



# Milton Fire Department Funding Options

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MILTON FIRE COMMISSION

JULY 30, 2020

# Objectives for a Fire Department Redesign

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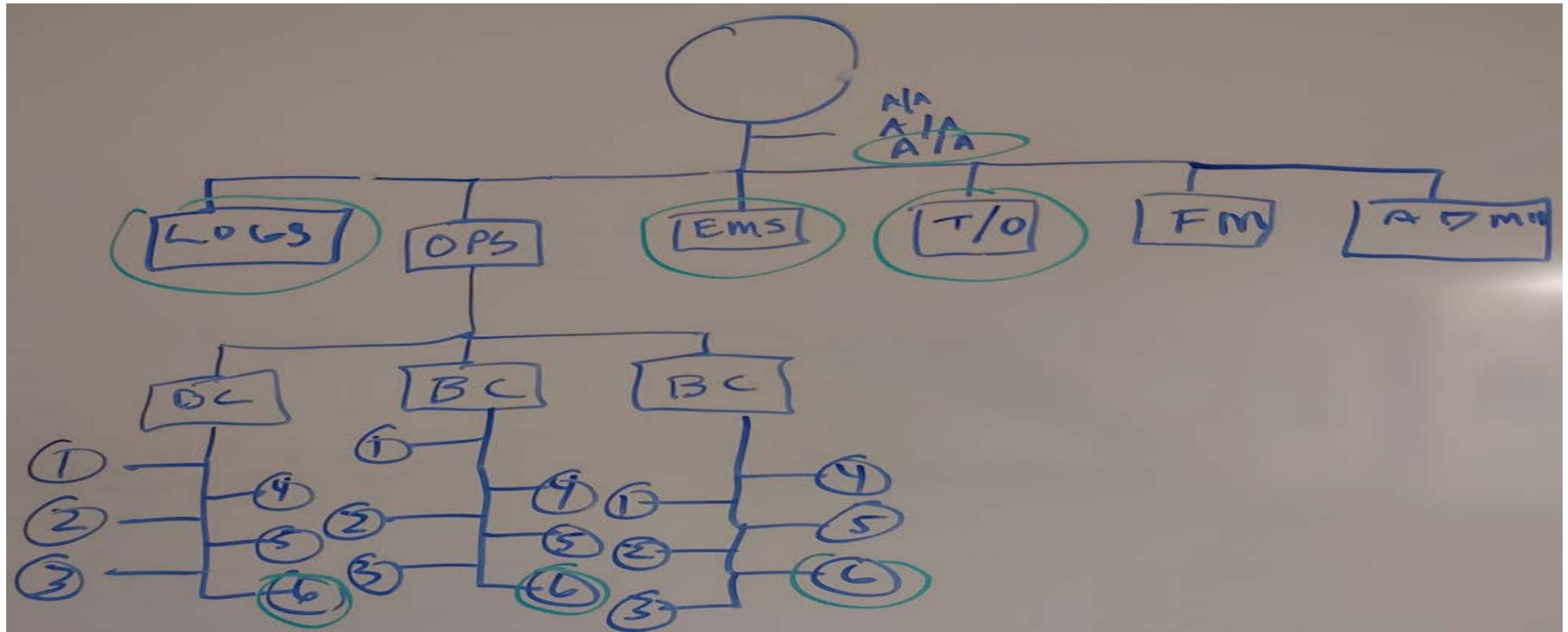
- Any merger or consolidation must maintain all administrative and FT/regular PT command staff
- Enhance both fire departments to provide best practices as the budget will allow
- Building a system that will meet current and future needs

# Assumptions for Scenarios

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- Janesville has not conducted a full analysis on what would be required to ensure any cost of recovery related to administration and/or Fire administration.
  - The amounts shown are based on estimated assumptions.
- All full-time employees are assumed to have “family” related benefits.
- Full-time wage rates are based on Janesville’s 2021 union contract. The actual rates could be different depending on when implementation would take place.
- Cost of a new building is not factored

# Scenario #1 – Consolidation with Janesville



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- Current EMS collections (\$250,000)
- 15 full-time Firefighter/Paramedics (~\$1.3 million)
- 3 full-time Lieutenants (~ \$376,000)
- Existing Milton Battalion Chiefs & Admin Assistant (~\$110,000)
- Annual contribution for capital/equipment replacement (~\$175,000)
- Full utilization of their existing Fire/EMS Management structure (~\$130,000)
  - Includes: Fire, Deputy and Battalion Chiefs, Fire Marshal and Inspector
- Current budget for operating supplies, utilities, vehicle maintenance, etc. (~281,000)

Total approximate operating budget of \$2.4 million and required tax levy of \$2.125 million

Janesville would take over financial reporting (including payroll, invoice processing, etc.)

