STATE OF NORTH CAROLINA
COUNTY OF HENDERSON

AGREEMENT

THIS AGREEMENT, made and entered into this the first day of July 2024 by and between the TOWN OF FLETCHER, a municipal corporation created by enactment of the General Assembly of North Carolina in 1989, herein after referred to as the "Town" and FLETCHER FIRE AND RESCUE DEPARTMENT, INC. a non-profit corporation organized and existing under the laws of the State of North Carolina, hereinafter referred to as the "Fire Department",

WITNESSETH:

The Town agrees to pay for fire protection and emergency medical service at the basic EMT level to be provided by the Fire Department and the Fire Department agrees to furnish to the Town fire protection and EMT level service of all properties lying in the municipal fire district (hereinafter also referred to as "territory"), upon the following terms and conditions:

1. This Agreement shall be valid for a term of three (3) years, beginning the date of this agreement, and may be extended for an additional term of the same number of years upon written consent of both the Town and Fire Department.

2. The Town shall pay to the Fire Department a contracted sum which is to be as determined annually by the Fletcher Town Council. The Fire Department may request additional funding ~~for the purpose of maintaining or increasing the fire rating as required by the Town~~ beyond the contracted sum; however, such requests shall be negotiated prior to the Town's annual budget adoption. ~~If additional funding is denied; the Town will forego the requirement for maintaining the current fire rating.~~ The Town shall pay one twelfth of the contracted sum on or before the fifteenth (15) day of each month. The June payment shall include all the remaining monies due to June 30 of each contract year.

3. The Fire Department shall provide fire and emergency medical service at the basic EMT level annually. No other contracts shall hereafter be agreed upon for fire protection and basic EMT level of services within the municipal fire district without notifying and negotiating with the Fletcher Fire and Rescue Department. Written notice of termination by either party shall not be less than one (1) year prior to the end of the current contract. The written notification shall show just cause for the termination.

The Fire Department shall strive to obtain and keep in proper repair all necessary equipment and associated trained and qualified firefighters as may be required to maintain; the Fire Department's minimum staffing policy and current fire rating or better for the territory covered by the Fire Department.

4. The Town *may* appoint a qualified Town Employee or CPA firm representative to inspect all books and accounts for the Fire Department at any time with prior notice during normal business hours Monday thru Friday of each week. It is further agreed that the Fire Department will present the Town with an annual audit and accompanying management letter prepared by a CPA which shall be in conformity with generally accepted accounting principles. (GAAP). Audit shall be turned into the Town Manager by December 31 of each year.

In event that the audit or management letter reveals a reportable and/or material issue(s) regarding compliance with generally accepted accounting principles, the Fire Department shall provide a written statement that contains an explanation of each such issue and an action plan (with implementation timetable) for resolving each issue and shall provide quarterly periodic reports to the Town on progress made in resolution of each issue.

Should the Fire Department fail to submit its audit report to the Town by the designated time, the Town may suspend all funds immediately until the audit is delivered as set forth above. The Fire Department may request, and the Town may approve, a reasonable submittal extension if the Fire Department is unable to deliver the audit for reasons beyond the control of the Fire Department or the Fire Department's auditor.

5. The Fire Department and the Town agree that public notice of a Board of Directors meeting called during a declared disaster or emergency to make decisions required to respond to that disaster or emergency is not practical, and, therefore, not required. *The Fire Department and the Town also agree that the public is invited to attend any regularly called meeting and bring forth any concern or complaint that they feel necessary for the Fire Department to hear.*

6. The Fire Department shall present to the Town during the month of March of each contract year a proposed "Draft" budget for the provision of fire and EMT medical services in the Town, and is presumed to be preliminary with the understandings, that it may require modification prior to final adoptions. It is understood that the final adopted budget may not be adopted until the third week of June annually.

7. The Fire Department shall use the Town's funds subject to this Agreement in accordance with the adopted "Annual Fire Department Budget" apart from future budget amendments approved by the Board of Directors.

a. The Fire Department agrees to utilize and follow their purchasing policy set by the Fire Department.

b. The Fire Department and the Town agree that, in the event of a bona fide emergency, the Fire Department may proceed with emergency purchases without seeking formal or informal bids as described herein.

