

USING A 28E AGENCY TO PROVIDED EMERGENCY SERVICES

An Overview for Cities and Townships

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Section 28 E of the Iowa Code is a particularly useful tool for cities, townships and counties. It provides authority, requirements and guidance in methods used to share resources, provide services and develop new agencies for providing services.

Section 28 E provides authority and guidance in three ways:

1. **Sharing resources:** Through an *agreement*, entities agree to assist each other. 28E agreements for emergency services are most often used to develop mutual aid agreements.
2. **Providing services:** One entity, with the ability to provide a service, may *contract* with another entity using 28E. The most common example in emergency services is the contract between a township and a city in which the city provides fire and / or EMS service to the township and township pay fees for the service.
3. **Jointly providing service:** Two or more entities may use 28E to *form a new government body* to provide some service. This type of government entity is called an “agency”. For fire and emergency response services, this is usually used by cities and townships to jointly form, administer and manage a fire and EMS department.

The following focuses on this third use of Section 28E, forming an “agency” to jointly provide services. It is an increasing popular use of 28E. All examples and applications of the Code refer only to fire, EMS and emergency response uses of the Section.

What is a 28E Agency?

A 28E agency is a government body created by two or more other government bodies. Any number of government bodies may join together to form a 28 E agency. The newly created entity is generally called an “agency” or “28E agency”. An example is the case of 1 city and 3 townships (4 government bodies) joining together to form a new, 5th government body, called an agency. In the case of a fire or EMS department, neither the city nor any of the townships are the legal parent for the department. The new agency is the legal parent and the department is operated by the agency,

How is a 28E agency formed?

An agency is formed by a writing a “charter” or “charter agreement”, which creates the new government body. Two or more governments write the charter. Each government agrees to the charter by adopting a resolution to join the agency. In the case of fire and EMS, the governments are usually cities and townships. It is highly recommended the charter be reviewed by the city attorney and the county attorney (representing the townships). The charter is submitted electronically to the Iowa Secretary of State. When received by the Secretary, the agency is created. There is no fee for filing the charter. It is recommended the charter also be filed locally with the County Recorder.

What are the Code requirements for forming a 28E agency?

When sharing for emergency services, Section 28E lists specifications for the document. The charter must:

- Be in writing
- State the purposes of the agreement
- List the services to be provided
- Specify how the services of the agreement will be financed
- Specify the duration of the agreement
- Provide for renewal and cancellation of the agreement
- Filed electronically with the Secretary of State (and recommended County Recorder)

How is a 28E agency managed?

Each of the governing bodies establishing the agency appoints a representative or representatives to represent their government. This representative body is usually called a board of directors. The term “trustees” might also be used but this may cause confusion with the township trustees. The board of directors manages the department just as a city council manages a city fire department. Usually, the board hires a part time clerk or financial officer to manage the paperwork and finances of the agency. This person fills a function similar to a city or township clerk.

How is a 28E agency financed?

One disadvantage to a 28 E agency is the inability to tax or bond. The taxing and bonding authority remains with the individual government bodies that formed the agency. Thus, cities and townships must use their taxing authority to levy a tax to fund the agency. A second disadvantage is that 28E does not provide a method to equitably fund the agency by cities and townships. Thus, it is recommended the “Iowa Cost Share Formula for Emergency Response Systems” be used to determine an equitable cost share between the financing cities and townships. Information regarding the cost share formula is provided in Appendix B. After a cost share is determined, the financing governments tax and pass the money to the agency. The agency develops a budget and manages its money in the same general way a city council manages its money.

What are steps in forming and managing an agency?

Generally, these are the steps in the process for forming and managing a 28E agency for emergency response purposes. This list is not totally comprehensive but will get the agency started.

