

**SPECIAL DISTRICT AGREEMENT FOR THE PROVISION OF FIRE AND
EMERGENCY RESCUE SERVICES**

This Special District Agreement (“Agreement”) is made this __ day of _____, 2024 (“Effective Date”) by and among the Parties to this Agreement which include: the Municipality of **Burlington**, a municipal corporation whose Municipal Office is located at 1523 Long Ridge Road, Burlington, Maine, 04417; the Municipality of **Edinburg** a municipal corporation whose Municipal Office is located at 595 Edinburg Road, Edinburg, Maine, 04448; the Municipality of **Enfield**, a municipal corporation whose Municipal Office is located at 789 Hammett Road, Enfield, Maine, 04493; the Municipality of **Howland**, a municipal corporation whose Municipal Office is located at 10 Bridge Road, Howland, Maine, 04448; the Municipality of **Lowell**, a municipal corporation whose Municipal Office is located at 129 West Old Maine Road, Lowell, Maine, 04493; the Municipality of **Maxfield**, a municipal corporation whose Municipal Office is located at 231 River Road, Maxfield, Maine 04453; the Municipality of **Passadumkeag**, a municipal corporation whose Municipal Office is located at 34 Pleasant Street, Passadumkeag, Maine, 04475; the Municipality of **Seboeis Plantation**, a municipal corporation whose Municipal Office is located at 1134 Seboeis Road, Seboeis Plantation, Maine, 04448; and the **Unorganized Territory of Penobscot County**, a municipal corporation whose County Office is located at 97 Hammond Street, Bangor, Maine, 04401.

WHEREAS, State law generally encourages the development of regional coalitions of local governments to establish efficient and effective delivery of municipal services;

WHEREAS, the Parties to this Agreement which are municipalities have the authority to provide for fire prevention, fire extinguishment, and emergency services within their respective jurisdictions pursuant to Title 30-A M.R.S.A. Chapter 153;

WHEREAS, the Parties to this Agreement which are counties have the authority, acting through their respective County Commissioners, develop and contract to provide any service that a municipality may perform, including the provision of fire prevention, fire extinguishment, and emergency services, pursuant to Title 30-A M.R.S.A. Section 107;

WHEREAS, the Parties to this Agreement have determined that it will be a more effective use of their powers and to their mutual advantage to create and organize a regional fire district, as authorized pursuant to Title 30-A M.R.S.A. Chapter 164; and

WHEREAS, the Parties are authorized pursuant to create a fire district pursuant to Title 30-A M.R.S.A. Chapter 164;

NOW THEREFORE, in consideration of the mutual promises and agreements hereinafter stated, the Parties do hereby promise and agree as follows:

1. PURPOSE

The purpose of this Agreement is to establish the Central Maine Highlands Fire and EMS District #1, to perform all fire prevention, fire extinguishment, and provision of emergency medical services for the Parties. This Agreement provides a framework and the appropriate guiding principles for shared governance and equitable funding of regionalized fire protective and emergency medical services. The Parties recognize and believe that regional collaboration is essential for efficient service delivery, cost-effectiveness, and improved emergency response capabilities.

2. DEFINITIONS

2.1 Definitions as used in this Agreement

- (a) "Party" shall mean any municipality or county which through the vote of their legislative body elects to form or join the District, and which agrees to comply with any and all associated bylaws or rules adopted by the District Board of Directors ("Board").
- (b) "District" means the Central Maine Highlands Fire and EMS District #1, a district created by vote of the Parties for the purpose of providing fire protection and emergency medical services.
- (c) "Provision of emergency services" means the response to and management of public safety emergencies, including, but not limited to, firefighting, medical emergencies, hazardous materials incidents or natural or man-made disasters.
- (d) "Fire Protection" shall mean any method of providing for the prevention and extinguishment of fires.
- (e) "Fiscal Year" shall mean the District's official annual budgetary cycle, which will be established as July 1st through June 30th.

3. ADMINISTRATION

3.1 Directors, Officers

- (a) The affairs of the District are managed by a board of directors. The municipal officers of each municipality and the county commissioners of each county shall select one director, and at least one alternate, to represent their respective entity. The directors shall elect from among themselves a president, treasurer, clerk and such other officers as they consider necessary.

