

FIRE PROTECTION AGREEMENT

THIS AGREEMENT, made and entered into by and between the CITY OF NEWBERG, a municipal corporation, Yamhill County, Oregon, herein called the CITY, and the NEWBERG RURAL FIRE PROTECTION DISTRICT of Yamhill County, Oregon herein called the DISTRICT, and

Recitals:

1. The CITY is an incorporated and Chartered City of the State of Oregon. The City maintains fire fighting equipment and has staff and volunteers to operate the equipment. The DISTRICT is a Rural Fire Protection District, organized under the provisions of ORS Chapter 478, and provides fire fighting equipment for lease to the CITY.
2. The CITY and the DISTRICT agree that the CITY shall lease equipment from the DISTRICT.
3. The CITY and the DISTRICT have identified their common interests through a communication process.

NOW, THEREFORE, THE PARTIES AGREE TO THE FOLLOWING:

1. The CITY shall, upon notice by telephone or otherwise, provide fire prevention, protection, and emergency aid that can be reasonably furnished by the CITY for the protection of the property in the DISTRICT'S area. The CITY shall have first claim upon its equipment and the claim of the DISTRICT shall be secondary to the CITY in protecting its property.
2. The CITY shall at all times reserve and hold within the CITY one unit of motorized fire fighting equipment. It is understood that the CITY shall provide adequate personnel to staff the motorized equipment. In the event that the CITY should find it impossible to properly staff from the fire department of the CITY the equipment needed by the DISTRICT, then, the DISTRICT shall have the right to staff the equipment from personnel as the DISTRICT may be able to secure and who are approved by the Fire Chief of the CITY. In addition, the CITY shall use its best efforts to maintain all existing mutual aid agreements with surrounding fire departments.
3. The CITY'S dispatchers, the Commanding Officer of the Fire Department or any unit thereof, shall exercise judgement from the information received as to the amount and type of equipment which may be spared from the CITY at the time, and the amount and type of equipment to be dispatched to the DISTRICT, and no faulty judgement or ill-advised action on the part of a dispatcher or Commanding Officer of the Fire Department or unit thereof, shall create any liability against the

individual or against the CITY or deny the right of the CITY to compensation as provided in this agreement.

4. Subject to the conditions set forth in paragraph 6, the parties agree that the DISTRICT shall, in its regular budgets and levies in the fiscal years 1998 through 2000 and for the foreseeable future as to be determined by the parties based on the agreement of the parties to continue with this understanding, levy taxes for fire protection and agrees to pay the CITY, as follows:

Each year the Assessed Value of the DISTRICT shall be determined by Yamhill County. The assessed value certified in September of each fiscal year may be increased as allowed by the State of Oregon under Measure 50 not to exceed three (3) percent. The value will include reductions due to annexations to the City, increases due to new construction, and an increase as allowed by the State of Oregon under Measure 50 which is not to exceed three (3) percent. The rate shall remain fixed and the tax receipts calculated by the usual method of multiplying the rate by the number of thousands of Assessed Value.

The agreement shall be based on the Tax Receipts times the collection rate of 90% after subtracting \$15,000 for District apparatus reserve and administration. In fiscal year 1997-98 the Assessed Value is \$513,206,732 plus 3% which equals \$528,602,934. The Fixed Rate is \$.4306 which equals Tax Receipts of \$227,616.42. Tax Receipts of \$227,616.42 times a collection rate of 90.0% equals tax receipts of \$204,855, less \$15,000 equals a agreement rate of \$189,855. This formula shall be used to determine the amount of the agreement with the City subject to agreed upon revisions by the parties to the amount.

					1998-99
	Fiscal Year	Assessed Value	Fixed Rate	Tax Receipts	Agreement
Year 1	1998-99	\$523,602,934	\$.4306	\$227,616.42	\$189,855
Year 2	1999-00	FY 1998-99 + 3%	\$.4306	Based on formula.	

The parties shall meet annually to discuss the needs of the District and the City in order to determine any adjustments to the formula including the reserve for vehicle reserve and administration, changes in assessed value, growth or devaluation of the assessed value in the district, or the rate.

