



CITY OF SPRING PARK  
WORK SESSION AGENDA  
OCTOBER 16, 2017 – 6:00 PM  
SPRING PARK CITY HALL

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(Work Session discussion times are approximate)

1. 6:00 – ASSET MANAGEMENT REPORT DISCUSSION
2. 6:25 – POLICE CONTRACT DISCUSSION
3. 6:45 – SUPER BOWL SPECIAL EVENTS DISCUSSION
4. MISCELLANEOUS
5. 6:55 – ADJOURN

# \*Proposed Contract with City Attorney's Changes

## CONTRACT FOR LAW ENFORCEMENT SERVICES

This **CONTRACT FOR LAW ENFORCEMENT SERVICES** ("Contract") made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the **CITY OF ORONO** ("Orono"), a Minnesota municipal corporation, and the **CITY OF SPRING PARK** ("Spring Park"), a Minnesota municipal corporation.

### **WITNESSETH:**

**WHEREAS**, Spring Park is desirous of contracting with Orono for the performance of law enforcement services within Spring Park; and

**WHEREAS**, Orono is agreeable to render law enforcement services on the terms and conditions hereinafter set forth; and

**WHEREAS**, a contract such as this is authorized under and by virtue of the provisions of Minnesota Statutes Section 471.59;

**NOW, THEREFORE**, Orono agrees that it will provide law enforcement services for Spring Park on the following terms and conditions and Spring Park agrees as follows:

1. **Duration of Contract.** The term of this Contract is for ~~five (5)~~three (3) years commencing on January 1, 2018. This Contract will automatically renew for a period of ~~one (1) year~~five (5) years, unless Orono or Spring Park provide notice, no later than six months ~~three (2) years~~ prior to the expiration date of the original or renewed contract.
2. **Cost of Services.** In consideration of furnishing law enforcement services under this Contract, Spring Park shall pay Orono the following:
  - A. Year 1 (2018), Initial base cost of \$423,000.00
  - B. Years 2-~~5~~3, cost to increase by Union wage increase (with a minimum percentage to be no less than 1% and a maximum cap of 5%)
  - C. Renewal Years, cost to increase by Union wage increase (with a minimum percentage to be no less than 1% and a maximum cap of 5%) [OR THE MINNEAPOLIS-ST. PAUL CPI-U COULD BE USED TO DETERMINE THE ANNUAL INCREASE FOR THOSE YEARS – MOUND USES THIS Dan to compare rates]

The payments shall be made in equal installments on January 1<sup>st</sup> and July 1<sup>st</sup> of each year. Capital equipment and headquarter related expenses are included in the base contract cost. Unexpected major expenditures may be brought to the Joint Police Commission for review and if approved these would increase the base budget. [NOTE: NEED TO STATE HOW THESE INCREASED COSTS WILL BE APPORTIONED AMONG THE CONTRACT CITIES – WILL THIS BE DETERMINED BY THE JOINT POLICE

COMMISSION OR PROPORTIONALLY BASED ON POPULATION, NUMBER OF CALLS, SHARE OF TOTAL POLICE BUDGET OR OTHER FORMULA?

Funds received by Orono from Spring Park that are not expended during the year paid will may be put into the POLICE CIP to be used toward future -capital costs associated with the police department or will be applied to reduce Spring Park's next payment due under the Contract, in Spring Park's discretion.-.

3. **Services Provided.** Orono agrees to furnish law enforcement services to Spring Park 24 hours per day, seven (7) days per week. The level and delivery of service provided to Spring Park will be comparable to the level and delivery of service provided in Orono, including response times and clearance rates at least as good as those in Orono. A specific (but not all inclusive) list of services to be provided is attached hereto and made a part hereof as Exhibit B. In addition, the Orono Police Chief will be the Director of Emergency Management and will coordinate emergency plans for Spring Park.
4. **Joint Police Commission.** Spring Park may appoint two volunteer members to the Joint Police Commission and the name of such appointees shall be furnished to Orono Administration. The Joint Police Commission shall meet periodically, and at least quarterly, to discuss and make recommendations regarding concerns or problems identified regarding the provision of police service.
5. **Administrative Responsibility.** The law enforcement services rendered to Spring Park shall be under the sole direction of Orono. The degree of services rendered, the standards of performance, the hiring and discipline of the officers assigned, and other matters relating to regulations and policies, shall remain in the control of Orono.  
  
