
YORK AREA UNITED FIRE & RESCUE

CHARTER AGREEMENT

Adopted September 6, 2007
Amended March 12, 2008
Amended January 1, 2014

YORK AREA UNITED FIRE & RESCUE

CHARTER AGREEMENT

This Agreement is hereby made, executed and delivered in multiple copies this 1st day of January, 2014 ("Effective Date"), by and between THE TOWNSHIP OF SPRINGETTSBURY ("Springettsbury"), and THE TOWNSHIP OF SPRING GARDEN ("Spring Garden"), both of which are Townships of the Commonwealth of Pennsylvania, situate in the County of York, as the Charter for York Area United Fire & Rescue ("Department" or "Regional Department"), an unincorporated nonprofit association established under the authority of 53 Pa. C.S.A. § 2301 et seq., for the express purpose of providing fire services for Springettsbury and Spring Garden Townships, and other municipalities who may subsequently participate under terms of this Agreement.

WITNESSETH:

WHEREAS, Springettsbury and Spring Garden currently are served by fire departments operating independently of each other; and

WHEREAS, Springettsbury and Spring Garden desire more uniformity and continuity in providing fire protection and fire services within Springettsbury Township and Spring Garden Township; and

WHEREAS, coordination and integration of the exercise and providing of fire services in Springettsbury and Spring Garden can be improved and made more cost effective by the establishment of a regional fire department; and

WHEREAS, the Board of Supervisors of Springettsbury and the Board of Commissioners of Spring Garden have, by appropriate resolutions and/or ordinances, manifested an interest in safer communities through improved

fire services; and

WHEREAS, it is the desire of Springettsbury and Spring Garden to enter into this Agreement for the purpose of having available for use throughout the territorial limits of Springettsbury and Spring Garden the service of a regional fire department under the terms and conditions hereinafter set forth; and

WHEREAS, Springettsbury and Spring Garden desire to associate themselves in and by virtue of this Agreement to create a regional fire department commission to operate a regional fire department within Springettsbury and Spring Garden as well as surrounding townships, boroughs and cities; and

WHEREAS, cooperation between Springettsbury and Spring Garden is a proper exercise and discharge of their governmental powers, duties, and functions, and is authorized by Article IX, Section of the Constitution of the Commonwealth of Pennsylvania, and 53 Pa. C.S.A. § 2301 et seq; and

WHEREAS, this Agreement hereby incorporates the original Charter Agreement adopted September 6, 2007, as duly amended by the Charter Municipalities as of March 12, 2008 and January 1, 2014.

NOW, THEREFORE, in consideration of the mutual promises hereinafter contained, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

Section A. "Commission" shall be defined as the York Area United Fire & Rescue Commission, which is the legally independent, unincorporated, nonprofit association formed by this Agreement and is the governing body of York Area United Fire & Rescue.

Section B. "Department" or "Regional Department" shall be defined as the fire department operated by the Commission and serving the Participating Municipalities' fire department needs.

Section C. "Charter Municipalities" shall be defined as Springettsbury Township, Spring Garden Township, and any other municipality that shall hereafter join the Department and pay an admission fee as set forth in Article VII, Section B.

Section D. "Contracting Municipalities" shall be defined as any other municipality which may contract for fire services from York Area United Fire & Rescue.

Section E. "Participating Municipalities" shall be defined as all Charter and Contracting Municipalities.

ARTICLE II PURPOSE

The express purpose of the Charter shall be to establish the Regional Department as an unincorporated association, distinct from its Participating Municipalities, the goal of which association shall be to provide comprehensive, quality fire protection for its Participating Municipalities in the most efficient manner.

ARTICLE III JURISDICTION AND AUTHORITY

Section A. The Commission shall provide supervision and direction of all the fire department activities of the Regional Department, including responsibility for and jurisdiction over all actions customary and appropriate to provide fire services to the Participating Municipalities, as permitted by applicable law, and implied and incidental to effectuating the statement of Purpose in Article II.