- (b) The directors shall adopt bylaws and rules for the conduct of the District affairs, so long as such bylaws or rules are not inconsistent with this Agreement.
- (c) The directors may appoint and fix the compensation, if any, of employees needed to carry out the District's purposes.
- (d) In all matters to be decided by the board of directors each director shall be entitled to one vote.
- (e) In the event of a tie vote in any matter, the directors shall first submit the question to a secret, written ballot. If that does not resolve the tie, then the matter shall be tabled until a subsequent meeting.
- (f) Directors shall act in the best interests of the District and adhere to the principles of transparency, accountability and public service. A director, officer or employees of the District may not have a direct or an indirect interest in any contract entered into by or on behalf of the District for work or material, or for the purchase of material, or in any property acquired or to be acquired by the District. A contract made in violation of this provision is void. Notwithstanding anything in this agreement to the contrary, no director, officer or employee of the District who is also an officer, director or employee of a Party shall be deemed to have a direct or indirect interest in any such contract merely by virtue of serving both the District and the affected Party.
- (g) The board of directors shall meet at least once monthly, according to procedures which will be laid out in the bylaws of the District.
- (h) Board of director meetings outside of the monthly requirement may be called by the board president or by at least a minimum of a simple majority of current Parties.
- (i) A quorum for any meeting shall consist of at least a simple majority of the board of directors.
- (j) The District shall be incorporated as a Maine nonprofit corporation, and shall be deemed a quasi-municipal corporation and is subject to Maine's Freedom of Access Act.
- (k) A minimum of a simple majority of all directors is required for the approval of any appropriation that exceeds 5% or more of the immediately preceding fiscal year budget that is in addition to or supplementary to the current annual approved budget.

3.2 Powers of Directors

The board of directors may exercise all powers necessary to carry out the purposes of this District, including but not limited to,

- (a) The board of directors shall have all the necessary and incidental powers and authorities granted to directors of non-capital stock corporations under Title 13, MRSA, Chapter 81, subject to such limitations as are required by law and this Agreement.
- (b) To borrow such sums as the board of directors may deem appropriate in accordance with Title 30-A, MRSA, Chapter 223, et seq., as amended, and in strict accordance with any additional requirements established by the board of directors and delineated in the District bylaws.
- (c) Acquiring, maintaining, and operating fire stations, emergency medical service facilities, and related equipment.
- (d) Employing and training professional staff, including but not limited to firefighters, emergency medical technicians (EMTs), and administrative personnel.
- (e) Establishing mutual aid agreements with neighboring fire departments and emergency service providers.
- (f) Raising funds through taxes, levies, and other lawful means to finance the operations and capital needs of the District.
- (g) Promoting public education and awareness regarding fire prevention, emergency preparedness, and life safety.
- (h) Legal representation for the board of directors, officers, and employees of the District, shall be distinct from the member municipalities, and in compliance with the specific laws and regulations governing the District as well as the agreements in place between the District and the participating municipalities.

4 FINANCE

4.1 Budget Timing

- (a) Estimate of expenditures and revenues. At least 150 days before the beginning of the District's fiscal year, the board of directors shall prepare and submit to the officers of the Parties comprising the District an itemized

estimate of expenditures and revenues for the following calendar year, which must be the fiscal year. This estimate must include the following:

1. An itemized estimate of anticipated revenues during the ensuing fiscal year from each source;
 2. An itemized estimate of expenditures for each classification for the ensuing fiscal year, including payments of principal and interest on bonds or notes issued or to be issued by the District;
 3. After the first year of operation, an itemized statement of all actual receipts from all sources, up to and including the last day of the 3rd quarter of the current fiscal year, with estimated receipts from those sources shown for the balance of the year and;
 4. After the first year of operation, an itemized statement of all actual expenditures, up to and including the last day of the 3rd quarter of the current fiscal year, with estimated expenditures shown for the balance of the year and;
 5. An estimate of revenue surplus or deficit of the District for the fiscal year for which estimates are being prepared.
 6. Revenue, expenditure and budget amounts must be determined in accordance with generally accepted accounting principles.
- (b) Final budget. Not later than 60 days before the beginning of the District's fiscal year, the board of directors shall adopt a final budget for that year that must be itemized in the same manner as the estimate of expenditures and revenues under Section 4.1 above. This budget must be submitted immediately to the municipal officers and county commissioners of the Parties comprising the District.

4.2 Determination and Payment of Party Contributions

- (a) Initial Period Appropriations. During the initial two full fiscal cycles following the effective date of this agreement, total operating capital and other costs to be raised by appropriations will be apportioned among the Parties on the following basis: 50% of the appropriations to be raised will be proportioned based on the ratio of each municipal entity's population (as reported by most recent USA Census or state of Maine) in relation to the aggregate sum of all member entities' population and 50% of the appropriations to be raised will be proportioned based on the ratio of each municipal entity's total "state certified/balanced" assessed valuation of residential, commercial and land property in relation to the aggregate sum of all member entities' total "state certified/balanced" assessed valuation of residential, commercial and land property.

