



City of Fenton

301 South Leroy Street · Fenton, Michigan 48430-2196 • (810) 629-2261 • FAX (810) 629-2004

COUNCIL WORK SESSION AGENDA

Monday, February 7, 2011

City Hall Conference Room

301 South Leroy Street

7:30 PM

1. Call to Order.
2. Roll Call.
3. Citizen Comments: Request by citizens to speak on specific agenda items.
4. Discussion on Tyrone Township Fire Services Contract.
5. Call to the Audience.
6. Adjournment.

IF ACCOMMODATIONS ARE NEEDED DUE TO A DISABILITY, PLEASE CONTACT THE CITY CLERK'S OFFICE.

Memorandum



DATE: February 3, 2011
TO: Lynn Markland, City Manager
FROM: Bob Cairnduff, Fire Chief
RE: Tyrone Township Fire Contract

The one year contract between the City of Fenton and Tyrone Township for fire services will expire on March 31st of this year. Tyrone Township passed a new special assessment to pay for police and fire services. It is a five year assessment. The Township would like to enter into a new five year contract with the City of Fenton to cover the same area we currently serve in their Township.

Tyrone Townships Supervisor Mike Cunningham and I have met multiple times to discuss the new contract language. Supervisor Cunningham also attended the last Fire Board meeting.

The Township is asking for a few changes to the rates of the contract. They are offering a few different options for the "per run fee". I have listed the different options they are proposing on the second page. I am recommending that we stay with the current rate of \$1,337 for the per run fee for the first year of the contract. The per run fee for the remaining four years of the contract would increase by 1%.

They are also looking for a change to the cancellation fee from \$750 to \$500. I am recommending that we lower the cancellation fee to \$500 from the current \$750. This is only when we are cancelled before a truck goes into service. This only happened 3 times since April.

There are three other minor differences compared to the current contract. The first would be the opt-out clause to go from 90 days to 120 days for both parties.

The second is the fuel surcharge rate. They are requesting we provide some type of formula for the fuel surcharge. For example if fuel hits \$4.00 then the per run fee would increase by a certain dollar amount. Then if fuel cost went to \$4.50 it would increase again by a specified amount. With the contract duration being five years we need to plan for the increase in fuel costs.

The third difference would be a renegotiation clause. We have discussed adding languages that if the anticipated call volume were to change dramatically then we could

meet to renegotiate the contract. For example: We have averaged around 150 calls in Tyrone the last five years. If we anticipated dropping to only 100 calls or increasing to run more than 200 we could renegotiate.

Tyrone's proposed Run Rate's:

Option 1

Run Rate with 2%

Year one at a reduced rate with 2% annual increase

Year 1 1300.00

Year 2 1326.00

Year 3 1352.00

Year 4 1379.00

Year 5 1407.00

Option 2

Run Rate with 1%

Year one at current rate with 1% annual increase

Year 1 1337.00

Year 2 1350.00

Year 3 1363.00

Year 4 1377.00

Year 5 1391.00