

SUBJECT: APPROVING THE FISCAL YEAR 2027 PAYMENT TO THE CITY OF PALMER IN THE AMOUNT OF \$1,395,571.64 FOR THE FIRE SERVICES AGREEMENT.

AGENDA OF: May 19, 2026

Assembly Action:

AGENDA ACTION REQUESTED: Present to the Assembly for consideration.

Route To	Signatures
Originator	 Recoverable Signature X Casey Laughlin Signed by: Casey Laughlin 5/17/2026
Emergency Services Director	X Ken Barkley Signed by: Kenneth Barkley
Finance Director	 Recoverable Signature X Cheyenne Heindel Signed by: Cheyenne Heindel 5/14/2026
Borough Attorney	X Nicholas Spiropoulos Signed by: Nicholas Spiropoulos 5/14/2026
Borough Manager	X Michael Brown Signed by: Mike Brown 5/11/2026
Borough Clerk	X Lonnie McKee Signed by: Lonnie McKee

ATTACHMENT (S): Fire Services Agreement (9 pp)

SUMMARY STATEMENT:

The Borough and the City of Palmer have had a contract for fire protection services in place since 1993. This intergovernmental agreement is authorized pursuant to Alaska State Constitution, Article X, Section 13 and A.S. 29.35.010(13) and is for the joint administration and exercise of fire protection services by the Borough and City of Palmer.

With AM No. 24-014, the Borough Assembly authorized the manager to enter into an agreement with the City of Palmer for fire services for the period July 1, 2024, through June 30, 2029, and approved the Fiscal Year 2025 payment in the amount of \$1,182,130.95.

The Fiscal Year 2026 payment in the amount of \$1,269,827.65 was approved with AM No. 25-055.

The upcoming Fiscal Year 2027 payment, as calculated by the City of Palmer, will be \$1,395,571.64.

RECOMMENDATION OF ADMINISTRATION:

Respectfully request approval of the Fiscal Year 2027 payment in the amount of \$1,395,571.64 to the City of Palmer for the Fire Services Agreement.

MATANUSKA-SUSITNA BOROUGH

FISCAL NOTE

Agenda Date: May 19, 2026

SUBJECT: Approving the Fiscal Year 2027 payment to the City of Palmer in the amount of \$1,395,571.64 for the Fire Services Agreement.

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT YES NO
AMOUNT REQUESTED \$1,395,571.64	FUNDING SOURCE Gr. Palmer Cons FSA #132
FROM ACCOUNT # 259.000.000 4xx.xxx	PROJECT
TO ACCOUNT:	PROJECT #
VERIFIED BY: _____ X <u>Liesel Zanto</u> Signed by: Liesel Zanto 5 / 4 / 2 0 2 6	

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032
Personnel Services						
Travel						
Contractual	1,395.6					
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING	1 395.6					

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

General Fund						
State/Federal Funds						
Other	1 395.6					
TOTAL	1 395.6					

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

APPROVED BY:	 X <u>Cheyenne Heindel</u> Signed by: Cheyenne Heindel
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**MATANUSKA-SUSITNA BOROUGH
GREATER PALMER FIRE SERVICE AREA
and
CITY OF PALMER**

INTERGOVERNMENTAL FIRE SERVICES AGREEMENT

THIS AGREEMENT is made between the Matanuska-Susitna Borough, a municipal corporation, hereafter referred to as "Borough" and the City of Palmer, hereafter referred to as "City" for the provision of fire protection services.

SECTION 1. Definitions

In this contract hereafter:

- A. The term "Agreement" means the Matanuska-Susitna Borough Greater Palmer Fire Service Area and City of Palmer Fire Services Agreement.
- B. The term "Borough" means the Matanuska-Susitna Borough.
- C. The term "City" means the City of Palmer.
- D. The term "GPFSA" means the Greater Palmer Fire Service Area.

SECTION 2. Authority

This intergovernmental agreement is authorized pursuant to Alaska State Constitution, Article X, Section 13 and A.S. 29.35.010(13) and is for the joint administration and exercise of fire protection services by the Borough and the City.

SECTION 3. Term

This contract shall be for five (5) years commencing on July 1, 2024, and ending on June 30, 2029, subject to the appropriations and provision of Section 4 (C) and the termination provisions of Sections 20 and 21. This contract may be extended an additional five (5) years by addendum.

SECTION 4. Compensation/Consideration

- A. The Borough shall pay to the City an amount not to exceed 65% of Palmer Fire's annual operating budget between the Borough (GPFSA) and the City, as per Section 7.B. of this Agreement. The amount for year one (FY 2025) is \$1,182,130.95. The amount shall be paid in two equal payments each year. Compensation shall be reviewed annually and any request by the City of Palmer for an increase will occur no later than March 1. If the Borough Manager agrees to the requested amount, s/he will present it to the Matanuska-Susitna Borough Assembly with a request for appropriations for the next fiscal year. The total increase in the amount of the cost of this contract shall not exceed 10% of the previous year contract cost without mutual agreement by both parties.