Orono and Spring Park will work cooperatively to respond to Spring Park data practices requests as it pertains to police records and police requests for information.
6. **Officers, Employees of Orono.** Officers assigned to duty in Spring Park shall be police officers of Orono. Orono shall assume all obligations with regard to workers compensation, PERA, withholding tax, insurance, etc., arising from the employment of such officers. Spring Park shall not be required to furnish any fringe benefits or assume any other liability of employment to any officer assigned to duty within Spring Park unless Spring Park employs officers directly, independent of this Contract, to provide special law enforcement services in Spring Park. In such event, all obligations and liabilities with respect to employment of special law enforcement officers shall be the complete responsibility of Spring Park. No such direct employment shall be entered into by Spring Park without first obtaining written approval of the City Administrator of Orono whose approval shall not be unreasonably withheld.
7. **Enforcement Policies.** Orono's Police Department Policies, Rules and Regulations and Code of Conduct shall prevail as the enforcement policies within Spring Park.

8. **Enforcement of Laws and Ordinances of Spring Park.** Orono shall be familiar with the Spring Park City Code and shall assist Spring Park personnel in enforcing the City Code as requested. Orono is authorized to and shall enforce Spring Park's City Code and all other applicable and/or appropriate federal and state laws, to the extent appropriate for enforcement by police officers.
9. **Headquarters.** Headquarters for the services furnished to Spring Park under this Contract shall be located at 2730 Kelley Parkway, Orono, Minnesota 55356.
10. **Prosecution and Revenues.** Spring Park shall be responsible for the cost of prosecution of violations which occur within the Spring Park City limits. In addition, any court fines received related to violations which occur within the Spring Park City limits shall be remitted to Spring Park. All board of prisoner fees related to violations within Spring Park City limits shall be paid by Spring Park. P.O.S.T. board reimbursements and drug forfeiture funds will be retained by Orono.
11. **Cooperation and Assistance. With respect to the performance of this Contract and the services to be provided by this Contract, Orono and Spring Park shall have full cooperation and assistance from each others' officers, agents, and employees.**
12. **Dispute Resolution and Arbitration.** In the event that a dispute arises under this Agreement, the following procedures shall be followed in an attempt to resolve the dispute prior to the parties commencing arbitration.
  - A. Dispute Resolution Procedure
    - Step 1. Disputes related to services being provided under this Contract shall be first brought to the immediate attention of the Orono City Administrator for resolution.
    - Step 2. If the dispute remains unresolved after the proceeding through Step 1, it shall be brought before the members representing Orono and Spring Park Joint Police Commission for resolution.
    - Step 3. If the dispute remains unresolved after proceeding through Step 2, it shall be brought before the city councils of both cities in a joint city council meeting for resolution.
  - B. Arbitration

If the dispute remains unresolved after proceeding through all of the above steps, either party may submit the dispute to binding arbitration. The parties shall select an arbitrator that is mutually agreed upon by both parties. If the parties are unable to agree upon an arbitrator, they shall each select an arbitrator for a panel and the two arbitrators selected shall select the third arbitrator. Arbitration shall be completed no later than sixty days from the date that the dispute is submitted to arbitration. The arbitrators' expenses and fees, together with the other expenses, not including legal counsel, accounting or consultant fees, incurred in the conduct of the arbitration, shall be divided equally between the parties to the arbitration. Each party to the arbitration

will pay its own attorney, accountant or consultant fees. ~~The arbitrator(s) shall not be empowered to terminate this Contract under any circumstances.~~

15. **Hold Harmless and Indemnification.** Orono shall maintain general liability insurance for its services and shall include Spring Park as an additional insured for the term of this Contract and any extensions thereof. Orono shall provide Spring Park proof of such insurance coverages and the additional insured endorsement naming Spring Park upon request.

Orono agrees to defend and indemnify Spring Park against any claims brought or actions filed against Spring Park or any officer, employee, agent or volunteer of Spring Park for injury to, death of, or damage to the property of any third person or persons, arising from Orono's performance under this Contract. Under no circumstances, however, shall Orono be required to pay on behalf of itself and Spring Park, any amounts in excess of the limits on liability established in Minnesota Statutes Chapter 466, applicable to any one party. The limits of liability for Spring Park and Orono may not be added together to determine the maximum amount of liability for Orono. The intent of this subdivision is to impose on Orono a limited duty to defend and indemnify Spring Park for claims arising out of the performance of this Contract subject to the limits of liability under Minnesota Statutes Chapter 466. The purpose of creating this duty to defend and indemnify is to simplify the defense of claims by eliminating conflicts between the parties and to permit liability claims against both parties from a single occurrence to be defended by a single attorney.

Nothing herein shall be construed to waive or limit any immunity from, or limitation on, liability available to either party, whether set forth in Minnesota Statutes Chapter 466 or otherwise.

