

POLICY: #100  
ADOPTED: 10/24/1993  
REVISED/REVIEWED: 06/03/1997,11/17/1997,12/03/1998  
SUBJECT: GOALS

*GOALS:*

- TO PREVENT AND REDUCE FIRE RISKS THROUGH PUBLIC EDUCATION-PRE-INCIDENT SURVEYS
- TO MINIMIZE INJURY OR THE LOSS OF LIFE AND PROPERTY WHEN FIRE OR OTHER EMERGENCIES OCCUR
- TO CONFINE AND EXTINGUISH HOSTILE FIRES
- TO PROVIDE THESE PROTECTIONS AT ACCEPTABLE AND EFFECTIVE COSTS WITHIN AVAILABLE RESOURCES
- TO PROVIDE ASSISTANCE TO THE CITY OF SWARTZ CREEK AND TOWNSHIP OF CLAYTON, WHEN REQUESTED, ON FIRE SPECIFIC AND PREVENTION ISSUES.

POLICY: # 101  
ADOPTED: 06/25/1991  
REVISED/REVIEWED: 10/18/1993, 06/03/1997, 11/17/1997  
SUBJECT: POLICY/GUIDELINE CODIFICATION

1. All policies and guidelines of the Swartz Creek Area Fire Board and/or SCAFD shall be codified for reference numerically as follows:
  - A. POLICIES 101 -- 199
  - B. GUIDELINES 200 -- 999
2. All policies of the Swartz Creek Area Fire Board and SCAFD shall be adopted by action of the Board. The Board's Secretary/Treasurer shall be responsible for maintenance of an official record and file of same.
3. The Fire Chief shall present a copy of all amended department guidelines (SOG's) through the Board to its Secretary/Treasurer for their file at the regularly scheduled Fire Board meetings. Action by the Board shall be only "to receive and place on file".
4. For training purposes only, policy and SOG numbers will be cross referenced as applicable.

POLICY: # 102  
ADOPTED: 10/24/1993  
REVIEWED/REVISED: 06/03/97, 05/18/2015  
SUBJECT: ADMINISTRATIVE POLICY

1. The Fire Administration activity, through the Fire Chief, is responsible for the overall Fire Department services delivery system. In accordance with Swartz Creek City and Township of Clayton ordinances, Swartz Creek Area Fire Board By-Laws, Rules, and Regulations, Swartz Creek Area Fire Department Policies and Standard Operating Guidelines, and Mission Statement, the Fire administration manages the resources necessary to provide fire suppression and rescue services, fire prevention services and training services.
2. The Fire Administration activity is responsible for supervising the prevention and extinguishment of fires and the protection of life and property against the hazards of fire in the City of Swartz Creek and the Township of Clayton.
3. The Fire Administration directs planning and development of all Fire Department programs and purchase of equipment and supplies for all activities for daily operations. Maintains records necessary for all Fire Department operations, maintains employee records, and coordinates public relations and educational activities.
4. The Fire Administration shall keep abreast of the latest fire and management techniques to develop guidelines that can better the operation of the Swartz Creek Area Fire Department. This will ensure that the Fire Department is providing the finest fire extinguishment services and administrative services available to the citizens of the City of Swartz Creek and the Township of Clayton.
5. The Fire Administration shall maintain discipline and adherence to all By-Laws, Rules, Regulations, Policies, Standard Operating Guidelines, City and Township Ordinances, and all local, county, state and federal mandates and guidelines, throughout its activities.
6. The Fire Administration shall be responsible for collecting cost recovery information for City of Swartz Creek and Township of Clayton related to all vehicle incidents for non-residents of the fire district. The information shall be distributed by the Fire Chief, or their designate, as each municipality deems appropriate.

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POLICY: # 103  
ADOPTED: 10/24/1993  
REVIEWED/REVISED:  
SUBJECT: HEALTH AND SAFETY

1. The Swartz Creek Area Fire Department believes the health and safety of its members shall be its major concern.
2. The Swartz Creek Area Fire Department will make every reasonable effort to provide a safe and healthy work environment for its members, while recognizing the inherent risks that are involved in the delivery of emergency services.
3. The Swartz Creek Area Fire Department recognizes both the National Fire Protection Association standards, laws and regulations of the State of Michigan, and appropriate City and Township ordinances, and pledges to use these guidelines and rules as the basis for its approach to a health and safety program for the Fire Department.
4. Members of the Swartz Creek Area Fire Department will be utilized in assisting the administration evaluating new products and guidelines that may affect the health and safety of department personnel. Members shall be asked and permitted to make recommendations on safety issues and concerns.