Section B. In addition to the foregoing, the Commission shall have the following express authority:

1. Lease, sell and purchase real estate;
2. Lease, sell and purchase personal property;
3. Enter into contracts for the purchase of goods and services, and collective bargaining agreements;
4. Hire, fire, suspend, promote, demote, discipline, set salaries, and otherwise deal with employees;
5. Serve as a hearing board for employee grievances;
6. Establish and maintain bank accounts and other financial accounts;
7. Invest monies in investments authorized for municipalities of the Commonwealth of Pennsylvania;
8. Borrow monies;
9. Establish and fund employee benefit programs, including a pension fund;
10. Delegate any of its powers, express or implied, to its Fire Chief or his/her designee;
11. Obtain, legal, accounting and other professional services;
12. Establish and fund employee benefit programs, group, insurance, and social security benefits;
13. Adopt bylaws and policies consistent with this Charter and its Purpose as stated in Article II.

Section C. Notwithstanding anything to the contrary set forth above, the Commission shall not enter into any lease or financing transaction in any calendar year which, when added with all similar obligations shall exceed in the aggregate \$100,000, that requires the allocation of funds beyond the current fiscal year. unless or until a resolution authorizing the same shall have been adopted by seventy-five

(75%) percent of the Charter Municipalities. The debt or obligations referred to herein shall not include those arising from the approval of a collective bargaining agreement.

Section D. The Regional Department's fire fighters and civilian personnel, except to the extent directed otherwise by the Commission, shall be under the direct supervision of a Fire Chief, who shall report to the Commission.

Section E.

1. Springettsbury and Spring Garden Townships will endeavor to reach mutual agreement with the representative of their firefighters, the International Association of Fire Fighters, Local 2377 ("the Union"), regarding the terms and conditions of employment for the regional department, prior to the date on which the Department will become operational. The Townships will engage in good faith negotiations with the Union to merge the two departments into one joint department covered by a consolidated collective bargaining agreement.

In the event that a consolidated collective bargaining agreement is not signed prior to the date on which the Department becomes operational, the then-current collective bargaining agreements of the respective Townships will continue to operate in full force and effect, governing the terms and conditions of employment of the fire fighters of that Township. The parties may continue to engage in negotiations over a consolidated collective bargaining agreement.

If, however, the parties are unable to reach a mutual agreement regarding a consolidated collective bargaining agreement, the Townships are under no obligation to engage in binding interest arbitration. Rather, the

Department shall operate with the two separate, then-current collective bargaining agreements of each Township, and the Fire Chief shall direct and control both bargaining units. Springettsbury and Spring Garden Townships shall advertise and adopt a resolution temporarily assigning, for the duration of the period in which this Agreement is effective and operational, their fire fighters to the Department to provide fire services under the direction and control of the Commission in a manner which complies with all applicable Pennsylvania labor statutes.

2. Civilian Employees. On or before the date on which the Regional Department becomes operational, the Commission shall offer all full-time civilians (nonuniformed employees) employed by the Springettsbury and Spring Garden fire departments full-time employment with the Regional Department at salaries, wages, benefits, positions and seniority levels that are substantially equivalent, when taken together, to those provided to such civilians under existing oral, at-will agreements on the Effective Date of this Agreement. This Section is not intended to indicate or imply that any fire fighters or employees of the Regional Department will receive greater salary benefits, job tenure rights or any other assurance of future employment than they would have received from Springettsbury or Spring Garden, or to which they would otherwise be entitled under Pennsylvania law. This section shall apply only to the civilian fire department employees of Springettsbury and Spring Garden and shall not be applicable to any Participating Municipalities who may subsequently join the Department pursuant to Article XIV hereof.

3. Volunteer Fire Fighters. Springettsbury and Spring Garden

acknowledge the vital role and contribution volunteer fire fighters and companies play in the overall municipal fire protection and service provided to local municipalities. The Commission is committed to work with and incorporate such volunteer fire fighters and companies to ensure the future success of the Department and ensure the highest level of regional fire protection.