Forming

1. Determine cities and townships to form agency
2. Cities and townships agree informally to form an agency
3. Determine method to share costs among cities and townships
4. Agree on disposition of current vehicles, equipment and station
5. Determine mailing and physical addresses
6. Agree regarding makeup and proportionality of board of directors
7. Write charter
8. Charter reviewed by city attorney and county attorney (representing the township trustees)
9. Each city and township adopt resolution to joint agency
10. File with Secretary of State and County Recorder

Managing

1. Obtain an Employers Identification Number (EIN) for agency
2. Select clerk
3. Establish a fire and emergency response department (by resolution)
4. Notify the 911 Board (especially if there are department name or boundary changes)
5. Contract for insurance
6. Establish bank account(s) and transfer money
7. Transfer title and deed (as needed) for vehicles and station
8. With assistance of fire and EMS volunteers, write “Standard Operating Guidelines” (or “Procedures) and “Personnel Policies and Procedures”. (do not use a “constitution” or “bylaws” to manage the department (these must be approved by the agency board)
9. Contract (using 28E) to provide protection to any township not part of the agency but receiving protection from the agency
10. Write budget and adopt fiscal management procedures for agency
11. Conduct regular agency meetings
12. Report back regularly to city council and township trustees

What are frequently asked questions about 28E agencies?

Do agencies meet the open meetings laws requirements and auditing requirements?

Yes, an agency is a government body, just as is a city or township. An agency must meet the open meetings laws and is subject to auditing.

Are agencies a separate entity?

Yes, an agency is a separate governing body.

Are agencies tax exempt?

Yes, as a government body, they are tax exempt.

Does the agency board appoint the fire chief, officers and volunteers?

Yes, the agency board appoints all personnel of the agency. The volunteers are considered employees of the agency, just as volunteers are employees of a city when they are members of a city fire department. Therefore, they are covered by workers compensation and liability insurance coverage just as city volunteers.

Can the fire / EMS department have a different name from the agency?

Yes, the agency forms the department and it may be named whatever the agency desires.

Can the agency enter into mutual aid, contracts or other similar agreements?

Yes, the agency has the authority to enter into 28E contracts and agreements.

Can an agency purchase workers' compensation, liability and other insurance?

Yes, there are insurance carriers which cover 28E agencies. (Note, some companies and pools may not or do not insure agencies – make sure your agent understands 28E agencies).

Can the volunteers of a 28E agency form a nonprofit corporation to fund raise, obtain grants and perform civic and social activities?

Yes, just as volunteers of city departments are so able, it is a recommended best practice for the volunteers of agencies to form a nonprofit corporation and obtain 501 (c) (3) tax exempt status.

Is an agency eligible for FEMA Assistance to Firefighter Grants and grants from other agencies?

Yes, as a government entity responsible for providing emergency services, an agency is eligible to apply for and receive grants.

Do the current "owners" of the station, trucks and equipment have to "give it to the agency"?

Ultimately, this is a public policy decision made by those holding the titles and deed. It will be subject to negotiations by the parties establishing the agency. Transfer or leasing are options. More importantly, as with any partnering arrangement, everyone forfeits something, be it power, money, control, property. That is the nature of jointly providing services. One way to look upon it is this: Legally, the city or township owns the station and vehicles because they have titles and deed. However, who really paid for and owns the equipment and station? Is it not the citizens of the city and townships? Did not the citizens ultimately fund the purchases? And will the citizens continue to own and benefit from the equipment, vehicles and station regardless of the legal

ownership? Further, what use is a fire station, fire trucks and equipment beyond protecting the citizens of the city and townships? These are all considerations when forming a 28E agency.

For further information and assistance in forming an emergency response 28E agency, contact

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APPENDIX A

EXCERPTS FROM SECTION 28 E IOWA CODE IMPORTANT TO FIRE, EMS AND EMERGENCY RESPONSE AGENCIES

The following are excerpts from Section 28E, Iowa Code. They provide an overview of the most salient sections, particularly those related to fire and emergency response. For complete and latest information, consult the most current edition of Iowa Code.

28E.1 Purpose.

The purpose of this chapter is to permit state and local governments in Iowa to make efficient use of their powers by enabling them to provide joint services and facilities with other agencies and to co-operate in other ways of mutual advantage. This chapter shall be liberally construed to that end.

28E.2 Definitions.