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POLICY: # 104  
ADOPTED: 10/24/1993  
REVIEWED/REVISED: 10/19/1998  
SUBJECT: PREVENTION/INSPECTION

1. The Fire Chief or his/her designate shall be responsible to recommend enforcement of any and all, City and/or Township adopted fire codes and to recommend enforcement of all City and/or Township ordinances relative to fire and life safety.
2. The Fire Chief or his/her designate may assist the City and/or Township to determine that the building and structures within the Fire District are constructed, maintained, and in compliance with all fire code and ordinance requirements, and appropriate state laws.
3. Fire inspections and code enforcement activities are conducted to eliminate hazardous conditions, or potentially hazardous conditions, that could cause or contribute to a fire safety threat.
4. The fire Chief or his/her designate, upon request, shall work with the City of Swartz Creek Code Enforcement Officer, the Township of Clayton's building inspector, and the Michigan State Police Fire Marshall when conducting fire inspection or code enforcement activities.
5. The Fire chief or his/her designate shall develop and implement fire prevention and fire education programs for the citizens of the City of Swartz Creek and the Township of Clayton.

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POLICY: # 105  
ADOPTED: 10/24/1993  
REVIEWED/REVISED: 06/03/1997, 11/17/1997  
SUBJECT: SUPPRESSION/MUTUAL AID POLICY

1. The Fire Suppression services of the Swartz Creek Area Fire Department are provided to the citizens of the City of Swartz Creek and the Township of Clayton on a twenty-four (24) hour per day, three hundred sixty-five (365) days per year basis under the direction of the Fire Chief or his/her designate. Fire Suppression efforts are designed to preserve life and property from the ravages of fire.
2. The Incident Command (IC) of an emergency incident may invoke mutual aid for those resources needed to mitigate the emergency.
3. The Genesee coordinators may be requested if it is the opinion of the IC that the management of the resources are beyond his/her capabilities.

POLICY: # 106  
ADOPTED: 10/24/1993  
REVIEWED/REVISED: 06/03/1997, 11/17/1997  
SUBJECT: TRAINING

1. The Fire Chief shall have the authority to appoint any line officer as the designated Training Officer on a periodic basis.
2. Training is the primary responsibility of the designated Training Officer. Development, preparation, delivery, evaluation, and documentation of all fire department training initiatives are the responsibility of the Training Officer.
3. Key duties of the Training Officer include the preparation and coordination for the delivery of federal and state mandated training programs; preparation and delivery of specialty training programs necessary for Swartz Creek Area Fire Department personnel to execute their duties safely, efficiently and effectively; and the management of the personnel and training data records keeping functions as required by department, municipal, state, or federal regulations.
4. Where appropriate, the Training Officer may assign and delegate training functions to other department personnel who possess the necessary qualifications for said training.
5. Training within the Swartz Creek Area Fire Department is intended to insure that all department personnel are trained sufficiently to execute their duties and tasks in a safe and efficient manner.
6. Posting at department stations of a yearly training schedule of all tentative dates and topics shall be required.

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POLICY: #107  
ADOPTED: 10/24/1993  
REVIEWED/REVISED: 06/03/1997  
SUBJECT: INCIDENT COMMAND SYSTEM

1. The Swartz Creek Area Fire Department adopts the model Incident Command System, developed by the National Fire Academy, for use at all emergency incident responses. This ICS system conforms to the Genesee County Fire Chief's Association ICS Policy, adopted April 21, 1993.
2. The basic purpose for the Incident Command System is to provide an incident management mechanism which utilizes uniform strategic goals, tactical operations, safety considerations, and terminology.
3. Swartz Creek Area Fire Department personnel shall be trained in the Incident Command System and shall utilize it in all responses to all incidents.

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POLICY: #108  
ADOPTED: 10/24/1993  
REVIEWED/REVISED: 10/96, 06/03/97, 11/17/97, 01/17/2013  
SUBJECT: HEALTH AND SAFETY COMMITTEE

1. *The Swartz Creek Area Fire Department shall appoint a Health and Safety Committee consisting of the following members:*

- A. Fire Chief
- B. Safety Officer
- C. Swartz Creek Area Fire Board Chairperson, ex-officio member
- D. One Swartz Creek Area Fire Board Member, at the discretion of the Fireboard
- E. Two Swartz Creek Area Firefighters Association Members
- F. Swartz Creek Area Fire Board Attorney (only if needed for clarification by the Fire Chief)
- G. Training Officer

2. *The Health and Safety Committee shall be responsible for:*

- A. Review and Revise department Health and Safety Program
- B. Review and Revise Risk Management Plan
- C. Investigate any department accidents
- D. Recommend corrective actions pertaining to accidents
- E. Meet-as often as recommended by the Fire Chief
- F. Review all department policies and guidelines a minimum of every three (3) years