Section F. The Regional Department and its Commission, as independent legal entities created pursuant to Article IX, Section 5 of the Constitution of the Commonwealth of Pennsylvania, and 53 Pa. C.S.A. § 2301 et seq., shall not be governed by any Borough, City or Township Code other than as stated herein. The Commission may, in its discretion, look to such codes for guidance in the administration of the Regional Department; however, in doing so, the Commission shall not be deemed to have adopted or become bound by said laws by implication or past practice. The Commission shall be bound by the provisions of the following employment laws, as may be amended hereafter: 1) the Local Agency Law, 2 Pa. C.S.A. § 101 et seq.; 2) the Heart and Lung Act, 53 P.S. § 637 et seq.; 3) Act 111, 43 P.S. § 217.1 et seq.; and 4) the Pennsylvania Labor Relations Act, 43 P.S. § 211.1 et seq. In the event that any provision of this Agreement may be contrary or inconsistent with one or more of these specifically referenced laws, and any amendments thereto, the law shall be controlling.

ARTICLE IV FIRE DISTRICT BOUNDARIES

Section A. All mutual municipal boundaries of the Participating Municipalities shall be obliterated for the purposes of fire services, so that a single fire district, comprising the total political and geographic area of the Participating Municipalities, is established.

Section B. The Participating Municipalities shall be deemed to have surrendered their authority to provide fire services in said areas to the Commission, subject to the terms of this Agreement and the limitation set forth in Section C.

ARTICLE V
REGIONAL FIRE COMMISSION

Section A. The Department shall be under the direction and control of the York Area United Fire & Rescue Commission, which shall be the governing body of the Department and, as such, shall be responsible for the operation, management, and administration of the Regional Department and have the functions, powers and duties prescribed by this Agreement.

Section B. The Commission shall initially consist of two representatives from Springettsbury, two representatives from Spring Garden and one citizen-at-large. The citizen-at-large shall be appointed for a two-year term. This appointment shall be on a rotating basis between the Charter Municipalities. The citizen must be a resident of a Charter Municipality. Spring Garden Township shall appoint the first citizen-at-large for a two-year term.

Section C. Each Charter Municipality shall also appoint one alternate who attends meetings and may participate in discussions. An alternate shall not have the right to vote unless the appointed representative is absent from a Commission meeting. Contracting Municipalities shall not have the right to appoint a voting representative, but shall appoint a representative to attend meetings and participate in discussions.

Section D. The representative or alternate from a township Charter Municipality shall be a member of the Township's Board of Supervisors or the Board of Commissioners, as the case may be. A representative or

alternate of a borough or city Charter Municipality shall be a member of council or the mayor. In the event a representative resigns, ceases to be eligible, or is incapacitated and unable to serve as a member of the Commission, such position on the Commission shall be filled by the alternate, until the Charter Municipality shall appoint a successor representative for the unexpired term.

Section E. No fire fighter or civilian employee of the Department shall be eligible for appointment to the Commission.

Section F. Initially, Springettsbury shall appoint one fire commission representative and one alternate to the Commission for a term ending on the first meeting in January, 2009, and one fire commission representative with the term ending on the first meeting in February, 2010. Initially, Spring Garden shall appoint one fire commission representative and one alternate for a term ending on the first meeting in January, 2010, and one fire commission representative with the term ending on the first meeting in February, 2009. Thereafter, the terms of Office shall be for two years and shall commence on the date of appointment, which shall be made at the reorganization meetings of the governing bodies of the Charter municipalities or the first meeting of the governing bodies of the Charter Municipalities_in years in which there is no reorganization meeting. Spring Garden shall also appoint the initial citizen-at-large fire commission representative to the Commission for a term ending on the first meeting of January, 2010. All initial appointments to the Commission shall be made by Spring Garden and Springettsbury within thirty (30) days of the Effective Date of this Agreement.

Section G. The officers of the Commission shall be Chairman, Vice-

Chairman, and Secretary/Treasurer, and such other officers as the Commission may deem necessary and appropriate. Duties of the officers shall be as prescribed by Roberts Rules of Order, Revised, or as modified by any duly-adopted bylaws of the Commission.

