

Fire Department Services Cost Recovery Ordinance

Town of Phillips

1. **Purpose.** To recover reasonable costs incurred by the Town of Phillips Fire Department when providing emergency response, rescue, hazardous materials mitigation, and other fire related services to persons or entities not otherwise fully covered by a written service agreement with the Town and to establish procedures for determining, billing, appealing, and collecting those costs.
2. **Authority.** This Ordinance is adopted under the Town's home rule authority and any other applicable state law.
3. **Definitions.**
 - a) **Select Board** means the Town of Phillips Select Board.
 - b) **Chief** means the Phillips Fire Chief or the Chief's designee.
 - c) **Cost Recovery** means billing and collection of actual, reasonable costs for Fire Department services as authorized by this Ordinance.
 - d) **Service Agreement** means any written interlocal, contractual, or mutual aid agreement under which another municipality, entity, or individual has agreed to reimburse or indemnify the Town for specified Fire Department services.
 - e) **Covered Town** means a municipality that is party to a Service Agreement with the Town of Phillips providing for fire protection or related services.
 - f) **Non Resident** means an individual, business, vehicle owner, or property owner who does not maintain a primary residence, principal business location, or property in the Town of Phillips or a Covered Town.
 - g) **Response Event** means any incident where Fire Department personnel or equipment are dispatched and provide service including fire suppression, vehicle extrication, hazardous materials response, technical rescue, standby for private events, and related mitigation or clean up.

- h) **Reasonable Costs** means direct and allocable costs including personnel compensation and overtime, apparatus and equipment usage and depreciation, fuel, consumable supplies, replacement parts, contracted specialty services, third party disposal fees, administrative billing costs, and any applicable third party vendor fees.
- i) **Malicious or Intentional Act** means conduct that intentionally, knowingly, or recklessly causes, creates, or materially contributes to the need for Fire Department response and which is not a bona fide accident or lawful exercise of rights.

4. Applicability.

- a) This Ordinance applies to all Response Events occurring within the Town of Phillips where the person or entity benefiting from services is a Non Resident.
- b) This Ordinance also applies to Response Events outside Phillips where the Town provides services and no Service Agreement fully covers or waives recovery.
- c) This Ordinance applies to any resident of Phillips or any Covered Town who maliciously or intentionally causes a Response Event; such resident may be billed under Cost Recovery as provided below.
- d) This Ordinance does not apply where payment is covered in full by insurance, a valid Service Agreement, or where state or federal law precludes municipal cost recovery.

5. Select Board Authority and Delegation.

- a) The Select Board may appoint the Fire Chief or another designee to:
 - (i) determine which Response Events are subject to Cost Recovery under this Ordinance;
 - (ii) calculate and approve Reasonable Costs to be submitted for recovery; and

- (iii) issue, sign, and transmit cost recovery invoices and related notices on behalf of the Town.
- b) The Select Board may delegate day to day administration of the Cost Recovery program to Town staff or a designated administrator including incident review, billing oversight, recordkeeping, and coordination with third party vendors.
- c) The Select Board may contract with a third party billing and collection service to handle invoicing, collections, payment processing, account reconciliation, reporting, and related administrative functions.
- d) The Select Board is authorized to negotiate and approve vendor compensation including a fixed fee, contingency percentage, or hybrid structure and to include contractual protections for confidentiality, data security, compliance with law, audit rights, and a Town override or appeal process for disputed bills. Use of third party services does not relieve the Select Board of final policy oversight.

6. Fee Schedule and Cost Calculation.

- a) The Chief, subject to Select Board approval, shall maintain a written fee schedule listing standard chargeable items and methodology for calculating Reasonable Costs. The schedule shall include personnel hourly rates including benefits, apparatus hourly usage rates, vehicle per mile or per hour charges, consumable supply unit costs, foam and chemical costs, specialized equipment rental, contracted service charges, disposal and clean up fees, and an administrative fee.
- b) Fee schedules shall be reasonably related to actual Town costs, reviewed at least biennially, and made available to the public.

7. Incident Determination, Documentation, and Submission for Billing.

- a) For each Response Event, the Chief or designee shall determine whether Cost Recovery applies by reference to this Ordinance, applicable Service Agreements, incident facts, and any relevant law. The Chief or designee may consider available evidence of negligent, reckless, intentional, or malicious

conduct in making the determination required for billing a resident of Phillips or a Covered Town.