# Scenario #1 – Pros

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- Leverage total budget between Janesville and Milton of \$14+ million
- Access to 6 fire stations
- Full command staff with training, logistics, etc.
- Stabilize the staffing model
- Career advancement for existing membership

# Scenario #1 – Pros

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- Economies of scale (supplies, training, services, etc.)
- Enhanced backup fleet
- Handling of larger critical incidents
- Increased capability to respond to multiple calls
- Better systems approach (training, response, etc.)
- Overall improved level of service

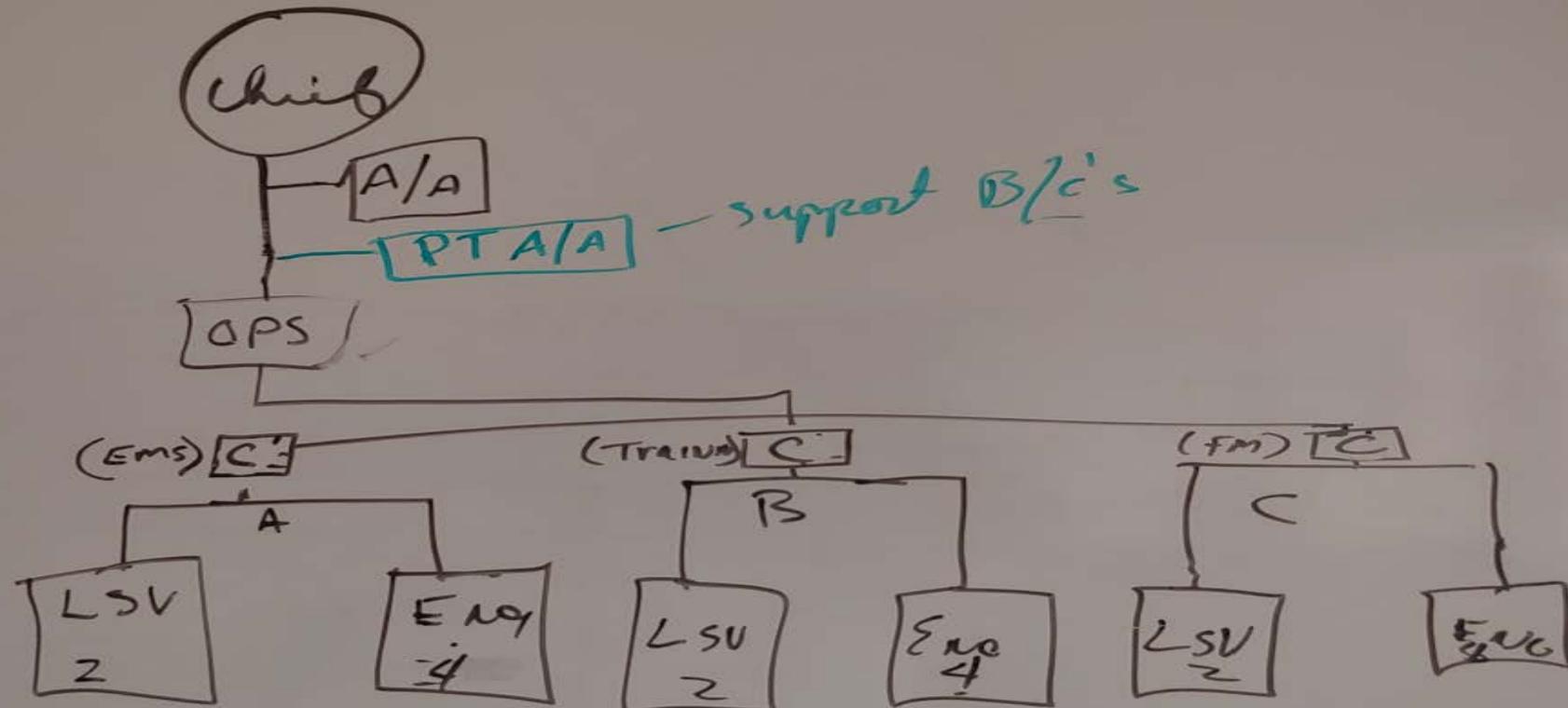
# Scenario #1 – Cons

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- Perceived loss of identity for Milton Fire Department by
  - Staff and Community
- Limited control on resources
- Perception of tax dollars leaving the community
- Increased loss volunteerism for the department
- Change is always difficult

# Scenario #2 – Standalone Department

Create full MFD.