Section H. The Commission shall hold its initial organizational meeting within forty-five (45) days of the Effective Date of this Agreement. Thereafter, the Commission shall take all necessary steps within its power to make the Department operational within one hundred fifty (150) days of the Effective Date of this Agreement.

Section I. Within one hundred twenty (120) days of the Effective Date of this Agreement, the Commission shall provide to Spring Garden and Springettsbury, as well as any other then-existing Charter Municipalities, written notice that the Department is prepared to become operational upon the staffing of fire fighters, volunteers and civilian employees under Article III, Section D, above, and conveyance of fire equipment by Spring Garden and Springettsbury under Article IX, Section B, below.

Section J. The Commission shall ensure that the Department fulfills any contractual obligations of Spring Garden and Springettsbury to provide fire services or mutual aid to other municipalities which exist on the date the Department becomes operational until such obligations expire by their terms or are lawfully terminated by Spring Garden or Springettsbury under the provisions thereof.

ARTICLE VI MEETINGS

Section A. The Commission shall meet at an advertised scheduled meeting, each month, for the purpose of conducting official business, or at such other times as may be determined by resolution of the Commission. The

first meeting of each year shall be the reorganization meeting for the purpose of electing officers for a one-year term and otherwise conducting reorganization business.

Section B. Special or rescheduled regular meetings of the Commission may be scheduled by appropriate resolution fixing the date, time, and place of such meeting. Special or rescheduled meetings may be called by the Chairman and shall be called at the written request of any two or more members of the Commission. The call and the request, if any, shall state the purpose of the meeting. Written notice of each such special or rescheduled meeting shall be given at least one day prior to the day named for the meeting to each member of the Commission who does not waive such notice in writing. The notice shall state the purpose of the special or rescheduled meeting.

Section C. A majority of the members of the Commission shall be necessary to constitute a quorum for the transaction of business, and the acts of a majority of Commissioners present at a meeting, at which a quorum is present, shall be the action taken; provided, however, that any vote pertaining to the expenditure of funds shall require a majority of the members of the entire Commission. Voting on all questions shall be taken by a voice vote, provided, however, that the Chairman may, on his own motion or shall, at the request of any Commissioner, cause a vote to be taken by roll call. The parliamentary procedure of the Commission shall be governed by Roberts Rule of Order, Revised, or as modified by any duly-adopted bylaws of the Commission.

Section D. The Commission shall maintain an accurate record of the minutes of meetings, regular or special, and such other records, as it

deems necessary and appropriate. Such minutes and records shall, at reasonable times, be open for public inspection. A copy of the minutes of all meetings will be forwarded to each of the Participating Municipalities.

Section E. The Fire Chief of the Department, or his/her designee, shall attend all Commission meetings and the monthly meetings of the Charter Municipalities to keep abreast of discussions, policies and activities and relate reports of same as requested.

Section F. The Fire Chief shall give a monthly report of the Department's activities at each Commission meeting. The Chief or his/her designee or a financial officer appointed by the Commission shall also present a monthly financial report regarding the Department.

ARTICLE VII APPORTIONMENT FORMULA

Section A. All costs of the Department for fire services, including, without limitation, employee payroll and benefits and vehicle and headquarter operating expenses, as set forth and approved as part of the annual operating budget or subsequently approved as costs to be paid by the Department within is budgetary approval provided by the Charter Municipalities, shall be apportioned to each Charter Municipality. The Charter Municipalities acknowledge that certain historical pension liabilities and other expenses shall continue to be paid by individual Charter Municipalities and shall not be included as a Department expense to be paid by the Charter Municipalities as part of the budgeted expenses. From the date of commencement of this Agreement through December 31, 2012, Spring Garden shall fund and pay for 45% and Springettsbury 55% of all budgeted and approved costs of the Department. Starting January 1, 2013 and continuing until otherwise agreed to and amended by Spring Garden and

Springettsbury, Spring Garden shall fund and pay for 40% and Springettsbury 60% of the budgeted and approved costs of the Department. In the event an additional Municipality is added to this agreement, the apportionment reallocation set forth herein shall be applicable to the costs attributed to Spring Garden and Springettsbury. Upon the joining of additional municipalities, the Charter Municipalities shall be required to agree upon the apportionment formula applicable to said joinder party. Contracting Municipalities, if any, shall not be apportioned to a funding assessment, but shall pay a fee per negotiated contract.