- B. The schedule for payments shall commence with the first payment due no later than July 31, 2024. The second payment shall be made no later than January 30, 2025 and subsequent payments shall be made in July and January of future years.
- C. Payments made under this contract are subject to specific appropriation of funds by the Matanuska-Susitna Borough Assembly for this Agreement. In the event the Matanuska-Susitna Borough Assembly does not appropriate funds sufficient to meet any increase in amounts requested by the City, this Agreement shall terminate on June 30 of the then-current fiscal year.
- D. The City agrees that any fire department operational funds designated in the budget for specific personnel or new equipment purchases that form the basis of the above amount of the payment that are not expended will be refunded to the Borough.
- E. Should an emergency or unforeseen event occur that will require additional funds for services under this contract, the City shall notify the Borough in writing of the amount and reason for the increase. The request then must be approved by the GPFSA Board of Supervisors. The payment of any supplemental funding shall be subject to available funds and Assembly appropriation.
- F. So long as the operating budget is funded 65% from the City and Borough as in Section 4.A., any funds from the City Fire Department budget not spent during this fiscal period will be refunded to the Borough; the residual balance to be at the rate defined in Section 4.A. The refund shall be paid by check.
- G. By the request of either party, before February 1 of each following year the Borough Manager and City Manager shall meet and discuss the amount for each current year.

SECTION 5. Service Boundaries

The City shall provide fire protection services within the GPFSA and to those other Borough FSA's under the approved mutual aid and automatic aid agreements signed by the City of Palmer.

SECTION 6. Vehicles and Equipment

- A. The City agrees to maintain all vehicles and firefighting and communications equipment belonging to the City and the GPFSA in a working condition.
- B. For major repair of Borough-owned vehicles or equipment (any repair parts costing more than \$2,500), the City shall first receive concurrence from the Borough Emergency Services Fleet Manager or Deputy Director of Fire prior to repair.
- C. For repair parts exceeding \$2,500 for GPFSA-owned vehicles, the total cost of the repairs (parts and labor) will be paid by the Borough (the City will pay for its own vehicles).

- D. The City may request to utilize Borough Emergency Services Fleet Maintenance for the repair of City-owned fire or rescue apparatus through the Borough Emergency Services Manager or Deputy Director of Fire.
 - a. The total cost of the repairs (parts and labor) completed by the Borough Emergency Services Fleet Maintenance will be paid by the City.
- E. For Borough-owned vehicles in which an insurance claim may be involved, see Section 16 of this Agreement.

The vehicles and equipment assigned to or purchased for the GPFSA shall remain the property of the GPFSA.

SECTION 7. Expenses

- A. The City agrees that all funds expended under this contract shall be used solely and exclusively for providing fire protection services as per Section 7.B. of this agreement. The City further agrees to provide the Borough with an inventory list by station and vehicle of equipment assigned to or purchased for that station or vehicle, as per National Fire Protection Association (NFPA) 1901 and Insurance Services Organization (ISO) standards. The City will not be required to maintain separate inventories of Borough and City equipment.
- B. Eligible fire protection services operating expenses for the City are as follows:
 - a. Salaries and benefits for the firefighter personnel;
 - b. A proportionate share of the salaries and benefits for City fire administrative personnel, as determined by their respective job duties and descriptions;
 - c. Travel and expense reimbursement for fire protection related travel;
 - d. Training: Firefighter training (structural and wildland), fire officer training, fire prevention training, fire code training, mandated Federal, State and local training, and any miscellaneous fire-related training;
 - e. Fuel expenses for fire apparatus, fire support vehicles, and motorized equipment and tools;
 - f. Rental/lease of equipment directly related to fire protection, and rent/lease of facilities or storage space that is of benefit to the GPFSA;
 - g. Insurance:
 - h. The City will provide at its own expense workers compensation insurance, and unemployment insurance for all positions related to this agreement (see Section 16);

