

# Possible Consolidation of Eagle Fire Department and North Prairie Fire Department

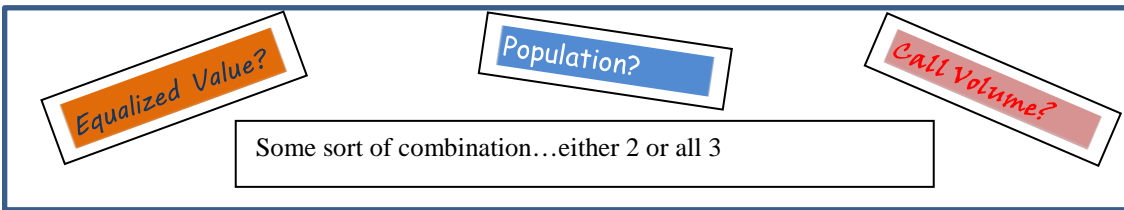
## Report on Preliminary Considerations on Finances

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## How to Fund a Consolidated Department?



- Equalized Value
  - Already the current system with a joint department of the Town and the Village of Eagle
    - Has been working for several years
  - A Simple and Stable formula
  - Both Call Volume and Population, in theory, correlate to the Equalized Value
- Population
  - Did not use because highly correlates to Equalized Value
    - Almost using Equalized Value twice
- Call Volume
  - Found sound reasoning in relating the budget to expenses
    - More calls, more use of equipment, fuel, etc. equals more responsibility for expenses
  - Complications
    - Would we have to rate calls based on type of service and equipment used?
      - EMT vs Fire
    - How would mutual aide calls be included?
  - Opted to not use Call Volume because the potential for not only radical fluctuations in the budget but also quick fluctuations in the budget % would be very difficult for the Municipality to accommodate
    - How does a Municipality budget accommodate a \$10,000, \$20,000 or even higher increase in a single year?

### RECOMMENDATION:

**Total Consolidated FD Operations Budget is equally divided based on % of Equalized Value**

## What Does This Mean In Actual Dollar Numbers????

### 2014 Equalized Values

	Municipal Equalized Value	Total Equalized Value	% of FD Budget
Town of Eagle	\$439,546,900	\$801,934,700	<b>54.81%</b>
Village of Eagle	\$144,892,500		<b>18.07%</b>
Village of North Prairie	\$217,495,300		<b>27.12%</b>

### Joint Department with **ESTIMATED** Operations Budget of \$323,000

	% of FD Budget	Total Budget <i>(Estimation)</i>	Municipal Share of Budget <i>(Estimation)</i>
Town of Eagle	54.81%	\$323,000	\$177,037
Village of Eagle	18.07%		\$58,366
Village of North Prairie	27.12%		\$87,597

### **ESTIMATED** Savings from Current Year's Budget

	Current Budget	Consolidated Budget <i>(Estimation)</i>	Savings <i>(Estimation)</i>
Town of Eagle	\$186,600	\$177,037	\$9,563
Village of Eagle	\$61,559	\$58,366	\$3,193
Village of North Prairie	\$174,537	\$87,597	\$86,940

**NOTE:** The current budgets are based on what all municipalities paid in their 2015's municipal budget. North Prairie is a standalone department, Eagle is a jointly funded department...this needs to be understood when looking at the estimated savings of North Prairie versus the municipalities of both the Town and the Village of Eagle.

## How to Fund the Fire Stations?

### Complications:

- Eagle Fire Station – jointly owned  
North Prairie Station – sole ownership
- } How to balance this fairly????
- Eagle’s Station – solely Fire Department usage  
North Prairie’s Station – used jointly by FD and DPW
- } How to balance this fairly????
- Who is responsible for the repairs? The FD or the Municipality?

### RECOMMENDATIONS:

- Municipalities retain ownership of the building/station.
- The FD will rent the station from each Municipality at a cost of \$1.00/Year.
- The FD will be responsible for cleaning of the building
- The FD will be responsible for any consumable supplies and maintenance.
- The Municipalities will be responsible for the “bricks and mortar” of their respective station and any structural repairs.

## Current Vehicles/Apparatuses

### Complications:

- Vehicles/Apparatuses varying in age
  - How to prorate life used versus useful time left in the vehicles
    - The age of the vehicles are believed to be close when comparing one department to the other
      - However it was thought that all differences should be considered into the calculations, whether 1 year different or 10 years different
- Maintenance of vehicles
- Duplication of vehicles
- Value of the vehicles
  - Appraised value versus sale value

### RECOMMENDATIONS:

- **The Municipalities will retain ownership of their respective apparatuses until sold.**
- **When a “Municipal” apparatus is sold, monies from the sale will go directly to the municipality.**
- **New apparatuses bought after consolidation will be jointly owned by the FD. The purchase and ownership of the vehicle will be based on the budget percentages.**
- **The FD will maintain current vehicles, but Municipalities will own current vehicles. The cost of maintenance of the vehicles will be incorporated within the Fire Operations budget.**

## How to Equalize the Department's Reserves?

### Considerations:

- How much reserve is needed?
- How to assure North Prairie's ante is fair and equitable.
  - Need to make sure North Prairie's contribution is fair to North Prairie
  - Need to make sure North Prairie's contribution is equal to current balance in Eagle
- Use the same calculation as the current budget formula?

### RECOMMENDATIONS:

- **Current reserve built by the Town and Village of Eagle is returned to the Municipalities of the Town and Village of Eagle. (Split based on their current contributions.)**
- **Upon consolidation of departments a new reserve needs to be established immediately – all three Municipalities would contribute, based on their respective percentages based on equalized value, to establish a reserve.**

	% of FD Budget	Total Reserve	Actual Contribution
Town of Eagle	54.81%	\$200,000	\$109,620
Village of Eagle	18.07%		\$36,140
Village of North Prairie	27.12%		\$54,240

	% of FD Budget	Total Reserve	Actual Contribution
Town of Eagle	54.81%	\$300,000	\$164,430
Village of Eagle	18.07%		\$54,210
Village of North Prairie	27.12%		\$81,360

**Note:** North Prairie currently does not have a designated 'reserve' for the FD. NP's 'reserve' is incorporated into the general fund balance for the municipality.

**Note:** Eagle's designated 'reserve' for the FD would be returned to municipalities at the current budget's contribution percentages. Currently that would equal to the Town of Eagle receiving \$175,705 and the Village of Eagle receiving \$57,976.

## Summary

After much research and discussion we (Donna Samuels, John Davis and Rich Spurrell) believe the consolidation of both the Eagle and North Prairie Fire Departments is not only feasible in concept, but would appear to be worthwhile for all municipalities from a financial aspect.

We understand the financial aspect of the consolidation is only one aspect. There are many other aspects that need to be researched before saying the consolidation is a good idea. This 'report' is only looking at potential financial issues.

We also realize that even though the decision is ultimately up to the three municipal boards, we feel the support and agreement of the departments' memberships is equally important. We recommend a definitive vote of both memberships is taken to confirm the members of both departments support a potential consolidation before further time and resources are devoted to this venture.

Therefore we would recommend, *pending not only the approval by all three boards but also the approval of both departments' memberships*, having committees formulated to further research other aspects of the consolidation of the departments; and if the other aspects are found to be feasible as well, to move forward with the consolidation of both Eagle and North Prairie's Fire Departments.

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