For the purposes of this chapter, the term "public agency" shall mean any political subdivision of this state; any agency of the state government or of the United States; and any political subdivision of another state. The term "state" shall mean a state of the United States and the District of Columbia. The term "private agency" shall mean an individual and any form of business organization authorized under the laws of this or any other state.

28E.3 Joint exercise of powers.

Any power or powers, privileges or authority exercised or capable of exercise by a public agency of this state may be exercised and enjoyed jointly with any other public agency of this state having such power or powers, privilege or authority, and jointly with any public agency of any other state or of the United States to the extent that laws of such other state or of the United States permit such joint exercise or enjoyment. Any agency of the state government when acting

jointly with any public agency may exercise and enjoy all of the powers, privileges and authority conferred by this chapter upon a public agency.

28E.4 Agreement with other agencies.

Any public agency of this state may enter into an agreement with one or more public or private agencies for joint or co-operative action pursuant to the provisions of this chapter, including the creation of a separate entity to carry out the purpose of the agreement. Appropriate action by ordinance, resolution or otherwise pursuant to law of the governing bodies involved shall be necessary before any such agreement may enter into force.

28E.5 Specifications.

Any such agreement shall specify the following:

1. Its duration.
2. The precise organization, composition and nature of any separate legal or administrative entity created thereby together with the powers delegated thereto, provided such entity may be legally created. However, if the agreement establishes a separate legal or administrative entity, the entity shall, when investing funds, comply with the provisions of sections 12B.10 and 12B.10A through 12B.10C and other applicable law.
3. Its purpose or purposes.
4. The manner of financing the joint or cooperative undertaking and of establishing and maintaining a budget therefor.
5. The permissible method or methods to be employed in accomplishing the partial or complete termination of the agreement and for disposing of property upon such partial or complete termination.
6. Any other necessary and proper matters.

28E.6 Additional provisions.

If the agreement does not establish a separate legal entity to conduct the joint or co-operative undertaking, the agreement shall also include:

1. Provision for an administrator or a joint board responsible for administering the joint or co-operative undertaking. In the case of a joint board, public agencies party to the agreement shall be represented.

2. The manner of acquiring, holding and disposing of real and personal property used in the joint or co-operative undertaking.

28E.7 Obligations not excused.

No agreement made pursuant to this chapter shall relieve any public agency of any obligation or responsibility imposed upon it by law except that to the extent of actual and timely performance thereof by a joint board or other legal or administrative entity created by an agreement made hereunder, said performance may be offered in satisfaction of the obligation or responsibility.

28E.8 Filing and recording.

1. *a.* Before entry into force, an agreement made pursuant to this chapter shall be filed, in an electronic format, with the secretary of state in a manner specified by the secretary of state.
b. Any amendment, modification, or notice of termination of an agreement made pursuant to this chapter shall be filed, in an electronic format, with the secretary of state within thirty days of the effective date of the amendment, modification, or termination, in a manner specified by the secretary of state.

2. *a.* In addition to subsection 1, each entity subject to section 28E.5 shall submit, in an electronic format, an initial report to the secretary of state as prescribed by the secretary of state. The report shall include, as applicable, the name of the entity created, the board members of the joint board created, whether the entity is exempt from the publication requirements of section 28E.6, subsection 3, a valid electronic mail address, and any additional information the secretary of state deems appropriate.

b. Following submission of an initial report pursuant to paragraph "a", each entity subject to section 28E.5 shall submit, in an electronic format, a biennial report to the secretary of state in a manner prescribed by the secretary of state by April 1 of every odd-numbered year beginning in calendar year 2009.

28E.9 Status of interstate agreement.

If an agreement entered into pursuant to this chapter is between or among one or more public agencies of this state and one or more public agencies of another state or of the United States said agreement shall have the status of an interstate compact. Such agreements shall, before entry into force, be approved by the attorney general who shall determine whether the agreement is in proper form and compatible with the laws of this state.

In any case or controversy involving performance or interpretation thereof or liability thereunder, the public agencies party thereto shall be real parties in interest, and the state may maintain an action to recoup or otherwise make itself whole for any damages or liability which it may incur by reason of being joined as a party therein. Such action shall be maintainable against any public agency or agencies whose default, failure of performance, or other conduct caused or contributed to the incurring of damage or liability by the state.

