T, divided by 2). Mission shall notify Pelican in writing of any required minimum obligation payment, including the total amount of the payment and Pelican's fair share of the amount. Pelican shall pay Mission the indicated fair share amount within 60 days from the date of the notice.
 - b. **Mutual Aid Charges.** Mission has entered into mutual aid agreements with surrounding fire departments to provide assistance in cases of large incidences or in other cases in which the Department requires additional assistance in order to respond to an incident. Mission is charged a fee by mutual aid departments when their response time exceeds 8 hours. Pelican agrees to reimburse Mission for any such charges Mission incurs for mutual aid response to incidences in Pelican's Service Area. Mission shall notify Pelican in writing of any such charges and Pelican shall pay Mission the amount of the charge within 60 days from the date of the notice.
6. **Annual Meeting of Parties.** Mission and Pelican may hold at least one joint meeting annually during the term of this Contract. The purpose of the meeting is to discuss the calculation of the Annual Payment Amount for the upcoming year, discuss Pelican's satisfaction with the Fire Services provided during the year, and to discuss such other issues as either party deems relevant to this Contract. The meeting shall be held separately from any regular Township meeting and shall be attended by at least a quorum of each party's governing body.
7. **Emergency Service Charge.** Mission, in its sole discretion, may impose and collect an emergency service charge on those receiving Fire Services within Pelican's Service Area. Mission shall provide Pelican written notice of its intent to adopt a resolution or ordinance to establish such emergency service fees within Pelican's Service Area. Pelican hereby delegates to Mission such authority as may be needed for Mission to adopt and collect emergency service fees within Pelican. Pelican agrees to assist Mission in the collection of any such fees and further agrees that Pelican shall have no right to, or interest in, any emergency service fees imposed by Mission. Pelican shall not adopt or enforce its own emergency service fee related to Fire Services within Pelican's Service Area if Mission imposes such a fee within the Service Area.
8. **Term.** This Contract shall be effective as of **March 1, 2026** ("Anniversary Date") and shall extend for a period of one (1) year from such date unless terminated earlier as provided herein.
9. **Termination.** This Contract may be terminated at any time during its term by mutual agreement of the parties. Either party may terminate this Contract by providing written notice of termination

to the other party. Upon such notice of termination, this Contract shall then terminate at the conclusion of the next full year of Fire Service following the year in which the notice of termination was provided, unless the party providing the notice withdraws the notice in writing at 90 days before the end of the next full year of service. If Pelican fails to pay the Annual Payment Amount or any additional charges in accordance with the terms of this Contract, Mission may terminate this Contract upon 60 days' written notice of termination. Notice to Pelican shall be provided to the Pelican clerk and notice to Mission shall be provided to the Mission clerk.

10. **Ownership.** Mission owns the buildings and equipment associated with the Department and the amounts paid by Pelican do not give rise to any ownership interest in, or responsibility toward, those items.

11. **Mission Township's Responsibilities.** In addition to any other obligations described herein, Mission shall:

- a) Authorize and direct the Department to provide the Fire Services described herein to the Pelican Service Area.
- b) Develop a detailed annual operational budget for the Department for each year during the term of this Contract by the Anniversary Date and present it to Pelican along with sufficient information to explain the items included in the budget figures.
- c) Upon Pelican's request, provide access to financial and cost data related to the Department for five years prior to the current service year.
- d) Disclose to Pelican any proposed action Mission or the Department intends to take that can reasonably be expected to effect the Insurance Services Office Fire Protection Grade in the Service Area or Mission's ability to provide the Fire Services indicated above.
- e) Promptly disclose to Pelican any information Mission can reasonably anticipate will directly affect its ability to perform its obligations under this Contract.

12. **Pelican Township's Responsibilities.** In addition to any other obligations described herein, Pelican shall:

- (a) Promptly pay Mission the Annual Payment Amount as indicated above for the year of service, or a prorated share of the Annual Payment Amount for the length of service actually provided if the Contract is terminated early.
- (b) Promptly pay Mission any additional charges that may apply as provided in this Contract.
- (c) Promptly disclose to Mission any information Pelican can reasonably anticipate will directly affect its ability to perform its obligations under this Contract.