- (b) Yearly minimums. There will be a minimum rate of \$28,000 for the first budget cycle following the Effective Date. The minimum rate will be adjusted each year in the same ratio at the percentage of the year over year change in the appropriations to be raised. If any Party's appropriation calculation from 4.2(a) is less than the stated yearly calculated minimum, the Party will be charged the calculated yearly minimum in place of the calculated appropriation from 4.2(a). That Party's minimum charge will be subtracted from the overall appropriations to be raised in (a) and the calculations in (a) will be recalculated for the remaining Parties.
- (c) Subsequent Appropriations. Prior to the end of the second full fiscal cycle following the Effective Date, the board of directors shall review the apportionment for effectiveness and equity amongst all Parties. The apportionment can be modified by a two thirds (2/3) vote of the board of directors, so long as at least one director appointed by one of the two largest contributing Parties also votes in the affirmative for any changes. For avoidance of doubt, it is the Parties' intent that this voting method of determining municipal contributions meets and controls over the voting requirements set forth in Title 30-A MRSA, Section 3537(2). At a minimum these apportionment procedures shall be reviewed and evaluated for effectiveness and equity amongst all participating Parties at least every two years. The two largest contributing Parties will be determined by using the current fiscal cycle's apportionment's appropriation amounts to determine which two contributing Parties pay the highest amounts into the District.
- (d) Funding. The directors shall issue their warrant in the same form as the warrant of the Treasurer of State for taxes, with proper changes, to the assessors of the Parties comprising the District. The warrant must require the Parties to assess the sum allocated to each Party for payment of the costs of the District upon the taxable estates within those Parties' jurisdiction and to commit their assessment to the constable or collector of the Parties. The constable or collector has all the authority and powers to collect these taxes as is vested by law to collect state, county and municipal taxes. Within 30 days after the date fixed by the Party on which its taxes are due, the treasurer of the Party shall pay the amount of the tax assessed under this section to the treasurer of the District. The county Parties shall use a similar procedure to fund the assessment.
- (e) Failure to pay. If the treasurer of a Party fails to pay the sum assessed under this section, or fails to pay any part of the sum by the date set in the year in which the tax is levied, the treasurer of the District may issue a warrant for the amount of the tax, or so much of the tax as remains unpaid, to the sheriff of the appropriate county, requiring the sheriff to levy the tax by distress and sale

on real and personal property of any of the inhabitants of the Party. The sheriff or a deputy shall execute the warrant.

(f) Audit. The board shall engage a qualified and certified public accountant to conduct an annual audit of the District's accounts. The audit shall be conducted on a basis of auditing standards and procedures prescribed by the Maine State Auditor for municipalities.

4.3 In-Kind Contributions. Subject to prior approval by the board of directors, credit shall be considered, evaluated and given to a Party for in-kind contributions to the District. All contributions should directly benefit the District. Contributions must be reasonable, allocable and necessary and shall not exceed the current fair market value of the property at the time of the donation to the District. The reasonableness of attributed value may be determined on a case-by-case basis by the board of directors, except that the director appointed by the donating Party shall abstain from determination of the attributed value.

5. PROPERTY

5.1 Title. The District shall hold title to all real and personal property acquired pursuant to the purposes for which it is formed, subject to the following:

(a) In the event a site for any District facility is acquired through exercise of the power of eminent domain by any one of the Parties, then the Party so taking shall retain title to the property taken and shall lease the property to the District. The term of the lease shall be the lesser of the term of this Agreement or the useful life of the facility. The lessor Party may elect to receive in-kind contribution and credit for the costs of the acquisition. If the lessor Party does not so elect, the other Parties shall pay amounts which in sum equal the costs of the taking less the lessor Party's proportionate share, such payments shared in accordance with Section 4.1 hereinabove, or such other method as the Parties shall agree to.

5.2 Investments

With the majority approval of the board of directors, the District shall coordinate all future capital equipment investments, shall ensure proper long-term maintenance and life-cycle replacement and disposal thereof, and shall insure all properties acquired by the District, or leased to it.

6. PERSONNEL

6.1 Employment Status

The board of directors may employ such persons as it deems necessary to accomplish the purposes of this Agreement. Any such employee shall be an employee of the District and shall not be deemed to be an employee of, or subject to the procedures, supervision or rules of, any municipalities. The District shall be solely liable to any such employee for any liability for compensation or indemnity for injury or sickness arising out of or in the course of their employment.

Employee time may be contributed to the District by the Parties. Persons performing the work under such arrangements shall be under the supervision of the president or its designated supervisory personnel, but shall otherwise retain the status of an employee of the contributing Party.