28E.10 Approval of statutory officer.

If an agreement made pursuant to this chapter shall deal in whole or in part with the provision of services or facilities with regard to which an officer or agency of the state has constitutional or statutory powers of control, the agreement shall, as a condition precedent to its entry into force, be submitted to the state officer or agency having such power of control and shall be approved or disapproved as to all matters within the state officer's or agency's jurisdiction.

28E.11 Agency to furnish aid.

Any public agency entering into an agreement pursuant to this chapter may appropriate funds and may sell, lease, give, or otherwise supply the administrative joint board or other legal or administrative entity created to operate the joint or co-operative undertaking by providing such personnel or services therefor as may be within its legal power to furnish.

28E.12 Contract with other agencies.

Any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity, or undertaking which any of the public agencies entering into the contract is authorized by law to perform, provided that such contract shall be authorized by the governing body of each party to the contract. Such contract shall set forth fully the purposes, powers, rights, objectives, and responsibilities of the contracting parties.

28E.13 Powers are additional to others.

The powers granted by this chapter shall be in addition to any specific grant for intergovernmental agreements and contracts.

28E.14 No limitation on contract.

Any contract or agreement authorized by this chapter shall not be limited as to period of existence, except as may be limited by the agreement or contract itself.

28E.15 District agency.

A planning commission, council of governments or similar organization formed under the provisions of this chapter shall, upon designation as such by the governor, serve as a district, regional or metropolitan agency for comprehensive planning for its area for the purpose of carrying out the functions as defined for such agency by federal, state and local laws and regulations.

28E.16 Election for bonds.

When bonds which require a vote of the people are to be issued for financing joint facilities of a county and one or more cities within the county, pursuant to an agreement made under the

authority of this chapter, or pursuant to other provisions of law, the board of supervisors and the council of each city shall arrange for a single election on the question of issuing the bonds, but if the county and the cities are proposing to make separate bond issues, the ballot shall contain separate questions, one to be voted upon by all voters of the county, and one or more to be voted upon only by the voters of the city which is to make a separate bond issue.

28E.18 Shared use of facilities.

Before proceeding to construct or purchase a facility as otherwise provided by law, a public agency shall inquire of other public agencies having facilities within the same general geographic area concerning the availability of all or part of those facilities for rent or sharing by agreement with the inquiring public agency. If there are no suitable facilities available for rent or sharing, the governing body of the public agency shall record its findings in its meeting minutes.

28E.31 Emergency services--contracts for mutual aid.

(Editor's note: Section 28E.31 is titled "contracts for mutual aid". However, this is commonly and more accurately referred to as a "mutual aid agreement". It is generally used by multiple cities to enter into mutual aid agreements. See Section 28E.32 for a similar confusion of wording)

1. A municipality's fire department that agrees to provide for mutual aid regarding emergency services shall do so in writing. The contracts that are agreed upon may provide for compensation from the parties and other terms that are agreeable to the parties and may be for an indefinite period as long as they include a sixty-day cancellation notice by any party. The contracts agreed upon shall not be entered into for the purpose of reducing the number of employees of any party.
2. A municipal fire department may provide assistance to any other such department or district in the state at the time of a significant emergency such as a fire, earthquake, flood, tornado, hazardous material incident, or other such disaster. The chief or highest ranking fire officer of an assisting department or district may render aid to a requesting department or district as long as the chief or officer is acting in accordance with the policies and procedures set forth by the governing board of the assisting department or district.
3. The chief or highest ranking officer of the municipal fire department of the district within which the incident occurs shall maintain control of the incident in accordance with the provisions of chapter 102. The chief or highest ranking officer of the department or district giving mutual aid shall be in charge of the assisting departmental or district personnel.
4. For purposes of this section, "municipality" means a city, county, township, benefited fire district, or agency formed under this chapter and authorized by law to provide emergency services.

28E.32 Emergency services agreements.