It is understood and agreed Pelican shall have no responsibility whatsoever toward the Department or other emergency personnel including any employment related issues such as training, supervision, performance reviews, discipline, compensation, benefits, insurance coverages, compliance with any employment related federal, state, and local laws and rules such as OSHA, BRISA, RLSA, FMLA, or any other employment related issues.

It is further agreed Pelican has no responsibility, beyond paying the agreed upon Annual Payment Amount and additional charges, for acquiring, operating, maintaining, housing, or replacing equipment as needed to provide the Fire Services described herein.

13. **Insurance Requirements.** Mission shall maintain general liability insurance for its Fire Services

and shall include Pelican as an additional insured for the term of this Contract. Mission shall also maintain inland marine, automobile, and property insurance coverages. Mission shall provide Pelican proof of such insurance coverages and the additional insured endorsement naming Pelican annually by the Anniversary Date of this Contract. The parties agree the combined policy provided by the Minnesota Association of Townships Insurance Trust is sufficient to satisfy the coverage requirements of this Section.

14. **Indemnification.** Mission agrees to defend and indemnify Pelican against any claims brought or actions filed against Pelican or any officer, employee, or volunteer of Pelican for injury to, death of, or damage to the property of any third person or persons, arising from Mission's performance under this Contract. Under no circumstances, however, shall Mission be required to pay on behalf of itself and Pelican any amounts in excess of the limits on liability established in Minnesota Statutes Chapter 466 applicable to any one party. The limits of liability for Mission and Pelican may not be added together to determine the maximum amount of liability for Mission. The intent of this subdivision is to impose on Mission a limited duty to defend and indemnify Pelican for claims arising out of the performance of this Contract subject to the limits of liability under Minnesota Statutes Chapter 466. The purpose of creating this duty to defend and indemnify is to simplify the defense of claims by eliminating conflicts between the parties and to permit liability claims against both parties from a single occurrence to be defended by a single attorney.
15. **No Waiver.** Nothing herein shall be construed to waive or limit any immunity from, or limitation on, liability available to either party, whether set forth in Minnesota Statutes Chapter 466 or otherwise.
16. **Modification.** This writing contains the entire agreement between the parties and no alterations, variations, modifications, or waivers of the provisions of this agreement are valid unless reduced to writing, signed by both Mission and Pelican, and attached hereto.
17. **Subcontracting and Assignment.** Mission shall not subcontract or assign any portion of this Contract to another without prior written permission from Pelican. Services provided to Pelican pursuant to a mutual aid agreement Mission has, or may enter into, with another entity does not constitute a subcontract or assignment requiring prior approval of Pelican so long as Mission remains primarily responsible for providing fire services to Pelican's Service Territory.
18. **Service Contract.** This is a service contract. The parties do not intend to undertake or create, and nothing herein shall be construed as creating a joint powers agreement, joint venture, or joint enterprise between the parties.
19. **Minnesota Law Governs.** This Contract shall be governed by and construed in accordance with the internal laws of the State of Minnesota. All proceedings related to this Contract shall be venued in the State of Minnesota.
20. **Severability.** The provisions of this Contract shall be deemed severable. If any part of this Contract is rendered void, invalid, or otherwise unenforceable, such rendering shall not affect the validity and enforceability of the remainder of this Contract.

IN WITNESS WHEREOF, the parties have executed this Contract on the date indicated above.

Mission Township

By its Chairperson

Jon Auge 03-09-2026
Signature

Jon Auge, CHAIR
Printed Name

ATTEST:

Naomi Scott
Clerk/Date



Pelican Township

By its Chairperson

Giles Reddle
Signature

Giles Reddle
Printed Name

[Signature] 3/10/24
Clerk/Date

2025 Fire Calls

Mission Township	100 calls	55%
Center Township	54 calls	30%
Pelican Township	23 calls	12%
Mutual Aid	6 calls	3%
Total	183 Total calls 2025	