This is a service contract. The parties do not intend to undertake or create, and nothing herein shall be construed as creating, a joint powers agreement, joint venture, or joint enterprise between the parties.

16. **Entire Agreement.** This Contract constitutes the entire agreement between the parties and supersedes and replaces any prior agreement between the parties on the same subject.
17. **Amendment.** This Contract may be amended only with the written approval of both Spring Park and Orono.
18. **Assignment.** The rights and obligations under this Contract will not be assigned, and Orono will not subcontract for any services to be furnished to Spring Park (except as otherwise provided in this Contract), without prior written consent of the other party. Orono agrees that it will not enter into any agreement for services with other communities which will adversely impact any services provided in this Agreement to Spring Park. Spring Park acknowledges that Orono provides law enforcement services for Minnetonka Beach and Mound, which also have representatives on the Joint Police Commission described in Section 6.

19. **Notices.** Written notices and communication required to be given under this Contract are to be in writing and sent by U.S. Mail or fax addressed:

If to Spring Park: City Manager  
Spring Park City Hall  
4349 Warren Ave  
Spring Park, MN 55384

If to Orono: City Administrator  
Orono City Hall  
PO Box 66  
Crystal Bay, MN 55323

The parties hereto have executed this Agreement as of the date first above stated.

**CITY OF ORONO**

Dated: \_\_\_\_\_, 20\_\_.

By \_\_\_\_\_  
Dennis Walsh, Its Mayor

Dated: \_\_\_\_\_, 20\_\_.

By \_\_\_\_\_  
Doug Reeder  
Its City Administrator

The above Contract was reviewed and approved by the City Council for the City of Orono, by Resolution No. \_\_\_\_\_, dated \_\_\_\_\_, 20\_\_.

**CITY OF SPRING PARK**

Dated: \_\_\_\_\_, 20\_\_.

By \_\_\_\_\_  
Jerome P. Rockvam, Its Mayor

Dated: \_\_\_\_\_, 20\_\_.

By \_\_\_\_\_  
Dan Tolsma, Its City Administrator

The above Contract was reviewed and approved by the City Council for the City of Spring Park,  
by Resolution No. \_\_\_\_\_, dated \_\_\_\_\_, 20\_\_.

**EXHIBIT B**  
**LAW ENFORCEMENT SERVICES PROVIDED**

The law enforcement services to be provided under this Contract by Orono include, without limitation, the following:

1. Squad car patrol services as needed with random coverage of streets and residential areas, security checks of businesses, and patrols of parks, other public gathering areas, and public parking areas;
2. Enforcement of Minnesota Statutes and Spring Park City Ordinances, including, without limitation, enforcement of nuisance, noise and parking ordinances;
3. Traffic enforcement on public streets, including regular use of radar and other electronic speed deterrent equipment;
4. Organization and operation of residential and commercial crime prevention and public safety programs, such as Neighborhood Watch, Baby Seats and West Metro Drug Task Force;
5. Criminal investigative services, liquor license and background check investigations, tobacco and alcohol education and compliance checks, predatory offender registration compliance checks, and coordination with Hennepin County and Minnesota State Crime Lab Services;
6. Follow up contact with persons who have reported crimes, including contact by telephone, email or surface mail as to the status of investigations, to the extent permitted by law;
7. Response to automobile accidents, pedestrian injuries, medical emergencies, fire emergencies, and similar situations as well as securing emergency scenes and providing follow-up information to other emergency responders;
8. Coordination and communication for response services and dispatch of law enforcement personnel
9. Traffic control, pedestrian control and other patrol services for community and other special events;
10. Submission of quarterly reports and annual preliminary and final police service budgets to the Spring Park members of the Joint Police Commission and Spring Park City Council (in advance of adoption) and attendance at Spring Park Council meetings upon request.

Orono shall provide all necessary equipment and vehicles to perform the services required by this Contract. All marked police vehicles provided by Orono and serving Spring Park shall have

the name "Spring Park" affixed to the vehicle in the same manner, size and general location as the name "Orono."

## \* Current Contract

### AGREEMENT AND CONTRACT FOR LAW ENFORCEMENT

THIS AGREEMENT AND CONTRACT is made effective this First day of January, 2010, by and between the CITY OF ORONO, a Minnesota Municipal Corporation ("Orono"), and the CITIES OF LONG LAKE, MINNETONKA BEACH AND SPRING PARK, Minnesota Municipal Corporations ("Contract Cities").