Section B. Any new Charter Municipality joining the Commission shall be required to pay to the Commission amounts determined by the Commission and approved by a majority of the governing boards of the Charter Municipalities. A new Charter Municipality must pay said amount before its membership becomes effective. Said amount shall be distributed among the then-current Charter Municipalities, based upon the apportionate share allocated to the then-current Charter Municipalities.

ARTICLE VIII FINANCE

Section A. The Commission shall prepare a draft of the Department's annual budget for consideration no later than September 1st of the year preceding the budget year. The budget shall include a detailed line item allocation for the various revenue and expense items anticipated for the budget year along with a five (5) year capital expenditure and financing plan. Thereafter and during the month of September the Commission shall call, as a joint meeting with all Charter Municipalities, a special meeting for the purpose of presenting to the Charter Municipalities the proposed

budget and an annual report of the fire department activities and finances. Seventy-five (75%) percent of the Charter Municipalities shall approve the Department's annual budget. Upon approval by seventy-five (75%) percent of the Charter Municipalities, the budget shall become effective for the year for which it was formulated. If required approval is not obtained on or before the date of the December meeting of the Commission, the prior year's budget shall be operative until the new budget is approved by seventy-five (75%) percent of the Charter Municipalities. Each Charter Municipality shall make payment of its annual funding assessment bimonthly on the first day of the appropriate month. Contracting Municipalities, if any, shall pay fees as set forth in their negotiated contract.

Section B. All monies for the operation of the Department, from whatever source derived, shall be paid to the Treasurer of the Commission. Said monies shall be deposited by the Treasurer in a special account in an FDIC insured depository located in any of the Charter Municipalities. The account, to the extent the same is not insured, shall be continuously secured by a pledge of direct obligation of the United States of America or of the Commonwealth of Pennsylvania, or of the Charter Municipalities, having an aggregate market value at all times at least equal to the balance on deposit of such an account. The monies in said account shall be paid out on the warrant or other order of the Treasurer of the Commission and one other member of the Commission. The Treasurer of the Commission shall give bond in such sum as approved by the Commission, and the Commission shall pay the premiums.

Section C. The Commission shall file all required federal and state reports, and an annual written report addressing its fire department work

with the Department of Community and Economic Development of the Commonwealth of Pennsylvania, its successors and/or assigns, if required, and with the Participating Municipalities by March 15th of each year. The report shall, at a minimum, set forth the number and types of calls and any trends relating thereto, recommendations as to improving fire services, and proposed capital improvement expenditures for subsequent years. The Commission shall have the Department's books, accounts, and records audited annually by a certified public accountant, and a copy of the audit report shall be attached to, and be made a part of, the aforesaid annual report. If the Commission fails to make such an audit, then the comptroller, auditors or accountants designated by any one or all of the Charter Municipalities shall be authorized from time to time to examine the books of the Regional Department, including its receipts, disbursements, sinking funds, investments and any other matters relating to its financing and affairs.

Section D. The fiscal year for the Department shall be January 1st through December 31st.

ARTICLE IX CAPITALIZATION

Section A. Spring Garden and Springettsbury shall contribute cash necessary and appropriate to fund initial working capital and acquisition or leasing of assets required to operate the Regional Department. Determination of these amounts shall be made by mutual agreement of Spring Garden and Springettsbury after preparation and review of a pro forma budget, income/expense statement, and balance sheet for the Department. All cash and other capital contributions shall be allocated between Spring Garden and Springettsbury and reflected in Exhibit A attached to this

Agreement.