POLICY: #109  
ADOPTED: 10/24/1993  
REVIEWED/REVISED: 11/20/95, 06/03/97, 11/17/97, 05/16/2011  
SUBJECT: EQUIPMENT AND APPARATUS PURCHASES

1. The Swartz Creek Area Fire Department shall provide the timely, cost efficient, plan for the replacement of all department equipment and apparatus.
2. The Swartz Creek Area Fire Department shall only purchase equipment that meets or exceeds the current OSHA, MIOSHA, NFPA, and any other applicable standards at the time of purchase.
3. The Swartz Creek Area Fire Board shall approve all purchases of equipment and apparatus.
4. The Fire chief shall revise and attach an apparatus replacement schedule yearly.
5. Only equipment/apparatus purchases over \$5,000.00 shall be placed on the SCAFD fixed asset list for depreciation purposes.

Attachment: Apparatus Replacement Schedule amended annually

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POLICY: # 110  
ADOPTED: 06/25/1991  
REVIEWED/REVISED: 10/18/93, 08/19/2013  
SUBJECT: PERSONNEL TO BE BONDED

The SCAFD shall bond the following individuals on an annual basis beginning January 1 and ending December 31 each year:

1. FIRE CHIEF
2. ACCOUNTING/CLERICAL SPECIALIST
3. FIRE BOARD CHAIRPERSON
4. FIRE BOARD VICE CHAIRPERSON
5. FIRE BOARD SECRETARY/TREASURER

The amount of the bond to be set by the Swartz Creek Area Fire Board.

POLICY: # 111  
ADOPTED: 06/25/1991  
REVIEWED/REVISED: 10 /18/93, 06/03/97, 11/17/97, 11/17/2014  
SUBJECT: EXPENSE REIMBURSEMENT

1. The Fire Chief shall have the authority to authorize payment for the registration costs for department personnel at all fire related classes, seminars, conventions, conferences, etc. As prescribed by the annual budget. Requests not listed in the annual budget shall be authorized with approval by the Board.
2. The Fire Board shall consider all requests for reimbursement of expenses (food, lodging, travel) for attendance at fire related classes, seminars, conventions, conferences, etc. All requests for reimbursement of expenses shall be presented to the Fire Board, for approval or denial, prior to attendance at the fire related class, seminar, convention, conference, etc. A DETAILED LISTING OF ANTICIPATED EXPENDITURES SHALL BE SUBMITTED WITH SAID REQUEST.
3. Those expenses, that are time sensitive, and cannot be presented to the Fireboard for approval before the next scheduled meeting, such as court subpoenas, shall be authorized.
  - A. A minimum of two (2) hours, at the current hourly wage, shall be paid. Any time involved over 2 hours, shall be paid the current hourly rate, accordingly. In addition, when using a personal vehicle, mileage shall be reimbursed at the standard mileage rate according to the Internal Revenue Service web site.
  - B. Any witness fees or mileage paid directly to the fire department member shall be deducted from the payment made by the department.

POLICY: # 112  
ADOPTED: 10/24/1993  
REVIEWED/REVISED: 06/03/1997, 11/17/1997  
SUBJECT: OPERATING EXPENSES AUTHORIZATION

1. The Fire Chief shall have the authority to authorize the purchase and/or payment of all normal department operating expenses not exceeding \$500.00.
2. The Fire Chief shall have the authority to authorize payment for emergency apparatus repair costs. The Chief shall notify the Board Chairperson prior to authorizing any emergency apparatus repair costs over \$500.00.
3. The Fire Chief shall not have the authority to authorize the purchase and/or payment of the following items without prior Board approval:
  - A. Injury Allowances
  - B. Contract Services - not previously approved
  - C. Insurance
  - D. Conference Expense Reimbursement - not previously approved
  - E. Office Equipment Purchases over \$500.00
  - F. Equipment Purchases over \$500.00
  - G. Training material over \$500.00

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POLICY: # 113  
ADOPTED: 11/17/1997  
REVIEWED/REVISED:  
SUBJECT: SAFETY

1. The Fire Chief shall have the authority to appoint any line officer as the designated Safety Officer on a periodic basis.
2. Safety is the shared responsibility of the Fire Chief and the Safety Officer.
3. Key duties shall include, but not limited to, the research and recommendation of current safety requirements associated with fire suppression to the Fire Chief.
4. Shall perform safety officer functions at an emergency with authorization to delegate the responsibility to other department personnel.

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11/97  
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POLICY: # 114  
ADOPTED: 10/19/1998  
REVIEWED/REVISED: 06/21/2010  
SUBJECT: EXECUTION OF CHIEF'S DUTIES

1. The Chief of the Department may implement the administrative duties of his position as set forth in the Department's Rules and Regulations and policies by the adoption of departmental procedures or of departmental standard operating guidelines, for the purpose of determining that the Department Chief has acted on his administrative responsibilities to the fire department. The adoption of procedures or standard operating guidelines shall be treated as synonymous terms.