1. **Purpose.** This Agreement provides for the City of Orono to furnish law enforcement services to the Contract Cities upon the terms and conditions described herein, under authority of Minn. Stat. § 471.59, which provides, in part, that the police powers of a city may be exercised on behalf of other participating cities by agreement of all such cities.
2. **Law Enforcement Services Provided.** Orono agrees to furnish law enforcement services to the Contract Cities 24 hours per day, seven days a week, and the Contract Cities agree to share the costs of the law enforcement services in accordance with the formulas, terms and conditions of this Agreement. The law enforcement services shall include, without limitation, the following:
  - A. Squad car patrol services as needed with random coverage of streets and residential areas, security checks of businesses, and patrols of parks and other public gathering areas during all shifts;
  - B. Enforcement of Minnesota Statutes and the ordinances of the Contract Cities including animal control services provided by Orono's contractor, nuisance and parking violations;
  - C. Traffic enforcement on public streets including, where required, regular use of radar and other electronic speed deterrent equipment during all shifts;
  - D. Crime prevention programs such as Neighborhood Watch, School Resource Officer, Lake Area Emergency Response Unit Services, West Metro Drug Task Force Resources, Enhanced Traffic Enforcement Programs, Safe and Sober, and Chief's Challenge, Reserve Officers Services, as well as other business and residential crime prevention programs;
  - E. Criminal investigative services, liquor license and background check investigations, tobacco and alcohol education and annual compliance checks, predatory offender registration compliance checks, and coordination with Hennepin County and Minnesota State Crime Lab services;
  - F. Follow up contact with persons who have reported crimes, including contact by telephone, email or surface mail as to the status of investigations, as permitted by the Minnesota Data Practices Act;

- G. Appropriate law enforcement response to automobile crashes, pedestrian injuries, home or business medical emergencies, fire emergencies, and other law enforcement requirements including securing emergency scenes, providing follow-up information to emergency responders and accompanying emergency responders on medical calls as necessary;
  - H. Dispatching law enforcement personnel, officer management, coordination and communication for response services;
  - I. Driver license inspections, background checks and license enforcement services as required under State law and city ordinances;
  - J. Special event traffic patrol and patrol services for community festivals and other special events;
  - K. Submission of quarterly reports and attendance at public safety or City Council meetings are requested by a Contract City.
3. **Definition of Terms.** For the purpose of this Agreement, the terms used in this Agreement shall have the meanings given to them in this section.
- A. "Contract Year" means a 12 month period during which law enforcement services are to be furnished or were furnished to the Contract Cities by Orono. The contract year shall commence on January 1 and terminate on the next December 31.
  - B. "Contract Cities" means any city which is receiving Law Enforcement Services under this contract or a similar contract, the terms of which are interrelated with this contract for the purposes of allocating the total cost for law enforcement services. The Contract Cities are Long Lake, Minnetonka Beach, and Spring Park, in Hennepin County, Minnesota.
  - C. "Orono Police Budget" shall include all preliminary, estimated and actual costs of operating the Police Department of the City of Orono for a given contract year, including, without limitation:
    - (1) Insurance. Workers compensation, unemployment compensation, tort liability, automobile insurance and property damage insurance and similar items.
    - (2) Personnel. Salaries, PERA, holiday and severance pay, overtime pay, unemployment benefits, uniform and equipment allowances, health and dental insurance and all other employee benefit costs and similar items.

- (3) Equipment. Equipment used to furnish law enforcement services including both acquisition and maintenance and similar items.
- (4) Consulting Fees. All non-prosecution legal or other professional consulting fees, but excluding costs of legal services to prepare this agreement.
- (5) Utilities. Janitorial services, electricity, sewer and water, heating fuel costs, and similar items.
- (6) Communication Services. Telephone, internet, information technology, computer hard and software, copy costs, surface mail and similar items.
- (7) Motor Vehicle Maintenance. Motor fuel and oil, repairs, parking, licensing and fees, and similar items.
- (8) Continuing Professional Education. Books, periodicals, video's, memberships, seminars, training sessions, and similar items.
- (9) Wearing Apparel. Uniforms, insignia, personal care materials, and similar items.
- (10) Officer Equipment. Flashlights, firearms, office equipment, materials and supplies, and similar items.
- (11) Station Operation. Building operation, maintenance, and repair costs and similar items.
- (12) All other expenses normally and reasonably incidental to the operation of a police department with a current minimum of 18 full-time officers.
- (13) Administration. Administrative overhead charge of 10% of Police Budget Costs, excluding capital costs, to reflect the support provided to the Police Department by the City's Administrative, Finance and Information Technology Departments.