(Editor's note: Section 28E.32 is titled "emergency service agreements". However, this is commonly and more accurately referred to as a "contract". It is generally used by a city to contract with a township for providing emergency services. See Section 32E.31 for a similar confusion of wording.)

1. A municipality that agrees to provide fire protection service or emergency medical service for another municipality shall do so in writing.

2. The written agreement shall state the purposes of the agreement and the services to be provided. The agreement shall state the duration of the agreement and provide for renewal or cancellation of the agreement.

3. An advisory board created by agreement may prepare a proposed annual budget for services provided pursuant to the agreement until the agreement is canceled or expires. For the proposed budget, the board may allocate among the parties to the agreement responsibility to provide revenue for the amount of the budget. The proposed budget shall be submitted to the municipality providing the services. However, the municipality providing the services shall have full and final authority over the proposed budget and may alter the proposed budget without approval of the board before it is included in the budget of such municipality.

4. For purposes of this section, "*municipality*" means a city, county, township, benefited fire district, or agency formed under this chapter and authorized by law to provide emergency services. A municipality that agrees to provide fire protection service or emergency medical service for another municipality shall do so in writing.

2. The written agreement shall state the purposes of the agreement and the services to be provided. The agreement shall state the duration of the agreement and provide for renewal or cancellation of the agreement.

3. The agreement may establish an advisory board comprised of one member of the governing body of each municipality that is a party to the agreement. The board shall prepare an annual budget for services provided pursuant to the agreement and shall allocate among the parties to the agreement, responsibility to provide revenue for the amount of the budget. The budget prepared pursuant to the written agreement shall be a part of the budget of the city providing the services.

4. For purposes of this section, "*municipality*" means a city, county, township, benefited fire district, or agency formed under this chapter and authorized by law to provide emergency services.

28E.35 Definitions.

As used in this division unless the context otherwise requires:

1. "Community cluster" means a cooperative community unit established pursuant to this chapter for the joint exercise of powers by two or more governmental units.

2. "Governmental unit" means a city, county, or special taxing district.

28E.36 Establishment of community cluster.

Two or more governmental units located in the state may establish a community cluster by entering into an agreement for the joint exercise of powers pursuant to this chapter to make more efficient use of their resources by providing for joint functions, services, facilities, development of infrastructure and for revenue sharing, and to foster economic development.

28E.37 Designation of townships.

A county entering into an agreement to establish a community cluster may limit the area of the county included in the community cluster to designated townships.

28E.38 Revenue sharing.

The agreement establishing a community cluster may provide for the sharing of revenues by the governmental units forming the community cluster.

28E.39 Referendum for ad valorem tax sharing.

An agreement establishing a community cluster shall require the approval of the registered voters residing within the area of the cluster if the agreement provides for the sharing of revenues from ad valorem property taxes. The proposition shall be submitted to the electorate by each governmental unit forming the community cluster to the electors residing within the area of the governmental unit at a general election or at a special election. However, if a county has designated only certain townships as being included within the community cluster, the proposition shall be submitted to the electorate of the county residing only in the townships included in the community cluster.

The ballot for the election shall be prepared in substantially the form for submitting special questions at general elections.

If a majority of the registered voters in the area of each governmental unit within the proposed community cluster voting on the proposition vote in favor of the proposition then the agreement establishing the community cluster shall take effect and the sharing of revenues from ad valorem property taxes is authorized. If the proposition fails in the area of one or more governmental units within the proposed community cluster voting on the proposition then the governmental units in which the proposition passed may establish the community cluster in those areas in which the proposition passed and the sharing of revenues from ad valorem property taxes is authorized.

28E.40 Regional metropolitan service area.

Two or more contiguous counties, cities, or cities and counties may establish a regional metropolitan service area to provide for the joint delivery of services by an agreement under this chapter, subject to the limitations and requirements of sections 331.232, 331.260, 331.261, and 331.262, subsection 2.

28E.41 Joint county, city, fire district, and school district buildings.