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POLICY: # 115  
ADOPTED: 03/15/1999  
REVIEWED/REVISED:  
SUBJECT: MUNICIPAL BUDGETARY & POLICY INQUIRIES

1. The Chief of the department shall advise the chairperson or their alternate of requests for information received from the contracting municipalities that involve budgetary matters and policy decisions which have not yet been formulated or adopted by the Fireboard. The Chief shall seek direction from the chairperson or their alternate prior to responding to the informational request and direct copies of the request to the representatives of the municipality requesting such information.

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POLICY: # 116  
ADOPTED: 03/15/1999  
REVIEWED/REVISED:  
SUBJECT: MUNICIPAL NOTIFICATION OF BY-LAWS AMENDMENTS

1. The Swartz Creek Area Fire Board operates the Fire Department pursuant to a contract to operate a joint Fire Department between the City of Swartz Creek and Clayton Township.
2. The Fireboard, in fulfilling its obligation, has adopted Department By-laws to set forth the method of fulfilling the obligations of departmental operations.
3. The Fireboard intends that the city of Swartz Creek and Clayton Township should be fully aware of the operation of the Fire Department and shall forward to the city of Swartz Creek and Clayton Township copies of the By-laws and all proposed changes for review by the City of Swartz Creek and Clayton Township.

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POLICY: # 117  
ADOPTED: 04/19/1999  
REVIEWED/REVISED:  
SUBJECT: COMPUTER SECURITY

The department increasingly maintains departmental records on computers. Department information maintained on computers includes information that is required to privacy protection.

The Chief of the department shall develop a process for maintaining the privacy and confidentiality of computer maintained departmental records.

The Chief of the department operates as the agent of the Fireboard and the Fireboard shall have access to all department records. The Chief shall develop a process for maintaining the confidentiality of department records. Upon developing said process, the chief shall meet with the chairperson of the Fireboard and at least one other board member as designated by the chairperson to review the sufficiency of the process for maintaining departmental security on computer files and providing the Fireboard with sufficient information to access confidential files. Such meetings shall occur annually in May.

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POLICY: #118  
ADOPTED: 06/19/2006  
REVIEWED/REVISED: 04/20/2009  
SUBJECT: DISPOSAL OF DEPARTMENT PROPERTY

## I. SCOPE

This policy shall govern the disposition of the Swartz Creek Area Fire Department's surplus, obsolete or unused supplies, materials and equipment that appears on the Department's Inventory List as submitted to the Fire Board.

## II. DEFINITIONS

**DISPOSAL/DISPOSITION:** The act of getting rid of something unwanted by sale, trade—in, donation, transfer or destruction.

**SURPLUS:** The amount of supplies, materials or equipment that remain when use or need is satisfied.

**UNUSED:** Supplies, materials or equipment not put to use.

**OBSOLETE:** Supplies, materials or equipment no longer in use or no longer useful, but possessing some value.

**OBSOLETE WITH ZERO VALUE:** Supplies, materials or equipment that are obsolete but which, due to its condition or state of repair, has a zero value.

**PUBLIC CORPORATION:** The term "public corporation" means a corporation formed solely for public and governmental purposes.

## III. RESPONSIBILITIES OF DEPARTMENT FIRE CHIEF AND EMPLOYEES

1. It shall be the responsibility of Fire Chief and employees to refrain from the destruction, transfer or sale (hereafter "disposition") of the Department's surplus, obsolete or unused supplies, materials and equipment except when such disposition is made in compliance with the requirements of this policy and, further, in compliance with applicable State law.
2. The Fire Chief shall maintain records of the disposition of surplus, obsolete or unused supplies, materials or equipment in accordance with this policy.
3. The Fire Chief shall make a good faith effort to estimate the reasonable market value of the property to be disposed of.
4. The Board shall not sell any Department property to an officer or employee of the Department unless the following requirements are met:
  - a. the employee is the highest responsible bidder at a public auction and he/she is not directly involved in the auction; or

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b. the employee is the highest responsible bidder following the solicitation of competitive bids pursuant to law and provided he/she is not directly involved in the sealed bid process.

5. Swartz Creek Fire Board approval shall be obtained prior to the transfer or disposal of any property or material, the approval shall include the method of disposal of such property or material.

6. When the Board deems it appropriate, a statement of use and a hold harmless agreement shall be obtained from the persons, organization or public entity receiving property disposed of by the Swartz Creek Area Fire Department.

#### IV. TRANSFERS TO PUBLIC CORPORATIONS

Swartz Creek Fire Board approval shall be obtained prior to any transfer of property or materials owned by the Department to a “public corporation” for a “nominal consideration” or without consideration.