D. "Three-Year Budget Projection" means a rolling projection of the Orono Police Budget for the three years following the current year. The Three-Year Budget Projection is updated in August of the current contract year by adding a Budget Projection for one additional year and applying the updated cost allocation formula. Subject to adoption of the final budget by Orono and the debits or credits as provided in Section 20, Annual Audit of Actual Costs, the Budget Projection for the next following Contract Year is final. Budget projections for

years two and three, while based on the latest available cost allocation factors, are provided for information purposes only.

4. **Public Image.** The designation "Orono-Long Lake-Minnetonka Beach-Spring Park Police Department" shall be affixed to all marked police cars used by the Orono Police Department under the terms of this agreement and the Orono shall cause the listing for the Police Department for each Contract City to be inserted in the appropriate telephone directories as may be distributed in the Contract Cities. If an additional Contract City is added to this Agreement, its name may also be added to the above.
5. **Level of Services.** The quality and level of Law Enforcement Services furnished to the Contract Cities shall be the same as such Services which the Orono Police Department furnishes to the City of Orono. Except for periods of low volume calls for service, (e.g., 3 a.m. to 7a.m.), Orono will assign its police force, currently 18 officers, in three patrol districts, each of which will be comprised of one of the Contract Cities and an adjoining portion of Orono. The borders of these districts and the number of officers may change from time to time as Orono evaluates the law enforcement needs of the districts.
6. **Administrative Responsibility.** The Law Enforcement Services furnished to the Contract Cities shall be under the sole direction of Orono through its Chief of Police, subject to the requirements of this contract; the degree of services furnished, the standards of performance, the hiring and discipline of the officers assigned, and other matters relating to regulations and policies, shall remain in the control of Orono. Any disputes between the parties to this agreement as to the extent of functions and duties to be furnished hereunder, or the level or manner of performance of such service, shall be resolved by the City Administrator of Orono. If a Contract City disagrees with the resolution, the Contract City may appeal within thirty days of receipt of written notice of the resolution, by giving written notice to Orono asking for arbitration, as provided in Section 26 of this agreement. The City Administrator of Orono, through the Chief of Police, shall submit to the Contract Cities a quarterly report of services furnished to the Contract Cities, as well as suggestions regarding any efforts or initiatives that may be helpful.
7. **Joint Advisory Committee.** Each Contract City may appoint two volunteer members to a Joint Advisory Committee and the name of such appointees shall be furnished to the City Administrator of Orono. The Joint Advisory Committee shall meet as frequently as the Committee determines, but not less than on an annual basis, to discuss and make recommendations regarding concerns or problems identified regarding the provision of Law Enforcement Services, and to review and provide input regarding the proposed Orono Police Budget. Any Contract City may request an additional meeting of the Joint Advisory Committee. Upon such request, Orono will promptly schedule a meeting.

8. **Officers, Employees of the City of Orono.** Officers assigned to provide services to Contract Cities shall be police officers of Orono. Orono shall assume all obligations with regard to workers compensation, PERA, withholding tax, insurance, etc. arising from the employment of such officers. The Contract Cities shall not be required to furnish any fringe benefits or assume any other liability of employment to any officer assigned to duty within the Contract Cities by Orono. The Contract Cities may employ officers directly, independent of this agreement, to provide special law enforcement services in such Contract City. In such event, all obligations and liabilities with respect to employment of special law enforcement officers by a Contract City shall be the complete responsibility of such Contract City. No such direct employment of such special law enforcement officer shall be entered into by the Contract City without first obtaining written approval of the City Administrator of Orono which approval shall not be unreasonably withheld.
9. **Enforcement Policies.** The Law Enforcement policies used within Orono shall be used as the Law Enforcement policies within the Contract Cities. The Law Enforcement philosophy and the general Law Enforcement policies of Orono shall be provided in writing to any Contract City upon request.
10. **Enforcement of Ordinances of the Contract Cities.** The Orono officers assigned to duty within the Contract Cities shall enforce the Ordinances of the Contract Cities, and applicable or equivalent state statutes, including, without limitation, liquor ordinances.
11. **All Officers to be Officers of the Contract Cities.** The officers assigned duty within the Contract Cities shall be provided authority to enforce the several laws of the Contract Cities by proper action to be taken by the governing councils of the Contract Cities. The Chief of Police of Orono shall furnish the names of all Orono police officers to the Clerks of the Contract Cities. In the event any officer is not provided with enforcement authority by a Contract City, such officer may nevertheless operate with the full and complete authority of a peace officer licensed by the State of Minnesota, provided that such officer has successfully completed a professionally recognized peace officer pre-employment education as prescribed by the POST Board as further described in Minn. Stat. § 471.59, Subd. 12.
12. **Offenses.** All offenses shall be charged in accordance with the laws of the State of Minnesota or the laws of the Federal Government, or in accordance with the ordinances of the Contract City in which the offense occurred
13. **Communications, Equipment and Supplies.** Orono shall furnish communication equipment necessary to perform the services which are to be furnished. Orono shall provide the necessary equipment and vehicles and the Contract Cities shall provide any necessary supplies which must be specifically printed for the Contract Cities.
14. **Cooperation and Assistance from the Contract Cities.** With respect to the performance of this Agreement, and the services to be furnished under the Agreement,