1. A county, city, fire district, or school district, which has areas within its boundaries which overlap areas within the boundaries of another county, city, fire district, or school district, or whose boundaries are contiguous with another county, city, fire district, or school district, may execute an agreement pursuant to this section for the joint construction or acquisition, furnishing, operation, and maintenance of a public building or buildings for their common use. Noncontiguous cities located within the same county, or cities located in contiguous counties, may also execute an agreement for the joint construction or acquisition, furnishing, operation, and maintenance of a joint public building or buildings for their common use. Such an agreement regarding a joint public building may allow for, but is not limited to, any of the following:

- a. Acquisition of a construction site and construction of a public building for common use.
- b. Purchase of an existing building for joint public use, or conversion of a building previously owned and maintained by a county, city, fire district, or school district for joint public use.
- c. Equipping or furnishing a new or existing building for joint public use.
- d. Operation, maintenance, or improvement of a joint public building.
- e. Any other aspect of joint public building construction, acquisition, furnishing, operation, or maintenance mutually agreed upon by the county, city, fire district, or school district and not otherwise prohibited by law.

2. An agreement pursuant to subsection 1 shall be approved by resolution of the governing bodies of each of the participating counties, cities, fire districts, or school districts and shall specify the purposes for which the joint public building shall be used, the estimated cost thereof, the estimated amount of the cost to be allocated to each of the participating counties, cities, fire districts, or school districts, the proportion and method of allocating the expenses of the operation and maintenance of the building or improvement, and the disposition to be made of any revenues to be derived therefrom, in addition to the provisions of sections 28E.5 and 28E.6, and any other applicable provision of this chapter.

3. a. A county, city, fire district, or school district may expend funds or issue general obligation bonds for the payment of its share of the cost of constructing, acquiring, furnishing, operating, or maintaining a joint public building pursuant to subsection 1. Section 28E.16 shall apply regarding a single election to be authorized by the board of supervisors, city council, governing body of a fire district, and board of directors of a school district, in the event that a single bond issue throughout the overlapping or contiguous areas, or noncontiguous cities located in the same

county or cities located in contiguous counties, is contemplated. If separate bond issues are authorized by the governing body of a county, city, fire district, or school district for its respective share of the cost of the joint public building, the applicable bonding provisions of chapters 74, 75, 296, 298, 331, 357B, 359, and 384 shall apply. With regard to any issuance of bonds pursuant to this section, a proposition to authorize an issuance of bonds by a county, city, fire district, or school district shall be deemed carried or adopted if the vote in favor of the proposition is equal to at least sixty percent of the vote cast for and against the proposition in each participating county, city, fire district, or school district.

b. Bonds shall not be issued by a county, city, fire district, or school district until provision has been made by each of the other participating counties, cities, fire districts, or school districts to the agreement for the payment of their shares of the cost of the joint public building. In the event that the cost of the construction or acquisition, furnishing, operation, and maintenance of the joint public building exceeds that which was originally estimated and agreed to, the governing body of a county, city, fire district, or school district shall have the authority, jointly or individually, as appropriate, to expend additional moneys or issue additional bonds to pay their respective portions of the increased costs.

c. The governing body of a county, city, fire district, or school district is authorized to enter into an agreement under this section to construct, acquire, furnish, operate, or maintain the public building which is the subject of the agreement for its own purposes to the same extent and in the same manner as if the public building were wholly owned by and devoted to the uses of the county, city, fire district, or school district.

d. The authority granted to a county, city, fire district, or school district pursuant to this section shall be in addition to, and not in derogation of, any other powers conferred by law upon a county, city, fire district, or school district to make agreements, appropriate and expend moneys, and to issue bonds for the same or similar purposes.

4. For purposes of this section, "fire district" means any governmental entity which provides fire protection services.

APPENDIX B

IOWA COST SHARING FORMULA FOR EMERGENCY RESPONSE SYSTEMS

This formula is an objective method which may be used to determine the portion cities and townships pay for shared emergency response services. It is based on this assumption: the cost of emergency service is, primarily, a function of three measurable factors, each affecting the cost of response. The three factors:

- 1. Assessed value:** Emergency service departments protect property. The greater the value of property, the greater the need for, and cost of, protection. The “assessed value” is determined by all assessed value of real estate in each individual city and township protected by an emergency response system.
- 2. Total calls:** Each emergency call in a city or township costs. The more calls, the greater the cost of response. The emergency response department tracks calls to each city and township.
- 3. Population:** People are protected by emergency response systems. In addition, people cause the need for emergency response. Therefore, the greater the number of people, the greater the need for, and cost of, protection. Census data provides this factor.