#### V. SOLICITATION OF SEALED BIDS OR OBTAINING QUOTATIONS FOR THE SALE OF DEPARTMENT PROPERTY

<u>Estimated Fair-Market Value</u>	<u>Requirement</u>
Over \$15,000	Solicitation of sealed bids by public notice
Between \$10,000 and \$15,000	Solicitation of sealed bids or by obtaining two or more quotations or at public auction. Negotiation is permissible when obtaining quotations. Quotations must be kept on file for at least one year.
Between \$1000 and \$10,000	Obtaining at least two quotations or at public auction. Quotations must be kept on file for at least one year.
Less than \$1,000	Obtaining quotations or at public auction, or on the open market.



**OPTIONS TO DISPOSE OF SUPPLIES, MATERIALS OR EQUIPMENT:**

\_\_\_ Transfer to the \_\_\_\_\_ Department (designate specific City or Township department to receive transfer).

\_\_\_ Transfer to any Department in the City of Swartz Creek or the Township of Clayton having a need for the same.

\_\_\_ To sell the property in accordance with applicable procedures in the event no City or Township Department requests transfer of the same

\_\_\_ To obtain a determination that the property is obsolete with zero value and to approve its disposition as solid waste.

**INSTRUCTIONS:**

1. Create an official file entitled DISPOSITION OF PERSONAL PROPERTY or the equivalent and retain records of personal property dispositions according to the retention schedule.
2. If there are any unusual circumstances presenting a hardship or emergency, present information here:  
\_\_\_\_\_  
\_\_\_\_\_
3. The proceeds of any sale (checks made payable to the Swartz Creek Area Fire Department) is deposited through the Treasurer into the Fire Department’s “Sale of fixed assets revenue account 3673”.

**REQUIREMENTS OF SALE**

If the estimated value exceeds \$15,000, competitive, sealed bids must be sought.

If the value is estimated to exceed \$1000.00 but less than \$15,000.00, sale may be made by sealed bid or by direct negotiation upon the open market provided that two quotes are obtained and the sale is made to the highest bidder;

If the estimated value is less than \$1,000.00, sale may be made by obtaining quotations, at public auction, or on the open market. Sealed bids are not required.

SIGNED: \_\_\_\_\_ DATED: \_\_\_\_\_

**TRANSFER/ SALE FORM**

\_\_\_\_\_The following property: \_\_\_\_\_ was transferred to the \_\_\_\_\_  
Department of the Township/City of \_\_\_\_\_.

\_\_\_\_\_The following property: \_\_\_\_\_ was sold to:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Sum: \$ \_\_\_\_\_

The money (checks made payable to the Swartz Creek Area Fire Department) was deposited with the Treasurer into the  
\_\_\_\_\_ fund.

SIGNED: \_\_\_\_\_ DATED: \_\_\_\_\_

POLICY: # 119  
ADOPTED: 06/19/2006  
REVIEWED/REVISED:  
SUBJECT: EVALUATION

The Fire Department may annually conduct an evaluation of the effectiveness of the Fire Department.

The evaluation of the Fire Department shall be conducted by a Committee to include at least two Fire Board Members, with at least one Board member from each governmental authority.

The Evaluation Committee as directed by the Fire Board, shall report to the Fire Board the evaluation result on the proper and effective administration of the department and may focus on operations, effective training, public perception of the department and/or an evaluation of the department personnel effectiveness or the personnel needs of the department.

In addition to the two (2) Board Members appointed to represent the respective governmental units, the Chairman of the Fire Board shall serve as Chairman of the department evaluation committee.

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POLICY: # 120  
ADOPTED: 06/16/2008  
REVIEWED/REVISED: 02/01/2010  
SUBJECT: PURCHASING

### **PURCHASING**

All purchases made in the name of and on behalf of the Swartz Creek Area Fire Department shall comply with the following requirements:

1. No purchases shall be made that do not comply with the authority granted by the operating agreement between the City of Swartz Creek and Clayton Township that is in effect on the date of the purchase.
2. All purchases shall comply with the adopted budget in effect at the time of purchase and shall be recorded in accordance with generally accepted accounting practices and statutory requirement in effect at the time of purchase.

#### **Purchases under \$500.00**

The fire chief as the chief administrator officer of the department may authorize routine expenditures of up to \$500.00. Such expenditures are authorized, provided that the expenditures are within the adopted budget. The Chief and Assistant Chief may be issued credit cards, authorized by the Fire Chief. Use of issued cards shall comply with all provisions set forth in this policy. All credit cards issued shall have the account number changed or the account terminated in the event a card is lost, stolen or a bearer of a card is terminated.