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# Scenario #2 – Standalone Department

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- Current EMS collections (\$250,000)
- 15 full-time Firefighter/Paramedics (~\$1.24 million)
- 3 full-time Captains (~ \$325,000)
- 3 full-time Lieutenants (~ \$283,000)
- 1.50 FTE Admin Assistant (~\$67,000)
- Fire Chief & Deputy Chief (~\$237,000)
- Annual contribution for capital/equipment replacement (~\$175,000)
- Current budget for operating supplies, utilities, vehicle maintenance, etc. (~281,000)
- Estimated \$115,000 for Accounting/Payroll/HR services

Total approximate operating budget of \$2.725 million and required tax levy of \$2.475 million

## Scenario #2 – Pros

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- Complete control of fire resources
  - Exclusive use of equipment
- Maintain the exclusive identity of the Milton Fire Department
- “Our” own Command staff
- Overall improved level of service

## Scenario #2 – Pros

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- FT personnel that would work exclusively in the community
- More FT career opportunities for existing membership
- Stable staffing pattern
- Creation of own labor agreement could create better flexibility
  - Continued utilization of PT/Volunteer staffing

## Scenario #2 – Cons

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- Limited economies of scale
  - Exclusive management structure
  - Harder to bulk purchase
  - Creation of 2 fire systems (duplication of effort)
  - Continued reliance on mutual aid
  - Harder to utilize equipment if a piece is unavailable
- Higher overall cost share (estimated \$2.5M vs \$2.1M)
- More shared duties in management roles
- Potential cost share for mutual aid calls

# Current Allocations

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- City of Milton and Town of Milton are 50% owners and contributors
  - Any cost overruns are split 50/50 with each jurisdiction
  - Capital costs are split 50/50 with each jurisdiction
- Fixed annual contracts with the following Townships:
  - Town of Harmony
  - Town of Johnstown
  - Town of Lima
  - Town of Koshkonong



# 2020 Current Budget

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## Revenue

Projected EMS collections	\$ 252,346
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## Expenses

Wages and benefits	\$ 827,938
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Payment to Janesville	50,520
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Other operating expenses	<u>280,870</u>
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	\$ 1,159,328
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Net amount to collect from

Townships and Owners	<u><u>\$ 906,982</u></u>
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# 2020 Allocation

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## 2020 Budgeted Contributions

City of Milton	\$ 391,592	43.18%
Town of Milton	\$ 391,592	43.18%
Town of Harmony	\$ 72,920	8.04%
Town of Johnstown	\$ 27,676	3.05%
Town of Lima	\$ 15,025	1.66%
Town of Koshkonong	<u>\$ 8,178</u>	0.90%
	\$ 906,983	

# Equalized Value Allocation

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- Staff explored the concept of cost allocation using equalized value because this commonly used in Wisconsin for allocating property tax levies for:
  - School Districts
  - Counties
  - Technical colleges
  - Fire Districts (where they exist)

# Why Equalized?

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- The amounts are updated by the Department of Revenue (DOR) annually on or around August 15 of every year.
- Costs are split based on the amount of property being protected by the Department.

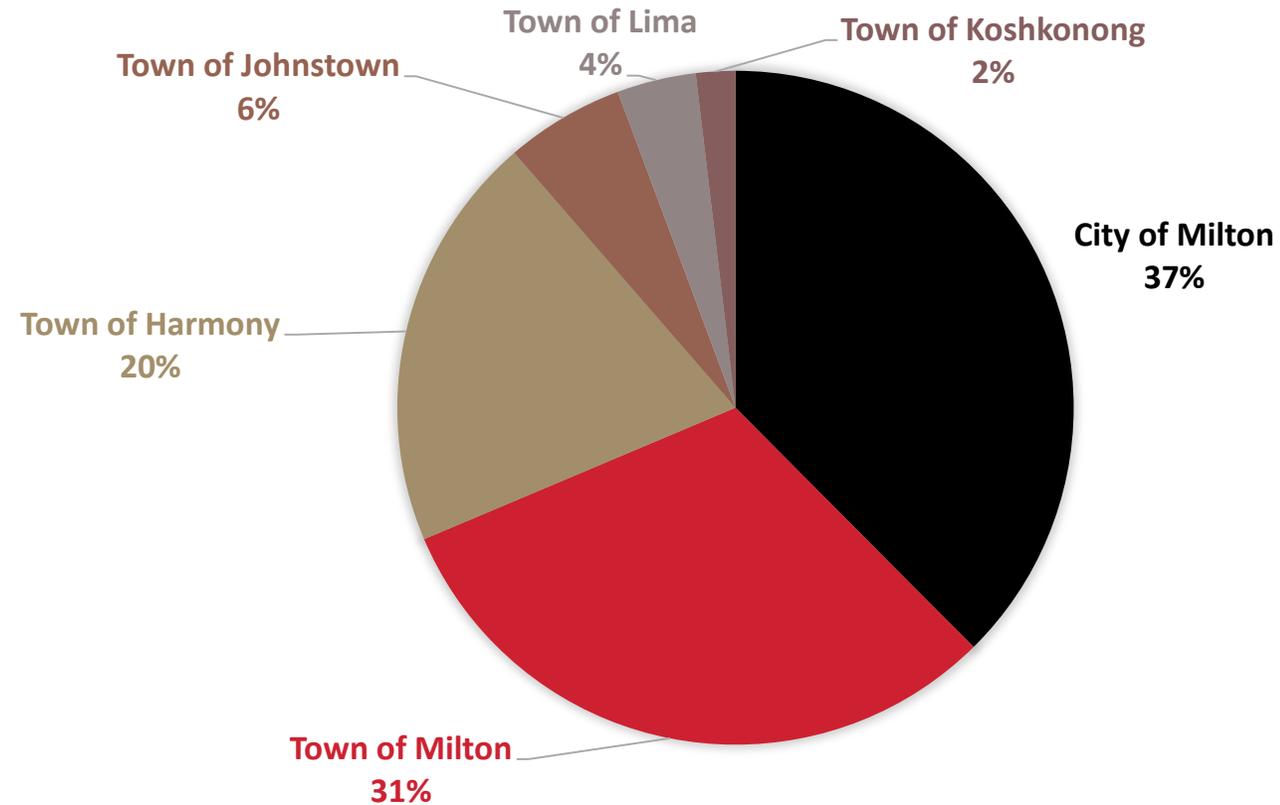
# What would 2020 Budget Equalized Allocation have looked like?

