202615638 B: 1134 P: 501 Pages: 5 Fees: $0.00
09/25/2026 12:21:40 PM County Contract
Tyler R. Gernant, Missoula County Clerk & Recorder
eRecording

Interlocal Agreement between
Missoula County and the Missoula Rural Fire District
For Collection and Allocation of Missoula Rural Fire Impact Fees

This Interlocal Agreement (Agreement) is made and entered into between Missoula County ("County") and the Missoula Rural Fire District (MRFD), both political subdivisions of the State of Montana. The purpose of this agreement is to define roles and responsibilities of the County and MRFD in the collection, administration and distribution of revenues related to Missoula Rural Fire Impact Fees.

Whereas, Montana state law authorizes the collection of impact fees, after completion of an impact fee Study and adoption of a resolution by the local governing body; and

Whereas, Missoula County is responsible for the overall impact fee program administration below; and

Whereas, Missoula Rural Fire District (MRFD) impact fees are directly related to facilities and apparatus necessary to provide Missoula Rural Fire District services as provided for in the Missoula Rural Fire District-Missoula County Impact Fee Study and Report dated June 4, 2026. This report includes definitions of MRFD Impact Fee, the service area and the cost allocation methodology used to support the MRFD impact fee and recognizes the appropriate offsets as needed to support each fee. The report calls for these fees to be collected within the Missoula Rural Fire District through an Intergovernmental Agreement; and

Now therefore be it resolved, Missoula County and the Missoula Rural Fire District have agreed to the aspects of impact fee program administration as outlined below.

1. Duration. The duration or term of this Agreement shall be indefinite unless terminated pursuant to section 6 of this Agreement.
2. Organization. Composition and Nature of Any Separate Legal Entity Created by the Contract: The parties agree that a separate legal entity is not created by this Agreement. This Agreement does not void or supersede any other existing agreements involving the parties. Both the MRFD and County are independent units of local government with separate governing bodies.
3. Purpose of Interlocal Contract. The purpose of this Agreement is to clearly define roles and responsibilities of the MRFD and County related to the collection, administration and distribution of revenues from MRFD Impact Fees collected by the County.
4. Manner of Cooperative Undertakings and Establishment of Budget. The parties agree to the following financial considerations:
    a. MRFD is responsible for all MRFD expenses unless otherwise provided for in this Agreement or by operation of law.
    b. The County is responsible for all County expenses unless otherwise provided for in this Agreement or by operation of law.
    c. The County will create all needed accounts to track impact fees based on the impact fees adopted by the governing body.
    d. Revenue collected by the County on behalf of the MRFD will be dispersed to MRFD upon review of requests for funding allowed for MRFD under the impact fee program.
    e. MRFD will create all necessary accounts to track the expenditure of impact fees.

f. The County is responsible for compliance with the applicable provisions in Title 7, Chapter 6, Part 16, Montana Code Annotated in adopting and expending impact fees; including, among other things, preparation of the service area reports; consideration of acceptance of the dedication of land or public facilities; the creation of an impact fee advisory committee; etc.

5. Management and Administration. The parties are responsible for the following management and administrative activities:
   a. The County of Missoula will be responsible for collecting impact fees on behalf of MRFD at the same time as the County collects their impact fees.
   b. MRFD shall provide requests for MRFD impact fee allocations to Missoula County for use for authorized expenses during the fiscal year budgeting process.
   c. MRFD is responsible for reporting expenditures of MRFD impact fee revenues to Missoula County in compliance with the impact fee study and program administration.
6. Termination. This agreement may be terminated by either party unilaterally by giving notice of termination in writing at least ninety (90) days prior to the date of the intended termination. If for any reason the MRFD Impact Fees are terminated, this agreement will automatically be terminated. In the event this agreement is terminated any remaining revenues will be dispersed as specified in this agreement.
7. Retirement Systems Reporting. Each party is respectively responsible for any report or payments of retirement system contributions for its employees.
8. Indemnification. The MRFD shall defend, indemnify, and hold harmless the County, its employees and agents, from all claims, liabilities, causes of action of judgments, including costs and attorney fees, asserted by or awarded to third parties as a result of any negligent action or omission or willful misconduct of the MRFD, its employees or agents in performance of work or services under this Agreement. The County shall defend, indemnify, and hold harmless the MRFD, its employees and agents, from all claims, liabilities, causes of action of judgments, including costs and attorney fees, asserted by or awarded to third parties as a result of any negligent action or omission or willful misconduct of the County, its employees or agents in performance of work or services under this Agreement. The County agrees to specifically defend, indemnify, and hold harmless the MRFD, its employees and agents, from all claims, liabilities, causes of action of judgments, including costs and attorney fees, arising from any claims that the Missoula County Impact fees violate applicable state law related to impact fees, or that a refund or credit is due under the impact fee law.
9. Filling of Interlocal Agreement. The County shall file this agreement with the Missoula County Clerk and Recorder and with the Secretary of State.
10. Authorization to Appropriate Funds. In accordance with Montana Code Annotated Section 7-11-108 the MRFD and County may appropriate funds for the purpose of performance of this Agreement and provide such personnel or services therefore as may be within its legal power to furnish.