The formula is :
$$\frac{\% \text{ AV} + \% \text{ TC} + \% \text{ POP}}{3} = \text{COST SHARE}$$

Where: **AV = ASSESSED VALUE OF REAL ESTATE IN AREA SERVED**
 TC = ANNUAL AVERAGE OF TOTAL CALLS TO AREA SERVED
 POP = POPULATION OF AREA SERVED

Notes regarding use of the formula:

AV: When calculating the assessed value, the goal is to determine the value of property in each city and township. The goal is also to attempt consistency from one entity to another and to use the same definition of “assessed”. Some real estate (such as state parks, government real estate and real estate owned by nonprofit organizations, etc.) is not taxed but is assessed. In such cases users of this formula may wish to include those values in the calculations since such real estate requires protection regardless of its tax exempt status. In such cases, the calculation should be consistent among each city and township. If a township is split between two or more response departments, only the assessed value of the portion protected is included.

TC: Total calls should be a running average of 3 to 5 years. Some cities and townships do not include calls to highway crashes, thus spreading the cost of such response over the entire protection district. If a township is split, only the calls to the portion protected are included. Do not use mutual aid calls in the calculation.

POP: If a township is split, only the population of the portion protected by the response department is included.

Additional Considerations

1. This formula is neither a legally required nor a perfect formula -- it is a best projection of a fair share, based on objective information. Because the method used in Iowa is antiquated and outdated, some means must be used to determine the cost share when cities and townships jointly fund emergency response. Joint funding of emergency services is almost universal in Iowa. This formula is an attempt to assist cities and townships in their decision making process.
2. The purpose the 3 factors in the formula is to use objective numbers that put everyone on a level field and to compare relative costs of response with one another (i.e. each city and township).
3. When there are unusual situations in any of the 3 factors, the best solution is for the city and the townships to negotiate the definitions of the 3 factors. A good contract between a city and township will have a clause establishing an advisory committee for resolving such issues.
4. Emergency calls are easy to determine assuming the department keeps good records. Highway car crashes are sometimes an issue for townships. They tend to skew just a bit the rural call numbers. If these responses are an issue, they can be removed from the formula. When so removed, the cost of response for car crashes is spread to all taxing entities.
5. Population is more difficult in townships that are split between two or more departments. In such cases, a plat book and the knowledge of the trustees about who lives where can help. With regard to part time residents (as in resort communities), one approach is to make an estimate of the average household during the summer months and use that. They are citizens of your community when they are there and they do generate response needs. Once again, this is something to discuss and work out through a process of communication between the city and the townships.
6. The purpose of using the "assessed value" of property in each taxing district (i.e. each city and township) is to determine the "best" estimate of the value of property protected. However, not all property is assessed. Some property owned by nonprofits (churches and schools as example) and government (state parks) are often not assessed. Yet, these properties and the people in them require emergency response. For tax exempt property, the cost of protecting is spread across all taxing entities. When using assessed value, disregard utilities as these "values" are not actually "protected". Using "assessed value" is not perfect - it is only a means to the end of determining the value of property protected in each taxing entity.

COST SHARING FORMULA WORKSHEET

1. TOTAL COST OF EMERGENCY RESPONSE: \$ _____

(Include all costs for providing protection to the entire area or district served including operating, training, insurance, utilities, workers' compensation, personnel, debt service, etc.)

