

**EAST MONTPELIER FIRE DEPARTMENT COST ALLOCATION AGREEMENT
BETWEEN THE
TOWNS OF CALAIS AND EAST MONTPELIER**

THIS AGREEMENT is entered into by and between the TOWN OF CALAIS, a Vermont municipality located in Washington County ("Calais") and the TOWN OF EAST MONTPELIER, a Vermont municipality located in Washington County ("East Montpelier"). Calais and East Montpelier are referred to collectively herein as "Towns".

WHEREAS, the East Montpelier Volunteer Fire Department, Inc. ("EMFD") provides fire suppression, ambulance, and other emergency response services to Calais and East Montpelier under a joint contract with the Towns;

WHEREAS, Calais and East Montpelier currently operate under a "Financing and Land Use Agreement" that governs the ownership interests, financing, and use of the Emergency Services Facility ("ESF"), located at 54 Village Acres in East Montpelier, to provide a site for the joint provision of fire and ambulance services to the Towns.

WHEREAS, it is the intention of the parties to provide for a fair and reasonable cost allocation methodology for the funding of EMFD fire suppression, ambulance, and other emergency response services within the geographical limits of Calais and East Montpelier.

NOW THEREFORE, in consideration of these premises and other good and valuable consideration, the Towns hereby agree as follows:

- (1) The initial term of this Agreement shall commence at midnight on September 2, 2013, and expire at midnight on September 1, 2014, and shall renew itself for successive one (1) year terms unless notice of non-renewal shall be given in writing by one party to the other no later than twelve (12) months prior to the initial termination date, or the termination date of each successive renewal.
- (2) The cost of EMFD capital expenditures and ESF capital improvements shall be allocated as follows: Calais one-third (1/3) and East Montpelier two-thirds (2/3).
- (3) In the event of the dissolution and liquidation of EMFD, its net assets shall be divided in the following proportion: Calais one-third (1/3) and East Montpelier two-thirds (2/3).
- (4) The Towns agree that cost allocation between the Towns for EMFD's annual operating budget request shall be based on the understanding that East Montpelier has over 5 additional miles of state highway and serves as the host town for U-32, the Central VT Humane Society, and the EMFD, coupled with a fair balancing of the following:
 - (a) The 5-year rolling average of the EMFD call volume for the Towns; and
 - (b) The latest US Census populations for the Towns.

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- (5) For the initial fiscal year covered by this agreement (FY2015), the annual budget request to the Towns by EMFD to fund EMFD operating expenses shall be allocated as follows: Calais one-third (1/3) and East Montpelier two-thirds (2/3).
- (6) After the initial term of this Agreement, the Towns agree to revisit the operating budget cost allocation on an annual basis in November. On December 1st of each year the cost allocation is set for the upcoming fiscal year, either at the newly agreed level or at the current level if no new agreement is reached.

IN WITNESS WHEREOF, the parties have entered into this Contract, and have caused it to be executed by their respective duly authorized officers as of the dates set forth below.

TOWN OF EAST MONTPELIER

TOWN OF CALAIS

By: Seth Gardner
Seth Gardner, Selectboard Chair

By: Denise Wheeler
Denise Wheeler, Selectboard Chair

Date: 6-3-13

Date: 6/24/13