



CITY OF NEENAH
CITY OF MENASHA



NEENAH – MENASHA FIRE RESCUE MERGER
AGREEMENT

This Agreement is made this 31st day of December 2002, between the City of Neenah (hereinafter “Neenah”), a Wisconsin municipal corporation located in Winnebago County, Wisconsin, and the City of Menasha (hereinafter “Menasha”), a Wisconsin municipal corporation located in Winnebago and Calumet Counties, Wisconsin.

W I T N E S S E T H:

WHEREAS, Neenah and Menasha have studied the feasibility and the merits of merging their respective fire departments and have determined that public safety, economy and efficiency will be enhanced by a merged fire department; and

WHEREAS, Secs. 62.13 and 66.0301, Wis. Stats., and Wisconsin case law authorize municipalities to contract with one another for fire and rescue services; and

WHEREAS, a plan proposing merger and operation of a joint fire department was prepared and presented to each municipality, and Neenah and Menasha have passed resolutions to authorize the merger of the Neenah and Menasha fire departments;

IT IS HEREBY AGREED AS FOLLOWS;

1. MERGER. Neenah and Menasha shall merge their fire departments, and a joint fire department shall provide services for the City of Neenah and the City of Menasha. The merged fire department shall be known as the “Neenah Menasha Fire Fire Rescue” or abbreviated as the “NMFR.”

2. COMMENCEMENT. The Neenah and Menasha fire departments shall be merged January 1, 2003. Commencing with the 2003 budget, Neenah and Menasha shall prepare a joint budget as provided herein.

3. JOINT DEPARTMENT ADMINISTRATION.

3.01. *Joint Fire Commission.* Neenah and Menasha shall create a Joint Fire Commission. The commission shall consist of six members with three-year terms; however, the initial terms of the initial appointees shall be one year for two members, two years for two members and the remaining two members for three years, so that the terms are staggered. Neenah and Menasha shall each appoint three members to

the commission, with the initial appointments for each to be of the terms one, two and three years. The appointees shall not be elected officials of the municipalities.

- (A) Power & Authority. The fire commission shall be granted powers to hire, discharge and discipline employees as provided in Secs. 62.13(5) and (6m), Wis. Stats., and shall be responsible for policy and procedures pertaining to promotions and discipline.

3.02. *Budget and Labor Contract Negotiations.* The Neenah Menasha Fire Rescue Joint Finance & Personnel Committee shall consist of six alderpersons, three from Neenah and three from Menasha and shall include the Council Presidents of both cities, the chair of the Neenah Finance & Personnel Committee, the chair of the Menasha Personnel Committee, and two alderpersons at large, one appointed by the Mayor of Neenah from the Neenah Common Council and one appointed by the Mayor of Menasha from the Menasha Common Council. The at-large alderpersons shall be appointed for one-year terms that may be renewed. In the event that the chair of either the Neenah Finance & Personnel Committee or the Menasha Personnel Committee is also the president of the respective council, then the mayor of that city shall appoint one additional at-large alderperson so that at all times each city shall have three representatives to this committee.

- (A) Power & Authority. The oversight of the day-to-day operations & budgetary matters of the Neenah Menasha Fire Rescue shall be conducted by the Joint Fire Finance & Personnel Committee. The Joint Fire Finance & Personnel Committee shall review budgetary issues, labor contracts, position vacancies, proposed new positions, capital outlay items and expenses of \$5000 or more and make recommendations to the Common Councils of the Cities of Neenah and Menasha. The recommendations of the Joint Finance & Personnel Committee shall be acted upon separately by the common councils of both Neenah and Menasha and shall be effective only upon the concurrence of both councils.

3.03. *Legal Status.* For purposes of determining insurance coverage, payroll, auditing and general organizational status, the Neenah Menasha Fire Rescue shall be deemed to be a department of the City of Neenah.

3.04. *Chiefs and Supervisors.* The initial fire chief of the Neenah Menasha Fire Rescue shall be Len Vander Wyst. The initial departmental organization shall be designated in the final report prepared by the Neenah and Menasha Fire Consolidation Committee. A copy of that portion of the Plan is attached as Exhibit A and incorporated hereby by reference as though set forth at length in full herein.