- ii. The City will pay the vehicle insurance for those vehicles owned by the City;
 - iii. The Borough shall provide vehicle liability, and physical damage coverage on all Borough-owned vehicles that are directly involved with a GPFSA response or official business (see Section 1).
- i. Supplies: any supplies purchased that are directly fire related;
 - j. Maintenance: any maintenance which directly benefit the fire protection services to fire facilities, vehicles and equipment;
 - k. Personal protective equipment and uniforms purchased for firefighter and Officer personnel;
 - l. Equipment: any equipment purchased for direct use in firefighting, fire administrative office, computers, and tools.
- C. Fire protection services operating expenses for the City that are non-eligible are as follows:
- a. "Miscellaneous" line-item descriptions are not eligible expenditures under this Agreement;
 - b. City capital budget items are not eligible expenditures under this Agreement.
 - c. Administrative overhead expenses are eligible expenses but must not exceed 10% of the operating budget total (exclusive of Section 7.B.b. above).
 - d. Any and all operational expenses directly or indirectly related to providing rescue services shall be excluded from this Agreement.
 - e. The following City of Palmer Fire & Rescue budget expenses shall be excluded from the funding calculation for City facilities. These expenses are to be non-eligible:
 - i. 01-13-10-6032 – Power
 - ii. 01-13-10-6033 – Heat
 - iii. 01-13-10-6034 – Water/Sewer/Garbage
 - iv. 01-13-10-6036 – Rental & Lease
 - v. 01-13-10-6037 – Insurance
 - vi. 01-13-10-6038 – Vehicle Insurance
 - vii. Amount paid to the City for the Rescue Services Agreement.

SECTION 8. Other Expenses

- A. The City agrees to bear the costs of all building and personnel supplies, office supplies, household supplies, salaries and wages, and supplies which are necessary or convenient to the operation of such fire protection services and the performance of the obligations hereunder provided.

SECTION 9. Records

- A. The City shall provide a report at its own expense, to the Borough containing the following information:
 - a. A copy of the City of Palmer annual audit, once approved by the Palmer City Council.
 - b. Fire-specific records, including:
 - i. Total number and types of responses for both the City and the GPFSA fire services,
 - ii. All City fire department expenditures detailing each of the line items in the budget, including the amount of the rebate (see Section 4F), if any. A preliminary previous fiscal year annual budget report no later than February 1st, and an audited annual budget report within 180 days from the close of the previous fiscal year.
 - iii. An annual training report,
 - iv. An inventory list by station of all fire apparatus and support vehicles, including all appropriate equipment for each vehicle as recommended by NFPA 1901 and related ISO standards.

SECTION 10. Personnel

- A. The City agrees to maintain an appropriate number of full-time and paid on-call fire fighters to respond to fires within the GPFSA or for automatic or mutual aid as requested by other Borough fire service areas. The City agrees that such personnel shall meet the minimum training standards of the City of Palmer and be consistent with other MSB minimum training requirements.
- B. The City agrees that all personnel will comply with all requirements of federal, state and local mandates, including, but not limited to O.S.H.A., Homeland Security, and the State Fire Marshall's Office.

SECTION 11. Operating Procedures

The City will provide fire suppression operations using city procedures that are interoperable with Borough Standard Operating Procedures as established by the Director of the Department of Emergency Services when responding to fires in the GPFSA or when providing mutual/auto aid to other Borough Fire Service Areas.

SECTION 12. Public Safety Buildings

Each party will bear the costs of operating and maintaining the structure, mechanical, septic and water systems of their respective facilities.

The City shall insure that the three GPFSA Public Safety Buildings (Station 32, Station 33 and Station 35), and any new facilities constructed that are Borough funded are maintained in a manner to allow for parking of the apparatus and storage of other necessary equipment and supplies. The City shall ensure GPFSA's public safety building's egresses allow for immediate and rapid entrance and exit of personnel and equipment through ensuring any and all obstructions are cleared to include snow removal, sanding, and ice melt within the capabilities of the City of Palmer. If the obstructions are outside the capabilities of the City of Palmer, the Borough will bear the responsibility and cost for removing the obstruction.

The Borough shall provide any capital improvements necessary to Borough-owned facilities and will maintain the structure, the mechanicals, and the septic and water systems unless damage is due to negligence. The City shall provide capital improvements necessary to City owned facilities.

SECTION 13. Relationship of Parties

The City shall perform its obligations under this agreement as an independent contractor for the Borough. The Borough shall not supervise or direct the City other than as provided in this agreement.

SECTION 14. Mutual/Auto Aid

For the purposes of this contractual relationship between the Palmer Fire and Rescue and the GPFSA, there is no traditional mutual aid response to and from either the City or the GPFSA. It is agreed by both Parties that each response within the City of Palmer's jurisdiction will be considered a City incident, and all responses within the Greater Palmer Fire Service Area will be considered a Borough incident.

SECTION 15. Nondiscrimination

In performing its duties under this contract, neither party may discriminate against any person on the basis of race, creed, color, religion, national origin, age, sex or marital status, physical handicap, or status as a disabled veteran.