#### **Purchases over \$500.00**

The fire board shall approve purchases over \$500.00. Purchases over \$500.00 shall be presented to the fire board with competitive price information from at least three (3) proposed vendors, when three (3) proposed vendors or prices are not available the proposal shall explain why less than three (3) proposed prices or vendors are available. The board may authorize the purchases that the board deems appropriate, but shall state the reason for acceptance of a proposal that is not the lowest price.

#### **Purchases over \$5,000.00**

Purchases over \$5,000.00 shall be considered by the fire board after solicitation of sealed bids for the proposal purchase.

The solicitation for sealed bids shall include specifications for the items being proposed sufficient to describe the proposed purchase to prospective vendors. Specifications shall be presented to the fire board before the invitation to solicit bids is offered. The notice shall include the dates when acceptance of bids shall close.

#### **Methods of acquiring bids**

The fire board shall approve the method of bid solicitation and determines whether to advertisement by general circulation publication, fire service publication, on line advertisement, governmental publication, or direct solicitation from known vendors. The fire board may approve bid solicitation from any or all of the methods described above, in an effort to obtain competitive bids.

### **Acceptance of proposed bids**

Bids submitted to the fire department shall remain sealed until opened by the fire board in accordance with the following process:

- A. The board may open sealed bids at a regularly scheduled fire board meeting;
  - B. The board may designate a sub-committee to open sealed bids at a public meeting, after due notice of said meeting noticed in the same manner as the notice required for a fire board meeting;
  - C. At the time of opening the sealed bids, the bids shall be read aloud.
- After opening the sealed bids the chief of the department may be directed to evaluate and make recommendation on the bids or the fire board may take action on the bids at the boards sole discretion.

### **Fire board action of proposed bids**

Upon receipt of bids, the fire board at public meeting may reject bids which do not meet the bid specifications.

The board shall consider bids that are within specifications and may accept the lowest bid. In the event that the board accepts a bid that is not the lowest bid, the board shall state the reason for such acceptance.

The board shall not be required to purchase at the conclusion of the bid process and may delay the purchase or direct that a new bid process be initiated at the board's sole discretion. The board may at its sole discretion cancel the purchase process.

### **Exception to the purchase policy**

- 1. Fuel purchases to maintain the readiness of the fire department shall not be restricted by the purchase policy
- 2. Payroll expenditures made pursuant to the approved by-laws and joint operating agreement between the City of Swartz Creek and Clayton Township shall not be restricted by this policy
- 3. Maintenance and emergency repairs over \$500.00 necessary to maintain the readiness of the department may be approved upon recommendation of the fire chief to the chairman of the fire board, the chairman may approve such expenditures, place such expenditure on the agenda for the next fire board meeting or call a special meeting of the fire board to consider such expenditures at the chairman's sole discretion.
- 4. Expenditures necessary to ensure public and firefighter safety. When on an official fire service call, if it is apparent the urgencies of public safety and/or the safety of firefighting personnel require the fire chief or the officer in charge of the fire scene to employ additional resources to assure public and/or firefighter safety beyond the resources of the fire department. Such resources may be employed only for resolving the immediate safety concerns, even if the cost of such services exceed the \$500.00 discretionary spending authority of the fire chief. Such expenditures may include, but are not limited to; heavy equipment to secure a call scene; specialized personnel and equipment to address hazardous chemicals and/or explosives. This authority is limited to such expenditures as are necessary to resolve urgencies of public and/or firefighter safety and must be reported to the fire board chairman as soon as possible for presentation to the fire board in compliance with paragraph three of "Exceptions to the Purchase Policy" in the Purchasing Policy.

POLICY: # 121  
ADOPTED: 06/21/2010  
REVIEWED/REVISED: 06/21/10, 05/16/2011  
SUBJECT: INVESTMENT & CASH MANGEMENT

**I. POLICY**

It is the policy of the Swartz Creek Area Fire Authority to invest public funds in a manner that will provide the highest investment return with the maximum security while meeting long term major equipment purchasing needs of the Swartz Creek Area Fire Department. The policy will conform to all State statutes and local ordinances governing the investment of public funds.

**II. SCOPE**

This investment policy applies to all financial assets of the Swartz Creek Area Fire Authority. These funds are accounted for in the Swartz Creek Area Fire Authority's Annual Financial Report.

**III. INVESTMENT OBJECTIVES**

The following investment objectives, in priority order, will be applied in the management of the Swartz Creek Area Fire Authorities funds.

**Safety**

The primary objective of the Swartz Creek Area Fire Authority's investment activity is the preservation of capital in the overall portfolio and the protection of investment principal.

The authorized investment staff will employ mechanisms to control risks and diversify investments regarding specific security types or individual financial institutions.

**Liquidity**

The investment portfolio will remain sufficiently liquid to enable the Swartz Creek Area Fire Authority to meet equipment purchasing requirements, which might be reasonably anticipated.