Section B. All existing fire vehicles, equipment, materials and supplies of Springettsbury and Spring Garden which may be useful to the Commission and/or Department shall be assigned or conveyed to the Regional Department by Springettsbury and Spring Garden. The fair market value of these assets shall be determined by an appraiser or appraisers appointed by Spring Garden and Springettsbury and shall be based primarily upon fair market value for like used equipment and materials. The Commission shall decide which vehicles, equipment, materials and supplies it desires to utilize, and said items shall be conveyed by bill of sale or title by Springettsbury and Spring Garden to the Department with appropriate credit toward their negotiated share of initial startup costs. Any leased assets may be assigned and the leases assumed by the Commission on behalf of the Regional Department. Such assets contributed, in kind, shall be a part of Springettsbury and Spring Garden's respective capital contributions, reflected in Exhibit A.

Section C. Any capital contribution by any Charter municipality subsequently joining the Commission, if any, shall be identified in Exhibit B to be attached to this Agreement.

ARTICLE X FIRE DEPARTMENT HEADQUARTERS

The central fire department headquarters for the Department shall be located, initially, in Springettsbury Township. The location of the headquarters, or any satellite locations, shall be subject to change from time to time as the Commission may determine.

**ARTICLE XI
FIRE DEPARTMENT RECORD SYSTEM**

The Commission shall establish and control a complete and up-to-date uniform fire department record system after first assembling all existing fire department records of the fire departments of Charter Municipalities. In the event of dissolution of the Department, records shall revert back to the respective Participating Municipalities.

**ARTICLE XII
IMMUNITY AND CLAIMS**

Section A. The fire services performed and the expenditures incurred under this Agreement shall be deemed for public and governmental purposes, and all immunities from liabilities enjoyed by the Participating Municipalities within their boundaries shall extend to their participation in fire services outside their boundaries and within the Regional Department's jurisdiction.

Section B. The Commission shall maintain liability insurance coverage against claims arising out of its fire activities in amounts deemed adequate by the Commission. Each Participating Municipality and Commission agree to cause any insurance policy providing liability coverage against claims arising out of the Department's fire activities, whether within or outside its municipal boundaries, to contain a waiver of subrogation clause or endorsement under which the insurance company waives its right of subrogation against any Participating Municipality as to any and all causes of action or claims against all other Participating Municipalities hereto which may arise out of fire activities hereunder. The Department shall be a

named insured under such policies, and a certificate evidencing such coverage shall be supplied to the Commission annually.

Section C. For purposes of liability, in actions arising out of regional fire services, to the extent any such claims are not covered by liability insurance, all Charter Municipalities shall be liable in the same proportion as they are for the funding assessment of the Charter Municipalities during the period the fire services in question were rendered, as set forth above in Article VII, Section A.

ARTICLE XIII JOINDER OF ADDITIONAL MUNICIPALITIES

Section A. Additional municipalities may become Charter Municipalities under this Agreement, upon application to the Commission, approval of the Commission and the then-current Charter Municipalities of the terms and conditions of said joinder, and upon ratification of this Agreement by the applicant municipality, its adoption of an ordinance authorizing joinder and payment of the fee under Article VII, Section B. The terms and conditions by which a municipality may become a Charter Municipality may include, but not limited to, an amendment of the Commission representation allocation, apportionment formula and voting rights provided to a joining municipality.

Section B. The Commission may permit the purchase of services by Contracting Municipalities on terms mutually agreed upon by the Commission and such Contracting Municipalities. Such contracts must be approved by at least seventy-five (75%) percent of the Commission members. Such Contracting Municipalities shall not enjoy the rights and privileges of, nor the duties and liabilities offered and imposed by, this Charter Agreement, except to the extent specifically identified and incorporated in

the contract between the Commission and such Contracting Municipality.

**ARTICLE XIV
WITHDRAWAL OF CHARTER MUNICIPALITY**

Section A. Because of the great amount of time, mutual commitment, reliance, and expense expended in the formation of the Department, Spring Garden and Springettsbury agree not to withdraw from participation in the Department or dissolve the Department before December 31, 2017.

The Charter Municipalities recognize that the purpose in establishing the Regional Department, and the reason for subsequent joinder of any additional participants, is the desire among the Charter Municipalities to minimize their costs of providing fire services, by sharing certain costs of those services, and of establishing high quality fire services. In the same fashion that cost savings are effected, and quality is hopefully improved, with the joinder of participants, a corresponding cost increase and possible negative impact upon quality of service may result from the withdrawal of participants.