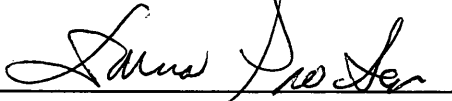
The above shall be paid at the rate of 30 percent on or before January 5, and an additional 40 percent on or before April 5, and the balance of 30 percent by June 5 of each year. Payment shall at no time be in excess of the taxes received for the current fiscal year, less the \$5,000.00 reserved for DISTRICT cash flow and administration.

5. The DISTRICT has been willing in the past to purchase fire apparatus and lease the apparatus to the CITY. The DISTRICT agrees to reserve funds for apparatus purchase. The DISTRICT agrees to continue to lease the fire apparatus to the CITY for One Dollar and no/100 (\$1.00) per year each.
6. The DISTRICT shall, at its discretion, have the authority to require that the CITY reduce the agreement amount and payments in an amount equal to the proportionate loss of DISTRICT tax revenues due to annexation of DISTRICT properties into the City of Newberg.
7. Either party may request that the terms of the agreement may be renegotiated by giving the other party thirty days written notice of their intention to renegotiate the agreement provisions, other than provisions set forth in number 4 of this agreement. In order for the results of such renegotiation to be effective, both parties must agree, the terms must be in writing, approved by the City Council and DISTRICT Board, and signed by the Mayor of the CITY and Chair of the DISTRICT.
8. This agreement shall be in full force and effect commencing as of July 1, 1998 and shall terminate at such time that the parties agree to terminate as of June 30, it being the purpose and intent of the agreement that it shall continue to be renewable as experience determines the propriety of the levy and the services; and so long as the parties continue to meet to determine the appropriate payment by the District to the City.
9. Failure of either party at any time to require performance of any provisions of this agreement shall not limit the party's right to enforce the provision, nor shall any breach of any provision constitute a waiver of any succeeding breach of that provision or waiver of that provision.
10. In the event of termination of this agreement, the lease agreements for fire fighting equipment between the CITY and the DISTRICT shall likewise terminate at the option of either party.
11. The CITY and the DISTRICT has established a replacement schedule for fire equipment that is compatible with the reasonable equipment life expectancy and is attached to this agreement as Exhibit A. Replacement of fire apparatus pursuant to Exhibit A shall be determined based on the condition of the apparatus at the time of the expected replacement date and not solely based on the replacement schedule on Exhibit A.
12. The DISTRICT will evaluate the need for Fire Station Number 3 as identified in the Fire Department 10 Year Strategic Plan (1995) and if considered appropriate

will endeavor, with the CITY'S assistance, to acquire property of sufficient size and appropriate location on which to construct Fire Station Number 3. This activity by the DISTRICT shall be at the DISTRICT'S sole discretion and subject to the availability of funding by the DISTRICT.

IN WITNESS WHEREOF, the parties hereby have caused these present to be executed by their officers thereunto duly authorized this 1ST day of June, 1998.

CITY OF NEWBERG



Donna Proctor - Mayor

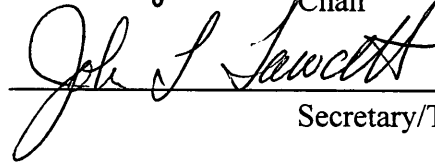


Duane R. Cole - City Recorder

NEWBERG RURAL FIRE PROTECTION
DISTRICT



Chair



Secretary/Treasurer

APPROVED AS TO FORM:



Terrence Mahr - City Attorney

EXHIBIT A

APPARATUS INVENTORY: Anticipated Replacement Date & Costs
Newberg Rural Fire Protection District Equipment

Vehicle Description & Information	Mfg. Date	Life Expect	Replace Date	Replacement Cost
Tender 23 (T23) Ford L-9000	1986	20	2006	\$175,000
Brush 24 (B24) Ford F350	1988	15	2003	\$75,000
Engine 28 (E28) Ford L-900	1994	20	2014	\$220,000

EXHIBIT A

APPARATUS INVENTORY: Anticipated Replacement Date & Cost
Newberg Fire Department Equipment