SECTION 16. Insurance

The City agrees, at its own expense, to provide workers compensation insurance for all firefighting personnel. The City and the Borough shall provide vehicle liability for their respective vehicles, physical damage coverage on agreed to vehicles for the term of this agreement.

The City and the Borough agree to notify the other party immediately of any situation, incident or event that may cause a claim to be made against the other party. The City and the Borough agree to cooperate with one another in any accident or incident investigation and reporting required as a result of an incident involving the GPFSA.

SECTION 17. Financial Records

Expenditures of funds under this contract shall be made solely for the purpose of fulfilling the GPFSA's fire protection duties and obligations, and to the same extent as may be required by law governing all other expenditures of the City, shall be subject to independent audit.

SECTION 18. Additional Insurance

The City agrees to add the Borough as an additional insured to the same extent as it insures itself for professional liability, errors and omissions and excess coverage. The requirement that the Borough be an additional insured shall only be required for those activities by the City in providing fire protection services under this agreement.

SECTION 19. Assignment

Neither this contract nor any interest created hereby may be assigned by the City or the Borough without the express written consent of the Borough Manager or the City of Palmer Manager.

SECTION 20. Termination of Contract for Cause

If, through any cause, the City or Borough shall fail to fulfill its obligations under this contract, or shall violate any of the covenants, agreements, or stipulations of this contract, the Borough or City shall thereupon have the right to terminate this contract. The City or Borough should do so by giving written notice at least thirty (30) days before the effective date of such termination. In that event, all equipment, vehicles, supplies, reports or other materials that are the property of the Borough shall be returned to the Borough by the effective date of termination. All property of the City shall be returned to the City by the effective date of termination. The City shall refund to the Borough the prorated share of any monies paid to the City by the Borough for fire services under this agreement.

This contract shall be opened for negotiation if the City of Palmer annexes portions of the Greater Palmer FSA into the City of Palmer boundaries.

SECTION 21. Termination for Convenience of the Parties

Either party may terminate this contract for any reason or for no reason at any time by giving a ninety (90) day written notice to the other party of such termination and specifying the effective date of such termination. In that event, all equipment, vehicles, supplies, reports or other materials that are the property of the Borough shall be returned to the Borough by the effective date of termination.

All property of the City shall be returned to the City by the effective date of termination. The City shall refund to the Borough the prorated share of any monies paid to the City by the Borough for fire services under this Agreement.

SECTION 22. Contract Administration

- A. The Department of Emergency Services Director or their designee will be the representative of the Borough administering this agreement.
- B. The services to be furnished by the City shall be administered, supervised, and directed by the City of Palmer Fire Chief or their designee. In the event that the position named above or any of the positions identified under this contract are unable to serve for any reason, the City shall appoint a successor.

SECTION 23. Modifications

The Borough and the City may, from time to time, modify the scope and content of this Agreement. Agreements to modify must be in writing, executed by both parties.

SECTION 24. Complete Agreement

This instrument and all appendices and amendments hereto embody the entire agreement of the parties. There are no promises, terms, conditions or obligations other than those contained herein; and this contract shall supersede all previous communications, representations, or agreements either oral or written, between the parties.

SECTION 25. Interpretation and Enforcement

This agreement is being executed by the parties' following negotiations between them. It shall be construed according to the fair intent of the language as a whole, not for or against any party. The titles of sections in this agreement are not to be construed as limitations or definitions but are for identification purposes only.

If any provision of this agreement is determined to be void or invalid, the remaining provisions of the agreement shall be in full force and effect.

SECTION 26. Mutual Understanding

The Borough and the City acknowledge that both have read and understand the terms of this agreement, have had the opportunity to review the same with counsel of their choice, and are executing this agreement of their own free will.

The covenants and conditions contained herein shall be the whole and complete agreement between the parties and shall apply to and bind the parties, their successors and assigns.

SECTION 27. Venue

The venue of any dispute that arises and results in the filing of a claim shall be the Third Judicial District, Palmer, Alaska.

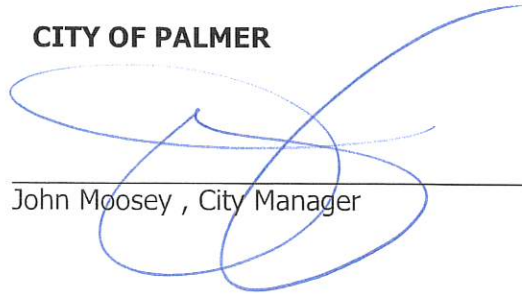
IN WITNESS WHEREOF, the parties have executed this agreement at Palmer, Alaska, on this 29 day of FEBRUARY, 2024.

MATANUSKA -SUSITNA BOROUGH



Mike Brown , Borough Manager

CITY OF PALMER



John Moosey , City Manager