3.05. *Equipment and Supplies.* Neenah and Menasha shall make available to the merged fire department all equipment and assets presently used to provide fire services in each respective community. All non-real estate assets shall become the property of the Neenah Menasha Fire Rescue, regardless of the original source of such assets; and, shall maintain such equipment or assets after December 31, 2002.

The merged fire department budget shall include the cost of any necessary replacement equipment or supplies. Notwithstanding the foregoing, Neenah and Menasha shall retain full ownership of, and responsibility for repair and replacement of fire stations within their respective corporate boundaries.

3.06. *Cooperation and Assistance.* Menasha and Neenah have entered into this Agreement to provide better fire and rescue services to the citizens of both communities; therefore, there shall be full cooperation and assistance from the officers, agents and employees of both Menasha and Neenah.

3.07. *Service.* Services shall be rendered to Menasha and Neenah on a 24-hour basis. Points of service shall be maintained at the fire stations in each municipality and such other locations as the joint fire finance and personnel committee may designate.

4. BUDGET, FUNDING AND ADMINISTRATIVE SERVICES.

4.01. *Budget and Cost Distribution Formula.* Commencing with the 2003 budget, Neenah and Menasha shall prepare a joint budget for the Neenah Menasha Fire Rescue. For the 2003 merged fire department budget, Neenah shall pay sixty-one and seven one hundredths percent (61.07%) of the merged fire department budget, and Menasha shall pay thirty-eight and ninety-three one hundredths percent (38.93%).

(A) For budgets thereafter, the joint finance and personnel committee shall re-evaluate the cost distribution formula based on the following five factors: population; equalized value (with tax increment finance property values and State of Wisconsin owned property subject to a payment for municipal services included); annual fire/rescue service calls; square miles; and square footage of all buildings within each community. Such review shall occur on or before September 1 of each year and shall be based on figures for each factor as of the prior December 31st. Each factor shall be given equal weight in determining the formula. The cost distribution formula determination for 2003 is shown on Exhibit B and demonstrates the mechanism intended for determining the cost formula for future years.

(B) Included within the merged departmental budget shall be amounts to cover the cost of accounting, payroll, and information systems provided to the department by the City of Neenah. For 2003, that amount will be \$8,000 for accounting/payroll services and \$17,000 for information systems. This amount shall be reviewed and adjusted annually based on actual experience of the City of Neenah Finance and Information Services Departments. In addition, there will be a one-time cost to the department for initial setup of all information systems related functions on a time and materials basis at a cost not-to-exceed \$5,000.

(C) All revenues generated by fire department operations shall remain with the community in which said revenues were generated.

4.02. *Administration & Accounting Processes.*

- (A) Neenah shall be responsible for administering and accounting for all funds received and disbursed pursuant to this Agreement. Neenah shall establish a fire services fund (the "Fund") and maintain adequate records to account for the budgeted income and expenditures, pursuant to generally accepted accounting principles consistently applied.
- (B) Neenah shall provide all payroll and information services for the operation of the merged department.
- (C) Each city will be responsible to fund one-twelfth (1/12) of its estimated share of the annual joint Fire Rescue budget in advance on a monthly basis by the first of each month. The joint Fire Rescue fund will earn interest on any cash balance and will be charge interest on any cash deficit remaining at the end of each month at the monthly Local Government Investment Pool (LGIP) rate.
- (D) Neenah is authorized to make all disbursements provided for in the budget.
- (E) The merged department shall be audited as part of the City of Neenah annual audit. Any additional costs associated with the audit related to the operations of the joint Fire Rescue will be billed directly to the department.

4.03. *Late Payments.* In the event Menasha fails to pay Neenah its monthly contribution within fifteen (15) days of its due date, then the amount due shall bear interest at a rate of twelve percent (12%) per annum from the original due date.

4.04. *Pre-merger Liabilities.*

- (A) Each city will transfer to the Fund all fire department accrued hours of comp time, FLSA time, vacation and clothing allowance liability for each city as of December 31, 2002. Each city will fund the actual liability of those hours by December 31, 2002 at 2003 wage rates.
- (B) Each city will fund accumulated sick leave liability for employees in the department who have attained 44 years of age by transferring to the Fund 10% of the wage equivalent of those hours in 2003 wage rates for each year between age 44 and age 53, in accordance with the system set up previously by the City of Menasha.
- (C) Each city shall be separately responsible for funding their respective shares of each city's Prior Period Retirement Liability under the Wisconsin Retirement System.

