

Sanilac East Fire Authority (SEFA)
2024 SEFA FUNDING AND MANAGEMENT PROPOSAL SUMMARY
FINAL DRAFT

CAPITALIZATION

-Each entity will contribute equal amounts in assets to capitalize the corporation.

<u>Village of Port Sanilac (VPS)</u>	
Firetrucks and Equipment	\$350,000*

<u>Sanilac Township (ST)</u>	
Total Cash	\$350,000**

*Per Maynard's appraisal 12/22 and 1/23; double entries removed 4/24

**After an initial payment of \$175K, the remainder of ST's contribution may be spread out over one year.

-Passage of the Fire Protection and Emergency Medical Services millage eliminates yearly membership payments from ST or VPS for fire and emergency services.

-The SEFA Board is responsible for balancing the SEFA budget.

-Neither ST or VPS will be assessed SEFA budget overages.

-Sanilac Township administers the millage, a funding vehicle paid by the Village of Port Sanilac (VPS) and the rest of Sanilac Township. (Lawyers: Please adjust language so it doesn't sound one-sided. That is, ST administers millage monies that come from the entire township, including VPS.)

-SEFA will receive the full millage the first year, giving them time to adjust to the new system.

-After the first year, ST will yearly adjust the millage amount to match the SEFA budget developed by the SEFA Board.

-ST and VPS agree to support renewing the fire services millage after expiration in six years.

-An additional ½ mill millage, which VPS and ST would support, could be added to the 2024 or 2026 ballot to fund needed equipment.

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CAPITALIZATION cont'd

- The SEFA budget will include monies set aside for savings and for the truck fund.
 - The SEFA savings account will be maintained separately from a SEFA truck fund account.
 - Truck funds accrued prior to 2017 will be returned to each entity. The amount from Forester will be given to SEFA designated for the current SEFA truck fund.
- VPS waives the \$12K lease per year to use the firehall.
 - VPS offers the fire hall usage for \$1 per year for five years.
 - SEFA will be expected to pay for maintenance, utilities, insurance, and necessary updates.
 - Renewal options okayed in 2029 and 2034 at the same terms if requested.

MANAGEMENT

- ST and VPS would be removed from management except through their representatives on the SEFA Board of Directors.
 - Executive officers from VPS or ST will not serve on the SEFA Board of Directors in an effort to have SEFA board members who are more likely to make decisions best suited for the entire community, not just one entity.
 - Each entity will have three members on the SEFA board.
 - The SEFA Board members will take turns running the meetings, VPS one meeting, ST the next.
- A bookkeeper/CPA will be hired to keep the books and serve as SEFA Treasurer.
 - The SEFA Treasurer will serve as the tie-breaker during SEFA Board meetings.
 - The SEFA Treasurer will work with the SEFA Board to develop a long term (5-10 year) budget that includes replacement equipment schedules.
 - The SEFA Treasurer contract will be renewed yearly.

WITHDRAWAL

-If an entity decides to withdraw within the first six years of the agreement, they must give a one-year notice.

-They will receive $\frac{1}{2}$ of their first-year total investment (\$175K).

-Payments from SEFA may be spread out over six months.

DISSOLUTION

-If both entities decide to dissolve the corporation, SEFA will liquidate its assets.

-Each entity has the right of first refusal of capital assets after appraisal.

-SEFA would meet financial liabilities, and then reimburse each entity up to 100% of the \$350,000 initial contribution.

-The remaining value of SEFA's assets would be divided between ST and VPS, 75/25 respectively.

-Payments from SEFA may be spread out over 6 months.