**Return on Investment**

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow characteristics of the portfolio. Return on investments shall be of secondary importance compared to the safety and liquidity objectives above.

**IV. PRUDENCE**

In managing its investment portfolio, Swartz Creek Area Fire Authority officials shall avoid any transaction that might impair public confidence. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The above standard is established as the standard for professional responsibility and shall be applied in the context of managing the overall portfolio. Investment officers of the Swartz Creek Area Fire Board, acting in accordance with State statute, this investment policy, written procedures as may be established, and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion, and appropriate action is taken to control adverse developments.

## **DELEGATION OF AUTHORITY**

Authority to manage Swartz Creek Area Fire Authority investment program is derived from the following: P.A. 1943, No. 20., as amended by P.A. 1988 No. 285 SS1.

Management responsibility for the investment program is hereby delegated to the Fire Chief and in the absence of the Fire chief the Accounting/Clerical Specialist who shall establish written procedures for the operation of the investment program consistent with this investment policy. Oversight will be provided by the Swartz Creek Area Fire Authority through the Board Treasurer. Procedures should include reference to: safekeeping, PSA repurchase agreements, wire transfer agreements, banking service contracts and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Swartz Creek Area Fire Authority. The Swartz Creek Area Fire Authority shall be responsible for all transactions undertaken.

### **V. ETHICS AND CONFLICTS OF INTEREST**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair-or create the appearance of an impairment on-their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Fire Chief and the Board Treasurer any material financial interests in financial institutions that conduct business with the unit, and they shall further disclose any large personal financial investment positions that could be related to the performance of the Swartz Creek Area Fire Authority's portfolio. Employees and officers shall subordinate their personal investment transactions to those of the Swartz Creek Area Fire Authority, particularly with regard to the time of purchases and sales.

### **VI. SAFEKEEPING AND CUSTODY**

Authorized Financial Dealers and Institutions – The Fire Chief will maintain a list of financial institutions approved by the Swartz Creek Area Fire Authority. In addition, a list will also be maintained of approved security broker/dealers selected by credit-worthiness, who maintain an office in the State of Michigan or who are “primary” dealers or regional dealers that qualify under Securities and Exchange Commission rule 15C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by State law.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Investment Officer with the following: audited financial statements for the most recent fiscal year; certification of having read and agreeing to abide by the Swartz Creek Area Fire Authority's investment policy and the pertinent State statutes; proof of national Association of Security Dealers certification; and proof of State of Michigan registration, where applicable.

An annual review of the financial condition and registration of qualified bidders will be conducted by the Swartz Creek Area Fire Authority through the Fire Chief. Information indicating a loss or prospective loss of capital on existing investments must be shared with the Swartz Creek Area Fire Board immediately upon notification.

### **VII. INTERNAL CONTROLS**

The Fire Chief shall establish a system of internal controls, documented in writing, which is designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the Swartz Creek Area Fire Board including, but not limited to, the opening and review of bank statements, checks written, and funds collected. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefit likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

The Fire Chief shall initiate an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

All securities purchased by the Swartz Creek Area Fire Authority under this section shall be properly designated as an asset of the Board and held in safekeeping by a third party custodial bank or other third party custodial institution, chartered by the United States government or the State of Michigan, and no withdrawal of such securities, in whole or in part, shall be made from safekeeping except by the Fire Chief as authorized herein, at the direction of the Swartz Creek Area Fire Authority. Internal controls will also encompass at a minimum the additional issues:

Separation of functions including transaction authority from accounting and record-keeping, delegation of authority to subordinate staff members written confirmation of telephone transactions, specific guidelines regarding securities losses and remedial action, documentation of decisions made by the Swartz Creek Area Fire Authority and avoidance of physical delivery securities. Further all confirming written transactions shall be signed by the Fire Chief and the Board Treasurer or in his/her absence the Board Chairman.

### **VIII. DELIVERY VS. PAYMENT**

All trades will be executed by delivery vs. payment to ensure that securities are deposited in an eligible financial institution prior to release of funds. Securities will be held by a third-party custodian as evidenced by safekeeping receipts.

The Swartz Creek Area Fire Authority will execute third party custodial agreement(s) with its bank(s) and depository institution(s). Such agreements will include letters of authority from the Swartz Creek Area Fire Authority, details as to responsibilities of each party, notification of security purchases, sales, delivery, repurchase agreements and wire transfers, safekeeping and transactions costs, procedures in case of wire failure or other unforeseen mishaps including liability of each party.