4.05. *Personnel Files.* All personnel files of department employees shall be maintained by the City of Neenah. Existing employee personnel files of departmental employees held by the City of Menasha shall be transferred to the City of Neenah as soon as practical after January 1, 2003.

5. HOLD HARMLESS AND INDEMNIFICATION. Neenah and Menasha shall obtain liability insurance sufficient to cover the merged fire department for claims of loss or damages which may be occasioned by acts of the merged fire department and funded through the merged department's budget. In the event that liability is incurred for any claim for damages, injury or loss arising out of the operations of the merged fire department for which there is no insurance coverage, either through policy exclusions, under insurance, policy lapse or any other reason, Neenah and Menasha agree to indemnify each other for said uninsured costs and/or damages in accordance with the contribution ratio established pursuant to section 4(B) of this agreement.

6. NON-BUDGETED EXPENDITURES.

6.01. Neenah and Menasha shall have the right to approve any proposed capital expenditures and/or increase in the number of fire personnel not otherwise included in the approved budget. Notice of such proposed and non-budgeted capital expenditures and/or increase in the number of fire personnel shall be given in writing to each municipality. Neenah and Menasha shall then place the expenditure request on the agenda of their next scheduled regular or special meeting of their governing body to approve or disapprove the same in accordance with the Secs. 65.06(6), 60.40(5) and 65.90, Wis. Stats.

6.02. In the event that the joint fire department is overbudget at the end of the calendar year, each community shall fund the deficit in proportion to its share of the department's budget for that year. In the event that the fire department is underbudget for any year, said amounts shall be applied against the subsequent year's budget so as to reduce each City's proportionate share of those future budgets.

7. SUCCESSORS AND ASSIGNS. This Agreement shall be binding on any successors or assigns of the parties.

8. AMENDMENT. This Agreement may be amended from time to time by approval of Neenah and Menasha.

9. SEVERABILITY. In the event any section, subsection, clause, phrase or portion of this agreement is for any reason held illegal, invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remainder of this agreement.

In witness whereof, this agreement was signed on the date above written.

CITY OF MENASHA

CITY OF NEENAH

By: _____
Joseph Laux, Mayor

By: _____
George Scherck, Mayor

ATTEST:

ATTEST:

Joan Smogoleski, City Clerk

Jean Moxon, City Clerk

EXHIBIT A

NEENAH-MENASHA FIRE-RESCUE

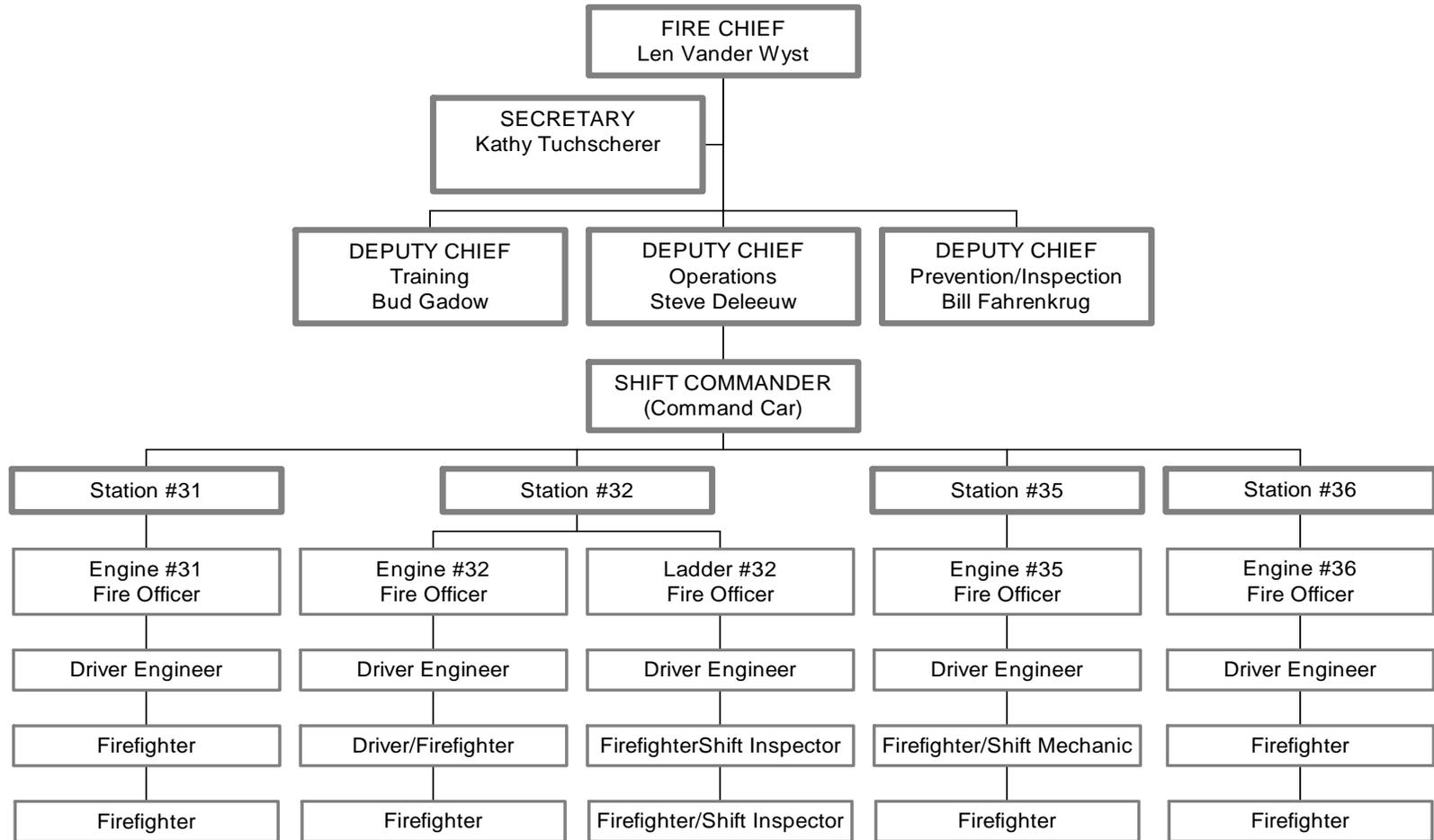


EXHIBIT B

NEENAH MENASHA FIRE RESCUE

COST DISTRIBUTION FORMULA

All formula items as of 12/31/01

| Item No. | Formula Item | Total | Proportionate Share | Weighted Factor | Neenah Share | Menasha Share |
|--|-------------------------|----------------------|---------------------|-----------------|---------------|---------------|
| 1 | Population-Neenah | 24,507 | 60.03% | 0.20 | 0.1201 | 0.0799 |
| | Population-Menasha | 16,316 | 39.97% | | | |
| | <i>Subtotal</i> | <i>40,823</i> | <i>100.00%</i> | | | |
| 2 | Eq. Value-Neenah | 1,405,448,200 | 65.42% | 0.20 | 0.1308 | 0.0692 |
| | Eq. Value-Menasha | 743,006,400 | 34.58% | | | |
| | <i>Subtotal</i> | <i>2,148,454,600</i> | <i>100.00%</i> | | | |
| 3 | Service Calls - Neenah | 1,521 | 57.72% | 0.20 | 0.1154 | 0.0846 |
| | Service Calls - Menasha | 1,114 | 42.28% | | | |
| | <i>Subtotal</i> | <i>2,635</i> | <i>100.00%</i> | | | |
| 4 | Square Miles - Neenah | 8.96 | 59.73% | 0.20 | 0.1195 | 0.0805 |
| | Square Miles - Menasha | 6.04 | 40.27% | | | |
| | <i>Subtotal</i> | <i>15.00</i> | <i>100.00%</i> | | | |
| 5 | Bldgs Sq. Ft. - Neenah | 27,507,316 | 62.45% | 0.20 | 0.1249 | 0.0751 |
| | Bldgs Sq. Ft. - Menasha | 16,538,412 | 37.55% | | | |
| | <i>Subtotal</i> | <i>44,045,728</i> | <i>100.00%</i> | | | |
| Total Proposed Cost Distribution Formula - 2002 Factor* | | | | | 0.6107 | 0.3893 |

*Note Factor will be adjusted annually as formula item amounts change.