The board of directors shall establish rules and regulations to govern its employees in the performance of their duties.

7. REMEDIES

7.1 Breach

A Party shall be deemed to be in breach of this Agreement if it fails to perform or comply with any of the terms, provisions or conditions of this Agreement. The board of directors shall give written notice of specific acts or omissions which constitute breach. The Party so notified shall have 45 days to conform. If the Party fails to conform within the above-mentioned time period, or if the Party waives the time period, then the board of directors shall have the power to submit the question of breach to the arbitration procedure established in Section 7.2, hereinbelow.

7.2 Mediation

If a dispute arises concerning the provisions of this Agreement or a performance by a Party (a "Dispute"), the Parties agree in the first instance to attempt to settle the Dispute by good faith discussions between the highest ranking executive officers of the District not appointed by or otherwise employed by the Party in Dispute and the municipal officer or county commissioners of the Party in Dispute. If in the good faith judgment of either, at any time, these attempts fail, or will likely not succeed, the District or the Party in Dispute may demand that the Dispute be the subject of confidential, private mediation in Bangor, Maine, within

sixty (60) days, with the mediation conducted by a disinterested mediator satisfactory to both. The mediator's fee shall be shared equally. Unless the District and the Party in Dispute agree otherwise, or unless a voluntary resolution is sooner achieved, such mediation shall be conducted for not less than seven (7) hours. If the District and the Party in Dispute cannot within a week after the demand for mediation agree on a mediator, each will within three (3) business days select a mediator, and the two mediators will within three (3) business days select a third mediator. The service of the two mediators who were designated by the two Parties will then end, with each Party paying for his/its own designated mediator. If the Dispute is not then resolved by mediation, any Party may commence a civil action in any court of competent jurisdiction in the State of Maine. The substantially prevailing Party in any civil litigation shall be entitled to an award of reasonable attorney's fees and costs, including costs of expert witnesses and investigation.

8. ADOPTION, AMENDMENT, NEW TERRITORY, WITHDRAWAL, DISSOLUTION, SEVERABILITY

8.1 Adoption

This Agreement shall not take effect unless the following occurs:

- (a) There has been approval by the legislative bodies of the municipalities of Howland and Enfield, as well as approval of the legislative bodies of ½ (one-half) of the other Parties listed hereto within 60 (sixty) days.
- (b) Each applicable Party representative has affixed its signature to this Agreement.

8.2 Amendment

This Agreement may be amended by the Parties in the same manner as that provided in Section 8.1.

8.3 Addition to territory

After initial formation of the District, a qualifying entity may join the District upon vote of that entity's legislative body and upon a 2/3 vote of the board of directors of the District. The board of directors shall determine the terms and conditions to be met by the joining entity, which need not be the same as the terms and conditions applicable to any other entity which is a Party to this Agreement.

8.4 Withdrawal from District

By vote of its legislative body, a Party may elect to withdraw from the District. Withdrawal must take effect at the end of a District fiscal year, after the Party has given the board of directors at least one year's written notice of its intention to withdraw. The Party shall pay its proportionate share of the current indebtedness of the District before withdrawal, and shall agree by appropriate written document to pay its proportionate share of any long-term indebtedness of the district as that indebtedness becomes due and payable. During the period of notice, the withdrawing Party does not become liable for any capital expenditures or borrowings that may be made by the District. The proportionate share of the withdrawing Party in any current and long-term indebtedness of the District must be determined in accordance with the formula then in effect for payment of the current and long-term indebtedness of the District.

8.5 Dissolution

At such time as a District has discharged all of its obligations and paid or provided for the payment of all of its bonded indebtedness, the Board of Directors, by 2/3 vote of its membership, may dissolve the District and dispose of all of its property, real and personal, in the manner authorized and directed by the board of directors. The treasurer of the District may execute any deeds, bills of sale or documents required for that purpose. All money, if any, remaining in control of the treasurer of the District must be paid to the Parties comprising the District as of the date of dissolution in accordance with the formula then in effect for the payment of any operating deficit. The officers of the District shall file notice of dissolution with the office of the Secretary of State as required in Title 13, Section 937.

8.6 Severability

If any portion of this Agreement is held invalid or unconstitutional, this decision shall not affect the validity of the remaining portions thereof. If the application of this Agreement or any of its provision to any person or circumstance is held invalid, the application of the Agreement and its provisions to other persons or circumstances shall not be affected thereby. If any provision of this Agreement is held invalid by reason of any conflict with state or federal law, the provisions of the applicable state or federal law shall automatically govern in place of the invalid provision.

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