Orono and the Contract Cities shall have full cooperation and assistance from each other's officers, agents, and employees.

15. **Headquarters.** Headquarters for the services furnished to the Contract Cities under the agreement shall be located at offices owned or leased by Orono, and the citizens of the Contract Cities shall notify headquarters, or radio dispatch for services requested either in person or by some other means of communication. Services shall be furnished to the Contract Cities 24 hours per day, 7 days per week.
  
16. **Cost-Sharing Formula.** In consideration of furnishing Law Enforcement Services under this agreement, the Contract Cities shall pay a pro-rated share of the Orono Police Budget (net of town aid) determined by a three-factor cost-sharing formula for each contract year. The three factors of the formula, and the weight to be given to each, are defined as follows:
  - A. Population of Each Contract City: The population of each Contract City and Orono shall be computed as of August 1 of the year prior to each Contract Year from the then most recent Metropolitan Council estimate. Provided, however, that in a census year when there is a new census figure available by August 1<sup>st</sup> of the year prior to the Contract Year, the new census figure shall be used.
  
  - B. Market Value. The Estimated Market Value of each parcel of real property within the Contract City and Orono as carried on the books of the Hennepin County Assessor on August 1 of the year immediately preceding the Contract Year shall be calculated and totaled for all parcels of real property within each Contract City and Orono.
  
  - C. Calls for Service. A call for service is an event requiring a response, intervention or investigation by Orono whether generated by a request from a citizen, law enforcement agency, or other person, or on the initiative of a police officer or a policy of the Orono Police Department. Calls for service for each Contract City and Orono shall be calculated by totaling the calls for service during the 12-month period next preceding August 1 of the current Contract Year.
  
  - D. Weight of Factors. The weight to be allocated to each of the three factors is as follows, with the 2012 allocations to continue into the future unless changed by agreement of all Contract Cities and Orono:

<u>Factor</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Population	45%	40%	37.5%
Estimated Market Value	10%	20%	25%
Calls for Service	45%	40%	37.5%

17. **Three-Year Budget Projection.** On or about August 15 of each year, Orono will provide the Three-Year Budget Projection for the next three Contract Years, along with a budget report showing the major categories of expenditures, and explain the key elements of the budget for the next Contract Year.
18. **Calculation of Pro Rata Share.** The following terms used in this Agreement shall have the meanings given to them in this section.
  - A. **Market Value Ratio.** The ratio which a single city's total Market Value bears to the Market Value of all four cities, expressed in percent to the nearest tenth of one percent.
  - B. **Population Ratio.** The ratio which a single city's population bears to the population of all four cities, expressed in percent to the nearest tenth of one percent.
  - C. **Calls for Service Ratio.** The ratio which a single city's calls for service bears to the calls for service of all four cities, expressed in percent to the nearest tenth of one percent.

The Market Value Ratio, Population Ratio and Calls for Service Ratio of each city shall be converted to dollars by multiplying each ratio of each city (expressed in percent) times the Orono Police Budget final total and multiplying that product by the weight for each factor (expressed in percent) for the appropriate year as found in Paragraph 16D of this Agreement.

19. **Pro Rata Contract Payments.** The pro rata share of the Contract Year costs calculated under this Agreement shall be paid in equal monthly installments by the last day of each month by the Contract Cities to Orono. Orono agrees to provide the Contract Cities with reasonably detailed information relating to the manner in which each city's pro rata share was calculated. Under the provisions of this contract, Orono agrees to make its records available to the Contract Cities for inspection for the purpose of determining the basis for the calculations by Orono under the provisions of this section. Orono will periodically provide budget update reports to the Contract Cities in such detail as the Cities may reasonably require, including, by line item, amounts originally budgeted and year-to-date expenditures for the Contract Year.
20. **Annual Audit of Actual Costs.** The Contract Cities understand and agree that it is impossible to project the actual costs of law enforcement services with complete accuracy. The Contract Cities agree that on or about April 1 of each year, Orono will tabulate the actual cost of providing law enforcement services for the prior Contract Year and will submit to the Contract Cities a summary of said costs. The actual costs

calculated for the prior Contract Year may result in an increase or a decrease when compared with the budget approved for that Contract Year. A decrease in actual costs compared with budgeted costs will require Orono to credit each Contract City with its pro rata share of the decreased costs. An increase in actual costs compared with budgeted costs will require Orono to debit each Contract City with its pro rata share of the increased costs.