<i>Vehicle Description & Information</i>	<i>Mfg. Date</i>	<i>Life Expect</i>	<i>Replace Date</i>	<i>Replacement Cost</i>
<i>Car 20 - Duty Officer Vehicle</i> <i>Chevrolet Suburban</i>	1991	8 yrs	1999/2007	\$ 30,000 \$ 30,000
<i>Car 21 - Support Vehicle</i> <i>Chevrolet Suburban</i>	1980	8 yrs	1995/2003	\$ 30,000 \$ 30,000
<i>Car 21 - Command Vehicle</i> <i>Chevrolet Blazer</i>	1994	8 yrs	2002/2010	\$ 30,000 \$ 30,000
<i>Tender 22 (T22) - Ford F-800</i> <i>1600 Gal. 750gpm Pump</i>	1981	20 yrs	2001	\$ 140,000
<i>Truck 25 (Tr25) - Ford C-900</i> <i>85' Aerial Ladder</i>	1975	25 yrs	2000	\$ 600,000
<i>Engine 26 (E26) - Ford L-900</i> <i>1000 Gal. 1250gpm Pump</i>	1980	20 yrs	2000	\$ 190,000
<i>Engine 27 (E27) - Ford L-9000</i> <i>1000 Gal. 1250gpm Pump</i>	1992	20 yrs	2112	\$ 190,000
<i>Engine 29 (E29) - Ford L-900</i> <i>1000 Gal. 1250gpm Pump</i>	1977	20 yrs	1997	\$ 190,000
<i>Dive Rescue 2 (Dr2) -</i> <i>Chevrolet Van</i>	1979	15 yrs	1995/2010	\$ 25,000 \$ 25,000
<i>Boat 2 (B2) - Mark III Zodiac</i>	1986	15 yrs	2001	\$ 10,000
TOTAL REPLACEMENT COST				\$ 1,550,000
25 YEAR AMORTIZATION COST				\$ 62,000

NOTES:

1. These figures do not reflect any adjustments for inflation.
2. This cost (\$62,000 per year) doesn't reflect a replacement schedule for eight (8) pieces of apparatus. Tender 23 (a 3,000 gallon water tender), Brush 24 (a 4x4 brush vehicle) and Engine 28 (a 1250 gpm pumper) are maintained by the City of Newberg but were purchased by the Newberg Rural Fire Protection District. In 1993, the NRFPD agreed in writing to maintain a Capital Improvement Fund (CIP) to replace these 3 vehicles in the same time frame that the City uses to replace its vehicles. The Capital Improvement Plan for Rescue 2, Medic Ambulances (20, 21 and 22) and the D/C response vehicle, is budgeted through Ambulance Capital funds.

RESOLUTION NO. 98-2117

A RESOLUTION AUTHORIZING THE MAYOR TO SIGN AN AGREEMENT WITH THE NEWBERG RURAL FIRE PROTECTION DISTRICT TO BEGIN JULY 1, 1998

Recitals:

1. The City of Newberg has a cooperative working relationship with the Newberg Rural Fire District for many years.
2. The City of Newberg negotiated and entered into, in good faith, an agreement defining the relationship and services to be provided for fire protection and services in the Newberg Rural Fire District.
3. The agreement is scheduled to begin on July 1, 1998 and end at such time that the City or District provide notice that the agreement is ended.
4. The approval by Oregon voters of two Constitutional changes identified as Measure 47 in November of 1996 and Measure 50 in May of 1997 has significantly changed the structure of Oregon local government finance which impacts the financial provisions of the agreement between the City of Newberg and the Newberg Rural Fire Protection District.
5. Based on Council action in June of 1997, the City has successfully negotiated an agreement with the Newberg Rural Fire District.

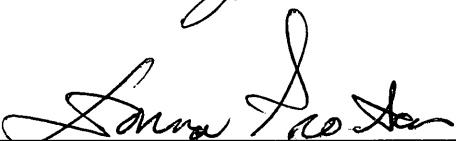
NOW THEREFORE BE IT RESOLVED by the City Council of the City of Newberg as follows:

1. The Mayor is hereby authorized to sign an agreement between the City of Newberg and the Newberg Rural Fire Protection District effective July 1, 1998.

Approved by the City Council this 1st day of June, 1998.

Approved 
Duane Cole, City Recorder

Attest this 3 day of June, 1998.

Attest: 
Donna Proctor, Mayor