2. CALCULATE AV, TC AND POP FOR EACH CITY AND TOWNSHIP

	Assessed Value AV	Total Calls TC	Population POP
City 1			
City 2			
Township A			
Township B			
Township C			
Township D			
Township E			
Township F			
Total			

3. CALCULATE PERCENT AV, TC AND POP FOR EACH CITY AND TOWNSHIP

	% Assessed Value AV	% Total Calls TC	% Population POP
City 1			
City 2			
Township A			
Township B			
Township C			
Township D			
Township E			
Township F			
Total	100%	100%	100%

4. CALCULATE COST SHARE

CITY 1 _____

$$\text{_____}(\%AV) + \text{_____}(\%TC) + \text{_____}(\%POP) = \frac{\text{_____}}{3} = \text{_____} \% \text{ of Total Cost } (\$ \text{_____})$$

CITY 2 _____

$$\text{_____}(\%AV) + \text{_____}(\%TC) + \text{_____}(\%POP) = \frac{\text{_____}}{3} = \text{_____} \% \text{ of Total Cost } (\$ \text{_____})$$

TOWNSHIP A _____

$$\text{_____}(\%AV) + \text{_____}(\%TC) + \text{_____}(\%POP) = \frac{\text{_____}}{3} = \text{_____} \% \text{ of Total Cost } (\$ \text{_____})$$

TOWNSHIP B _____

$$\text{_____}(\%AV) + \text{_____}(\%TC) + \text{_____}(\%POP) = \frac{\text{_____}}{3} = \text{_____} \% \text{ of Total Cost } (\$ \text{_____})$$

TOWNSHIP C _____

$$\text{_____}(\%AV) + \text{_____}(\%TC) + \text{_____}(\%POP) = \frac{\text{_____}}{3} = \text{_____} \% \text{ of Total Cost } (\$ \text{_____})$$

TOWNSHIP D _____

$$\text{_____}(\%AV) + \text{_____}(\%TC) + \text{_____}(\%POP) = \frac{\text{_____}}{3} = \text{_____} \% \text{ of Total Cost } (\$ \text{_____})$$

TOWNSHIP E _____

$$\text{_____}(\%AV) + \text{_____}(\%TC) + \text{_____}(\%POP) = \frac{\text{_____}}{3} = \text{_____} \% \text{ of Total Cost } (\$ \text{_____})$$

TOWNSHIP F _____

$$\text{_____}(\%AV) + \text{_____}(\%TC) + \text{_____}(\%POP) = \frac{\text{_____}}{3} = \text{_____} \% \text{ of Total Cost } (\$ \text{_____})$$

TOTAL COST OF EMERGENCY RESPONSE \$ _____

**COST SHARING FORMULA
EXAMPLE**

1. TOTAL COST OF EMERGENCY RESPONSE: \$50,000

2. CALCULATE AV, TC AND POP FOR EACH CITY AND TOWNSHIP:

	Assessed Value AV	Total Calls TC	Population POP
Cityville	\$26,000,000	92	1,595
Big Township	\$50,000,000	62	465
Small Township	\$38,000,000	14	130
Medium Township	\$25,000,000	32	254
Total	\$139,000,000	200	2,444

3. CALCULATE PERCENT AV, TC AND POP FOR EACH CITY AND TOWNSHIP

	% ASSESSED VALUE AV	% TOTAL CALLS TC	% POPULATIO N POP
Cityville	19	46	65
Big Township	36	31	19
Small Township	27	7	6
Medium Township	18	16	10
Total %	100	100	100

4. CALCULATE COST SHARE

CITY: Cityville

$$19 (\%AV) + 46 (\%TC) + 65 (\%POP) = \frac{130}{3} = 43 \% \text{ of } \$50,000 = (\$21,500)$$

TOWNSHIP: Big

$$36 (\%AV) + 31 (\%TC) + 19 (\%POP) = \frac{86}{3} = 29 \% \text{ of } \$50,000 = (\$14,500)$$

TOWNSHIP: Small

$$27 (\%AV) + 7 (\%TC) + 6 (\%POP) = \frac{40}{3} = 13 \% \text{ of } 50,000 = (\$6,500)$$

TOWNSHIP: Medium

$$18 (\%AV) + 16 (\%TC) + 10 (\%POP) = \frac{44}{3} = 15 \% \text{ of } \$50,000 = (\$7,500)$$

TOTAL COST OF RESPONSE: \$ 50,000