Where a credit is due to a participating Contract City, it shall be applied as a credit against the monthly payment due from such Contract City divided equally among the final six months of the Contract Year. Where a debit is due to a participating Contract City, it shall be applied as a debit to the monthly payment due from such Contract City divided equally among the final six months of the contract year.

In the event a current Contract City is no longer participating in this Agreement when a debit or a credit is to be applied as set forth in this section, such debit or credit shall be paid in cash in six monthly installments on the contract payment anniversary dates as stated in this section.

21. **Extraordinary Capital and Personnel Costs.** In the event unbudgeted capital costs or an unbudgeted increase in the current sworn officer force becomes reasonably necessary during a Contract Year, Orono shall notify each Contract City in writing of its pro rata share of such unbudgeted costs prior to the expenditure thereof. Contract Cities shall approve or disapprove of such unbudgeted expenditures within thirty days and notify Orono in writing by United States Mail within ten days thereafter. In the event of approval, a Contract City's pro rata share of such costs shall be applied as a debit in equal monthly installments over the next twelve monthly contract payments due under this Agreement. In the event of disapproval of the unbudgeted costs by a Contract City, no increase or debit to such Contract City's obligations under this Contract shall be made in the current year.
22. **Proceeds from Statutory Forfeitures.** If a vehicle or other property is forfeited through a police action in a Contract City, and the type of forfeiture requires the attorney for a Contract City to handle the legal work involved in following through on the forfeiture, the Contract City shall retain the portion of the proceeds from the disposal of the forfeited vehicle or property as prescribed by law, for use subject to the provisions of Minnesota Statutes Section 169A.63, 609.5311, or other applicable law.
23. **Liability and Indemnification.** For purposes of the Minnesota Municipal Tort Liability Act (Minn. Stat. § 466.01 through 15), all municipal officers and employees providing law enforcement services pursuant to this Agreement are, or are hereby deemed to be employees (as defined in Minn. Stat. § 466.01 Subd. 6) of Orono.

Orono agrees to hold harmless, defend and indemnify any Contract City against any claims brought or actions filed against such other Contract City, or any officer, employee,

agent or volunteer of any Contract City acting within the scope of their employment or duties, (except for special Law Enforcement Service personnel described in Section 8 hereof) for any injury to, death of, or damage to the property of, any third person or persons, arising from the furnishing of law enforcement services, or the performance thereof, pursuant to this Agreement. Provided, however, that Orono shall not be required to pay on behalf of itself or any other Contract City, any amounts in excess of the limits on liability established in Chapter 466 of Minnesota Statutes applicable to any one city. The limits of liability for some or all of the Contract Cities and Orono may not be added together (stacked) to determine the maximum amount of liability for any one city. Each Contract City and Orono shall purchase and maintain liability insurance coverage through the League of Minnesota Cities Insurance Trust in at least the amount of the tort liability limits established in Chapter 466 of Minnesota Statutes or the successor thereof.

The preceding paragraph shall not apply, and any Contract City agrees to defend and indemnify Orono, its officers, employees, agents and volunteers for any claims related to the interpretation of or claims of the invalidity of such Contract City's ordinances.

Orono shall not be liable to any other Contract City for the promptness of its response to a law enforcement event, the number of officers and equipment furnished for such a response, or the measures undertaken by its officers and employees in responding to the law enforcement event, provided that the right of any Contract City to terminate this agreement as provided in Section 25 shall not be impaired.

24. **Duration of Contract.** The term of this agreement is three years commencing on January 1, 2010, and may be extended for an additional year by all of the Contract Cities approving the Orono Police Budget on or before November First of 2010 and may be further extended in one-year increments by the Contract Cities approving the Orono Police Budget by November First of each Contract Year after 2010.
25. **Termination of Contract.** First, in the event this agreement is not extended as above described, it shall terminate at the end of the most recently extended three year term. If termination occurs, the pro rata contract payments for each Contract City in the final two years of this agreement shall be equal to the last Three-year Budget Projection, but not subject to debits or credits calculated in accordance with the Annual Audit of Actual Costs, nor to provisions of the Extraordinary Capital and Personnel Costs.

