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FINANCE & RECORDS

MEMO

To: Gregg Mandsager, City Administrator

From: Nancy A. Lueck, Finance Director

Date: March 28, 2011

Re: Fire Contract – HNI Warehouse

Introduction and Background:

The City of Muscatine currently has three (3) agreements for fire protection service for properties located outside of the City limits. These properties include Lutheran Homes, the HNI Geneva Plant, and a warehouse located at 2918 Highway 22 East. Per the agreements, these properties are billed annually for this service based on their taxable values and the annual taxes which would be payable for fire protection if these properties were located within the City limits.

The fire protection agreements provide that rights under the agreement cannot be assigned. The current agreement for the warehouse at 2918 Highway 22 is with Joseph Manjoine. Mr. Manjoine sold this warehouse to the HNI Corporation in 2010 and HNI has indicated they are interested in continuing to receive City fire protection services for this property. A new agreement with HNI is needed in order to continue this service. The calculated fee for this service for 2010/2011 is \$1,412.

Recommendation:

Please include the attached agreement on the agenda for the April 7, 2011 Council meeting. If you have any questions or if any additional information is needed, please contact me.

AGREEMENT

This Agreement is entered into between the City of Muscatine, Iowa, a municipal corporation ("City") and HNI Corporation (HNI).

1. Purpose. HNI wants more comprehensive protection for their warehouse located at 2918 Highway #22, Muscatine, Iowa.
2. Fire Protection. The City shall provide fire protection to HNI for their warehouse on the same basis as it provides fire protection for warehouses and industry plants located in the City. The City's Fire Chief shall determine what apparatus and personnel shall be used to give fire protection to HNI's warehouse. The officer in charge of the fire department crew fighting a fire at HNI's warehouse shall have full authority over the crew's operations.
3. Consideration. HNI shall pay to the City an amount equal to the additional annual taxes allocable to fire protection that the City would receive if HNI's warehouse were located in the City. This amount shall be determined by the City Administrator and shall be payable annually on a date to be determined by the City Administrator.
4. Termination. This Agreement may be terminated by either party on 90 days written notice and shall automatically terminate if HNI's warehouse becomes a part of the City through annexation. In the event of termination, HNI's obligation to pay the City shall be determined on a pro rata basis.
5. Liability. The City shall not be liable for any damages sustained by HNI because of the City's negligence or nonfeasance in the performance of the services contemplated by this agreement.
6. Assignment. HNI shall not assign any of its rights under this Agreement.

Executed in multiple counterparts at Muscatine, Iowa, this 7th day of April, 2011.

CITY OF MUSCATINE, IOWA

By _____
Richard W. O'Brien, Mayor

ATTEST:

Gregg Mandsager, City Clerk

SEAL OF THE CITY OF MUSCATINE, IOWA

HNI Corporation

By _____
Glenn Stelzner, Corporate Facilities Manager