### **IX. AUTHORIZED AND SUITABLE INVESTMENTS**

1. The Swartz Creek Area Fire Authority is empowered by State statute (1988 Public Act 239, M.C.L. 129.91) to invest in the following types of securities:
  - a. Bond, securities, and other obligations of the United States, or an agency or instrumentality of the United States including securities issued or guaranteed by the Government National Mortgage Association;
  - b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the federal deposit insurance corporation or a savings and loan which is a member of the federal savings and loan insurance corporation or a credit union which is insured by the national credit union administration, but only if the bank, savings and loan or credit union is eligible to be a depository of surplus funds belonging to the state under section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended;
  - c. In United States government or federal agency obligation repurchase agreements.
  - d. In banker's acceptances of United States banks;
  - e. Mutual funds registered under the investment company act of 1940, title I of chapter 686, 54 Stat. 789, 15 U.S.C. 80a-1 to 80a-3 and 80a-4 to 80a-64, with the authority to purchase only investment vehicles that are legal for direct investment by the Board. This authorization is limited to securities whose intention is to maintain a net asset value of \$1.00 per share.
  - f. Investment pools through an inter-local agreement under the urban cooperation act of 1967, 1967 (Excess) PA 7, MCL 124.501 to 124.512. All of the pools are limited to investments described in Sections a-f.
  - g. Investment pools organized under the surplus funds investment pool act, 1982 PA 367, 129.11 to 129.118. All of the pools are limited to investments described in Sections a-f.

2. The Investment Officer is restricted to investments that meet the statutory restrictions above and limitations on security issues and issuers as detailed below:
  - a. Repurchase agreements shall be negotiated only with dealers or financial institutions with whom the Swartz Creek Area Fire Authority has negotiated a Master Repurchase Agreement or with the Swartz Creek Area Fire Authority's primary bank. Repurchase Agreements must be signed with the bank or dealer and must continue provisions similar to those outlined in the Public Security Association's model master Repurchase Agreement.
  - b. Certificates of Deposit shall be purchased only from financial institutions, which qualify under Michigan law and are consistent with Opinion No. 6168, Opinions of the Attorney General (1982).
  - c. To the extent possible, the Fire Chief will attempt to match investments with anticipated cash flow requirements. Specific Swartz Creek Area Fire Authority's approval is necessary for investments exceeding eighteen months. Unless matched to a specific cash flow requirement, the Swartz Creek Area Fire Board will not directly invest in securities maturing more than 10 years from the date of purchase. No more than 25 percent of the Swartz Creek Area Fire Authorities total investment portfolio shall be placed in securities maturing in more than 10 years. No more than 50 percent of investment vehicles maturing in any given month shall be of non-liquid nature (non-negotiable CDs, commercial paper, etc.)
  - d. Up to 50 percent may be invested in commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and which matures not more than 270 days after the date of purchase; Commercial Paper held in the portfolio which subsequently receives a reduced rating shall be closely monitored and sold immediately if the principal invested may otherwise be jeopardized.
  - e. Investments will be diversified by security type and institutions. With the exception of U.S. treasury securities and authorized investment pools (as a long-term investment program), no more than 50 percent of the total investment portfolio will be invested in a single security type or with a single financial institution. With the exception of using affiliates of the major Banking Institute and upon receipt of written confirmation that funds are fully insured when held by the affiliates.

**X. PERFORMANCE STANDARDS**

The Swartz Creek Area Fire Authority's investment strategy is passive. Given this strategy, the basis used by the Fire Chief to determine whether market yields are being achieved shall be the three (3) month U.S. Treasury bill and the average Federal Funds rate.

**XI. REPORTING**

All investment transactions shall be recorded in the various funds of the Swartz Creek Area Fire Authority in accordance with Generally Accepted Accounting Principles as declared by the Government Accounting Standards Board.

The Fire Chief shall submit a semi-annual investment report to the Swartz Creek Area Fire Authority that provides the principal and type of investment, annualized yield, earnings for the period, market price and a summary report of cash and investments maintained in each financial institution.

Material deviations from performance standards (section XIII) shall be reported immediately to the Swartz Creek Area Fire Authority.

**XII. INVESTMENT POLICY ADOPTION**

The Swartz Creek Area Fire Authority investment policy shall be adopted by resolution of the Swartz Creek Area Fire Authority. Modifications made at any time or when necessitated by State statutory revision must be approved by the Swartz Creek Area Fire Authority. Investments conforming to the investment policy guidelines prior to any amendatory act are hereby validated.

POLICY: # 122

ADOPTED: 11/17/2014

REVIEWED/REVISED:

SUBJECT: FIREBOARD AGENDA DISTRIBUTION

1. A proposed agenda with supported documents shall be prepared and distributed to the Fireboard members one week in advance of the regularly scheduled board meeting.
2. Any additional topics that may arise prior to the regularly scheduled meeting may be presented to the fireboard membership the day of the meeting for consideration.