- b) The Fire Department shall prepare an incident report documenting date and time of response, location, nature of incident, personnel and apparatus used, time on scene, consumables used, third party vendor costs, witness statements if available, and the Chief's recovery determination.
- c) Where the Town engages a third party billing vendor, the Chief or designee shall submit the incident documentation and approved cost calculation to the vendor within the time period specified by Town policy or contract.

8. Billing, Invoicing, Payment, and Negotiation

- a) When Cost Recovery applies, the Town shall issue an invoice to the responsible party, property owner, vehicle owner, insurer, or other liable party. If a third party vendor is engaged, invoices may be issued by the vendor on behalf of the Town subject to Town approved templates and supervisory review.
- b) Invoices shall itemize charges, reference the incident report, and cite the fee schedule in effect on the date of service.
- c) For residents of Phillips or a Covered Town who are billed under the Malicious or Intentional Act provision, the invoice shall include a concise statement of the factual basis for the determination and notice of the appeal rights described in this Ordinance.
- d) Payment is due within 30 days of invoice date unless other terms are agreed in writing. The Town may assess interest, collection costs, and reasonable attorney's fees on unpaid balances consistent with law.
- e) The Town or its third party vendor may negotiate with insurers or other payors on billed amounts. Negotiated settlements require Town approval consistent with delegated authority and any settlement thresholds set by the Select Board.

9. Appeals

- a) The invoiced party may appeal the invoice in writing to the Select Board within 30 days of the invoice date. The written appeal must state the grounds for appeal and any supporting documentation.
- b) The Select Board shall schedule review of the appeal at its next reasonably available meeting but in no event later than 45 days after receipt where practicable. The Select Board may affirm, modify, or cancel the invoice. The Select Board's administrative decision shall be final for municipal purposes. Further remedies, if any, are available in a court of competent jurisdiction.

10. Collection Remedies and Enforcement

- a) Unpaid invoices that are not timely appealed or that are affirmed on appeal may be enforced by lawful means including civil action, administrative collection procedures, and placement of municipal liens where permitted by law.
- b) The Town may report unpaid, affirmed balances to credit reporting agencies consistent with applicable law. Third party vendors shall not report balances without Town authorization.

11. Exemptions, Hardship, and Waivers

- a) The Select Board may waive or reduce charges for documented financial hardship, demonstrable inequity, or compelling public policy reasons. The Select Board shall adopt a written hardship policy for consistent evaluation of waiver requests.
- b) The Select Board may adopt a policy limiting the use of Cost Recovery for small dollar incidents or where administrative costs exceed expected recoverable amounts.

12. Records, Reporting, and Oversight

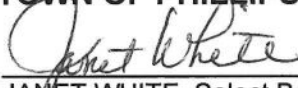
- a) The Fire Chief shall maintain records of all incidents, invoices, appeals, collections, vendor contracts, and write offs.

- b) If a third party vendor is used, the vendor shall provide reconciliation reports and contract performance metrics to the Select Board at intervals specified in the contract.
 - c) Annually, the Chief shall present to the Select Board a summary report of Cost Recovery activity including amounts billed, amounts collected, outstanding receivables, vendor compensation paid, appeals and outcomes, and any recommended changes to the fee schedule or procedures.
- 13. Severability.** If any provision of this Ordinance is held invalid the remaining provisions shall remain in full force and effect.
- 14. Effective Date and Transitional Authority.**
- a) This Ordinance becomes effective upon adoption in accordance with applicable law.
 - b) Upon adoption, the Select Board shall authorize the Chief or designated administrator to implement billing mechanics, adopt an initial fee schedule consistent with this Ordinance, and, if authorized, execute a contract with a third party billing and collection vendor consistent with the delegation and safeguards in this Ordinance.

SELECT BOARD OF THE TOWN OF PHILLIPS



 EUGENE CATON, Select Board Chair



 JANET WHITE, Select Board Vice-Chair



 KENNETH BUBIER, Select Board Member



 BARBARA BARNES, Select Board Member



 PETER CAMPBELL, Select Board Member

Town Clerk Attestation: Betty Jean Bangs