Given this impact upon the remaining Charter Municipalities, the facts and circumstances of each Charter Municipality's proposed withdrawal should be evaluated. Following such evaluation, the Commission, in its discretion, may elect to take no stated position as to its support of the Charter Municipality's proposed withdrawal, resolve to encourage or support a proposed withdrawal, or resolve to discourage or oppose the proposed withdrawal. The Commission may further resolve to take any and all actions which it deems appropriate to further or support its position on the proposed withdrawal. A Charter Municipality proposing withdrawal shall not participate in such decision-making process, and may be excluded from open meetings or executive sessions in which such evaluations are undertaken.

A withdrawing Charter Municipality shall not be penalized for its decision to withdraw. However, its joinder is viewed as a commitment to the other Charter Municipalities, and as such, the remaining Charter Municipalities should not have to suffer financial loss or reduction in quality of service due to an individual Charter Municipality's self-serving decision to withdraw.

Section B. The actual and identifiable costs of such withdrawal and the withdrawing Municipality's proportionate share of any continuing obligations and liabilities necessarily assumed by the remaining Charter Municipalities which are attributable to the withdrawing Municipality's participation, shall be paid by the withdrawing Municipality.

Section C. In interpreting the language of Section B, describing the costs of withdrawal to be borne by the withdrawing Charter Municipality, a liberal, broad and comprehensive interpretation of those costs is appropriate. Clearly, the costs, obligations and liabilities at the effective date of any withdrawal must be evaluated, on a case-by-case basis, before being determined and assessed against a withdrawing Charter Municipality. The following constitutes a listing of identifiable costs, obligations, and liabilities which may be assessed by the Commission upon a withdrawing Charter Municipality, and is subject to modification, addition, or subtraction on a case-by-case basis:

1. unemployment compensation;
2. contingent welfare benefit costs;
3. awards and legal fees regarding collective bargaining agreements and unfair labor practices;
4. cost increases to remaining Charter Municipalities;

5. increased accounting, actuarial and legal fees.

Certain costs, obligations, and liabilities, for which a withdrawing Charter Municipality is responsible, may not be calculable until the effective date of withdrawal, since the costs may vary from date of notice of withdrawal to the actual effective date. Such costs shall, in fact, be assessed as of their effective date. Estimates of such costs may be made by the Commission upon request of the withdrawing Charter Municipality, provided that the costs of calculating and communicating such estimates shall be borne by the Charter Municipality requesting same. In addition, some costs, obligations, and liabilities are of a continuing nature and will extend well beyond the effective date of termination. Those costs can only be estimated, and shall be assumed by the withdrawing Charter Municipality pursuant to the terms of a separation agreement.

Upon withdrawal, a Charter Municipality shall receive, in cash or in kind, as determined by the Commission, an amount equal to its capital contribution as reflected in Exhibit A or B, subject to deduction or adjustment for depreciation and obsolescence, less any sums due to the Commission pursuant to Sections B and C of this Article, payable, at the discretion of the Commission, either in a lump sum within thirty (30) days after the effective date of withdrawal, or in three equal annual installments, with the first payment due within thirty (30) days of the effective date of withdrawal, and succeeding payments due on or before the expiration of two years thereafter.

Section D. A separation agreement shall be executed by the Commission and the withdrawing Charter Municipality prior to the effective date of termination, setting forth the details of the continuing costs, obligations

and liabilities between the Commission and withdrawing Charter Municipality, and any other details of agreements, terms and conditions concerning the severing of the relationship between the parties, and the satisfaction of remaining commitments.

Section E. Any Charter Municipality desiring to withdraw from the Department must provide written notice of its intent to do so to the Commission and all other Charter Municipalities at least one (1) year prior to the effective date of such withdrawal.

ARTICLE XV TERM AND DISSOLUTION

Section A. The initial term of this Agreement shall begin on the Effective Date and shall end on December 31, 2017. The term shall, however, renew automatically from year to year thereafter, subject to the dissolution provisions hereof.