8. Because of the Fire Department's reliance on public funds for its operations, the public has a continuing interest in the Fire Department's current Fund Balance and Reserves. The Board of Directors shall establish a Fund Balance Policy, which will be reviewed and adjusted annually as needed to comply with *the current* Fund Balance Policy. Specific balances of individual funds shall be as determined by review and a needs assessment annually by the Board of Directors

9. If the Town determines that the Fire Department has failed to render the fire protection or other emergency services to the district as provided in this agreement (e.g. emergency calls unanswered), then the Town shall give the Fire Department ninety (90) days advance written notice that the funds allocated are subject to suspension. If during the said ninety (90) day period, the Fire Department makes improvements satisfactory to the Town, no suspension shall occur. During the ninety (90) day period, the Fire Department is not relieved of their responsibility to provide fire protection and other emergency services in a manner otherwise consistent with the terms of this agreement.

10. In the event that the Fire Department's Board of Directors determines that the Fire Department is unable to reliably deliver the services described herein, for any reason or no reason, the Fire Department's Board of Directors shall immediately so notify the Town, at which time the Town is authorized to use such Fire Department facility and equipment located at 49 East Fanning Bridge as are necessary to maintain the delivery of fire and other emergency services in the district.

11. In the event of a liquidation or dissolution of the Fire Department pursuant to cessation of services or action by the Fire Department's Board of Directors, all equipment, assets and real property owned by the Fire Department located at 49 East Fanning Bridge, shall be assigned or transferred by actions of the Board of Directors in accordance with current NC State Statutes for nonprofit organizations.

12. The Fire Department shall continuously comply with its Corporation By-Laws set by their Board of Directors. The Fire Department shall comply with the requirements of the Office of State Fire Marshal as well as provisions of Department of Insurance, as some may be updated, amended, or replaced from time to time. Cases in which the Fire Department loses or receives a reduced rating will be examined by the Town and County Department of Emergency Services.

13. If for any reason the current insurance rating is revoked by the North Carolina Fire Insurance Rating Bureau, the Fletcher Town Council shall review the reasoning for such revocation. If it is found; that the actions of or lack of actions by the Fire

Department was solely responsible for the rating reduction, the Town Council shall give the Fire Department one (1) year to reinstate the current rating.

14. The Fire Department shall be an independent contractor in performing its functions under this contract. The Fire Department shall take all actions as required to maintain its present nonprofit corporation status pursuant to Chapter 55A of the North Carolina General Statutes.

15. The Fire Department shall always maintain and keep in full force and effect during this contract or any extension hereof; adequate liability insurance on all of its buildings, apparatus, and equipment. Presently, Henderson County provides workers compensation coverage for Fletcher Fire and Rescue Department, Inc. through the "Volunteer Safety Workers' Compensation Fund" at no cost to the department. ~~The Town agrees to provide proportionate additional funding to provide workers compensation insurance for all staff in the event Henderson County changes this policy.~~

16. The Town shall be free from all liabilities incurred in connection with the functioning of the Fire Department in any manner. The Town shall be free from all claims and liabilities for any damages, injuries, or accidents resulting from the execution of the Fire Department of its duties.

17. It is understood and agreed by the parties hereto that in the event any provision of this contract is determined by a court of competent jurisdiction to be invalid, such jurisdiction shall not be deemed to render other provisions hereof invalid and this contract shall otherwise continue in full force and effect.

18. The Fire Department shall appoint the Fire Chief for the fire district. Henderson County shall appoint a Fire Marshall who is responsible for all fire inspections within the municipal limits. If the Fire Chief is replaced during this contract, a new fire chief shall be appointed by the Fire Department.

19. The Town shall appoint a representative to serve as a liaison representative between the Town and the Fire Department. ~~The Fletcher Fire and Rescue Board of Directors may appoint this liaison representative as a member of the Board of Directors.~~

20. *The Fire Department will maintain a minimum of four (4) Town residents on its Board of Directors.* The Town will be notified of vacancies of the Board of Directors and the Fire Department will entertain applications or recommendations from the Town of individuals interested in serving on the Board.

21. If for any reason there is an impasse in the interpretation of this contract between the Town and the Fire Department both parties agree to have a qualified impartial mediator to help solve the impasse.

22. All Directors shall be appointed and elected by the current seated Directors of the corporation as per the original "Articles of Incorporation".

23. This contract shall become null and void, if for any reason, Fletcher Fire & Rescue Station 1 located at 49 East Fanning Bridge is re-located outside the boundaries of the town.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals, this the day and year first above written.

TOWN OF FLETCHER

BY: _____

Preston Blakely – Mayor

BY: _____

Sheila Franklin - Mayor Pro-Tem

FLETCHER FIRE AND RESCUE DEPT., INC

OFFICERS

BY: _____

Billy Wilson, President

BY: _____

Vacant, Vice President

BY: _____

Jacque Fogel, Secretary

BY: _____

Hugh Clark, Treasurer