Signed this 9th day of September, 2026

MISSOULA RURAL FIRE DISTRICT
BY:

Kirk Paulson
Interim Missoula Rural Fire Chief

(name)
Chair, Missoula Rural Fire District Board of Trustees

MISSOULA COUNTY
ATTEST:

F941C347B06B66B1FE14B1915AFB4B77 ready
Tyler Gernant
Missoula County Clerk and Recorder

BY:

13FD51ED69FA2244FFA409545EBDD56F ready
Josh Slotnick
Chair, Board of County Commissioners

A6ACE081F2505A3A08967F7EBBB8C312 ready
Dave Strohmaier, Commissioner

6F45D36DCC41E9C2B2D512DC93A576B2 ready
Juanita Vero, Commissioner

RESOLUTION NO. 2026-104

A RESOLUTION TO ADOPT IMPACT FEES FOR MISSOULA RURAL FIRE DISTRICT IN MISSOULA COUNTY

WHEREAS, §7-6-1602, M.C.A., allows that local governments may consider the adoption of impact fees based on the completion of a service area report that:

(a) describes the existing conditions of the facility;
(b) establishes level-of-service standards;
(c) forecasts future additional needs for service for a defined period of time;
(d) identifies capital improvements necessary to meet future needs for service;
(e) identifies those capital improvements needed for continued operation and maintenance of the facility;
(f) makes a determine as to whether one service area or more than one service area is necessary to establish a correlation between impact fees and benefits;
(g) makes a determination as to whether one service area or more than one service area for transportation facilities is needed to establish a correlation between impact fees and benefits;
(h) establishes the methodology and time period over which the governmental entity will assign the proportionate share of capital costs for expansion of the facility to provide service to new development within each service area;
(i) establishes the methodology that the governmental entity will use to exclude operations and maintenance costs and correction of existing deficiencies from the impact fee;
(j) establishes the amount of the impact fee that will be imposed for each unit of increased service demand; and
(k) has a component of the budget of the governmental entity that;
    i. schedules construction of public facility capital improvements to serve projected growth;
    ii. projects costs of the capital improvements;
    iii. allocates collected impact fees for construction of the capital improvements; and
    iv. covers at least a 5-year period and is reviewed and updated at least every 5 years; and

WHEREAS, Missoula Rural Fire District contracted with Tischler Bise to complete an impact fee study for the district in compliance with §7-6-1602, M.C.A., using generally accepted financial principles, that proposes impact fees intended to establish cost-based proportional impact fees related to fire protection; and

WHEREAS, Missoula County conducted community outreach regarding potential adoption of impact fees for Missoula Rural Fire District, including posting and emailing information about the study on Missoula County Voice, publication of notice about the Impact Fee Advisory Committee meeting and the Board of County Commissioners' public hearing in the in the *Missoulian* on July 3 and 11, 2026, and mass email to agencies, engineering and surveying firms and the county's general planning projects email list of approximately 650 addresses; and

WHEREAS, the Missoula Rural Fire District Board of Trustees considered the impact fee study at their regularly scheduled meeting on June 9, 2026, and unanimously recommended the Missoula County Board of County Commissioners adopt impact fees as recommended in the study; and,

WHEREAS, the Missoula County Impact Fee Advisory Committee, appointed by the Missoula

County Board of Commissioners, met on July 15, 2026, to consider the study and proposed impact fees for Missoula Rural Fire District as required under§ 7-6-1602, M.C.A.; and

WHEREAS, after reviewing the study and accepting public comment, the Impact Fee Advisory Committee unanimously recommended the Missoula County Board of Commissioners adopt impact fees as outlined in the impact fee study; and

WHEREAS, on August 13, 2026, the Missoula County Board of Commissioners held a public hearing to consider the Missoula Rural Fire District impact fee study, the recommendations of the Missoula Rural Fire District Board of Trustees and the Impact Fee Advisory Committee, and accept public comment;

NOW, THEREFORE, BE IT RESOLVED that the Missoula County Board of Commissioners hereby finds that the recommendation from the Impact Fee Advisory Committee satisfies the requirements of § 7-6-1602, M.C.A., for imposing an impact fee and directs staff to prepare an updated resolution pursuant to § 7-6-1603, M.C.A., for the collection and expenditure of impact fees incorporating information from the Missoula Rural Fire District Impact Fee Study, which is attached as Exhibit A.

ATTEST:

Tyler Gernant, Clerk and Recorder

BOARD OF COUNTY COMMISSIONERS
MISSOULA COUNTY

Josh Slotnick, Chair

David Strohmaier, Commissioner

Approved as to form:

John Hart
Deputy County Attorney

Juanita Vero, Commissioner