Section B. Dissolution of the Department may be effected by a vote of at least two-thirds of the Commission and passage of ordinances of at least seventy-five (75%) percent of the Charter Municipalities directing dissolution. All votes required to effectuate dissolution under the terms of this Agreement must take place at least one (1) year prior to the start of the fiscal year during which such dissolution is to be effective.

Section C. In the event of dissolution of the Regional Department, all real estate, vehicles, equipment, materials and supplies retained by the Department shall be appraised by appraisers appointed by the Commission for the purpose of determining fair market value. The Commission shall first pay all lawful debts and obligations incurred during its term of existence, and any reasonable reserve for same. Thereafter, the Commission shall pay to each Charter Municipality, in cash or in kind, a sum equal to

the value of its initial capital contribution established pursuant to Exhibits A and B hereof. Last, the remaining assets, if any, shall be distributed to the Charter Municipalities, in like kind, in the same proportion as the funding assessments for the then-current fiscal year. In the event that the Department's Charter Municipalities cannot agree upon an equitable distribution, in like kind, the assets shall be sold and the cash proceeds distributed in the foregoing proportions.

Section D. Any real estate and improvements owned by the Department shall be sold in the event of a dissolution. Notice of the intention to sell real estate shall be given to the Charter Municipalities by certified mail. The Charter Municipalities shall have the right to submit written bids on any such property, with the highest bidder being entitled to purchase, provided that the bid price is at least eighty percent of the fair market value of the property as established by a competent real estate appraiser selected by the Commission. If no qualified bids are received within thirty (30) days of notice of sale being given by the Commission, then the disposition of the property shall be by public or private sale as the Commission may determine. All proceeds of sale shall be disbursed to Charter Municipalities in accordance with Section C above.

Section E. All employees who were previously employed by a Charter Municipality shall return to employment as employees of that Charter Municipality, with all inherent rights and benefits as previously codified under the applicable statutes of the Commonwealth of Pennsylvania, the United States, and the ordinances of the respective Charter Municipalities, and as preserved in any collective bargaining agreements between the Commission and any certified collective bargaining representative existing

at the time of dissolution or withdrawal.

Section F. Each Charter Municipality shall be responsible for any unfunded or contingent liability of the Department in the same proportion as the funding assessments for the then-current fiscal year of dissolution, with the exception of pension liability, which shall be apportioned in accordance with Article X, Section C, above.

**ARTICLE XVI
EFFECT OF REGIONALIZATION ON
EXISTING FIRE DEPARTMENTS**

Within thirty (30) days of receiving written notice from the Commission of the date on which the Department shall become operational, Spring Garden and Springettsbury shall advertise and adopt resolutions:

- disbanding their respective fire departments; and
- transferring all full-time fire fighters to the Regional Department; and
- conveying all existing fire department vehicles, equipment, materials and supplies of Springettsbury and Spring Garden which may be useful to the Commission and/or Department to the Regional Department pursuant to Article IX of this Agreement; and
- taking any other action required under this Agreement which is necessary for the Regional Department to become operational.

In the event that the Spring Garden Township Fire Department and/or Springettsbury Township Fire Department do not execute a consolidated regional fire contract within sixty (60) days of the Effective Date, Spring Garden and/or Springettsbury shall not disband their fire departments, but shall, within thirty (30) days of receiving written notice from the Commission of the date on which the Department shall become operational, advertise and adopt resolutions:

- temporarily assigning their fire fighters to the Department to provide fire services under the direction and control of the Commission in a manner which complies with all applicable Pennsylvania labor statutes; and
- conveying all existing fire vehicles, equipment, materials and supplies of Springettsbury and Spring Garden which may be useful to the Commission and/or Department to the Regional Department pursuant to Article IX of this Agreement; and
- taking any other action required under this Agreement which is necessary for the Regional Department to become operational.

ARTICLE XVII AMENDMENT AND EXECUTION

Section A. This Agreement shall be subject to amendment and/or modification only by written document executed by at least two-thirds of the then-current Charter Municipalities.

Section B. These Articles of Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument and agreement.

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