Second, this agreement may be terminated during any three year term by any Contract City which is receiving law enforcement services, for a breach of contract by Orono which is so substantial and so material to Orono's obligation to the furnish law enforcement services, that the safety and welfare of the terminating Contract City is threatened or impaired. This agreement may be terminated during any three year term by Orono for failure of a Contract City to pay its pro rata share of costs, or costs debited to it under the Annual Audit of Actual Costs, or for a breach by a Contract City which is such a substantial and material impairment of Orono's responsibility to the furnish law

enforcement services, that the safety and welfare of the citizens or property of any Contract City is threatened or impaired.

Any Contract City alleging breach of this agreement shall provide every other Contract City with written notice by United States Mail specifying the alleged breach in detail. The Contract City against which the breach is alleged shall be allowed 45 days in which cure the alleged breach, and if not cured, either the Contract City or Orono may request that the question of the breach be submitted to arbitration as described in this agreement. The arbitrators shall determine that a breach has or has not occurred. If a breach has occurred the arbitrators may terminate the agreement or may order the breaching City to cure the breach. If the arbitrators find that a breach has occurred and further find that the non-breaching City has suffered damages directly related to the breach, the arbitrators may award damages to be paid by the breaching city, to the city suffering damages.

Third, this agreement may be terminated by any Contract City by mutual agreement with Orono.

26. **Arbitration.** If a Contract City is aggrieved by the determination of Orono as to the allocation of the actual costs of the immediately preceding Contract Year, the Contract City may appeal said determination within 30 days after receipt of Orono's audit. Said appeal shall be in writing, shall specify the basis for the appeal, and shall be addressed to Orono asking for arbitration by a board of arbitration. The Board of Arbitration shall consist of three persons; one to be appointed by Orono, one to be appointed by the appealing Contract City, and the third to be appointed by the two so selected. The name of each arbitrator shall be submitted in writing to the other party. In the event that the two arbitrators do not appoint the third arbitrator within 15 days after receipt of written notice of appointment of both of the first two arbitrators, the Chief Judge of the District Court of Hennepin County shall have jurisdiction to appoint, upon application of either Orono or the appealing Contract City, the third arbitrator to the Board. The third arbitrator selected shall not be a resident of, nor currently employed or contracted by Orono or any Contract City, and shall be a current or former Minnesota city manager or administrator. The arbitrators' expenses and fees, together with the other expenses, not including legal counsel, accounting or consultant fees, incurred in the conduct of the arbitration, shall be divided equally between the parties to the arbitration. Each party to the arbitration will pay its own attorney, accountant or consultant fees. The decision shall be rendered within 60 days of appointment of the third arbitrator. Except as described above in this section, the arbitration shall be conducted in accordance with the Uniform Arbitration Act, §§ 572.08 through 572.30 of Minnesota Statutes. Said arbitration shall be binding on both parties but subject to rights of modification and appeal as described in the statute cited in this section.
27. **Temporary Provision.** In the event Orono and two of the three Contracting Cities approve this agreement, this agreement shall continue in full force and effect with the cost-sharing formula and pro-rata shares calculated as if all four cities were participating

and executed this agreement will review, recalculate and revise this agreement in accordance with their then existing needs for police services.

**CITY OF ORONO**

James M. White  
James M. White, Mayor

Jessie Loftus  
~~Ronald J. Olson, Acting City Administrator~~  
Jessica Loftus

**LONG LAKE**

Randy Gilbert  
Randy Gilbert, Mayor

Terrance Post  
Terrance Post, City Administrator

**CITY OF SPRING PARK**

Sarah Reinhardt  
Sarah Reinhardt, Mayor

James S. Brimeyer  
James Brimeyer, City Administrator

**CITY OF MINNETONKA BEACH**

Joann D. Anderson  
Joann D. Anderson, Mayor

Susanne Griffin  
Susanne Griffin, City Administrator

The above agreement was reviewed and approved by the City Council of the City of Orono by Resolution No. \_\_\_\_\_ dated August 23, 2010.  
*motion*

The above agreement was reviewed and approved by the City Council of the City of Long Lake by Resolution No. \_\_\_\_\_ dated \_\_\_\_\_, 20\_\_.

The above agreement was reviewed and approved by the City Council of the City of Spring Park by Resolution No. 10-32 dated June 21, 2010.

The above agreement was reviewed and approved by the City Council of the City of Minnetonka Beach by Resolution No. 2010-35 dated 8/9, 2010.