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	<b>Percentage covered by Department</b>	<b>2019 Equalized Value</b>	<b>2019 Equalized Value to Dept</b>	<b>% Budget Allocation by Equalized</b>	<b>Actual Budget Allocation</b>
City of Milton	100%	\$ 427,445,300	\$ 427,445,300	37.57%	43.18%
Town of Milton	100%	\$ 353,310,500	\$ 353,310,500	31.05%	43.18%
Town of Harmony	80%	\$ 284,955,100	\$ 227,964,080	20.03%	8.04%
Town of Johnstown	74%	\$ 87,438,800	\$ 64,704,712	5.69%	3.05%
Town of Lima	40%	\$ 107,502,800	\$ 43,001,120	3.78%	1.66%
Town of Koshkonong	5%	\$ 428,515,200	\$ 21,425,760	1.88%	0.90%
		<u>\$ 1,689,167,700</u>	<u>\$ 1,137,851,472</u>		

# What would 2020 Budget Equalized Allocation have looked like?

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# What would 2020 Budget Equalized Allocation have looked like?

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	<b>Actual</b>	<b>Equalized</b>	<b>Allocation</b>
	<b>Contribution</b>	<b>Contribution</b>	<b>Over/(Under)</b>
City of Milton	\$ 391,592	\$ 340,717	\$ 50,875
Town of Milton	\$ 391,592	\$ 281,624	\$ 109,968
Town of Harmony	\$ 72,920	\$ 181,711	\$ (108,791)
Town of Johnstown	\$ 27,676	\$ 51,576	\$ (23,900)
Town of Lima	\$ 15,025	\$ 34,276	\$ (19,251)
Town of Koshkonong	\$ 8,178	\$ 17,078	\$ (8,900)
	<u>\$ 906,983</u>	<u>\$ 906,982</u>	<u>\$ 1</u>

Percentages shown are based on the Equalized values certified by the Department of Revenue (DOR) as of August 15, 2019.

# What would the increase be if Equalized Value was utilized for allocations – SCENARIO #1 (Consolidation)

	<b>% Budget Allocation by Equalized</b>	<b>Amount Paid in 2020</b>	<b>Scenario #1 Allocation</b>	<b>Potential Increase</b>	<b>Percentage Increase</b>
City of Milton	37.57%	\$391,592	\$ 798,278	\$ 406,686	104%
Town of Milton	31.05%	\$391,592	\$ 659,827	\$ 268,235	68%
Town of Harmony	20.03%	\$ 72,920	\$ 425,735	\$ 352,815	484%
Town of Johnstown	5.69%	\$ 27,676	\$ 120,840	\$ 93,164	337%
Town of Lima	3.78%	\$ 15,025	\$ 80,307	\$ 65,282	434%
Town of Koshkonong	1.88%	\$ 8,178	\$ 40,014	\$ 31,836	389%
		\$906,983	\$2,125,001	\$1,218,018	134%

The allocation percentages are based on the 2019 equalized values certified by the Department of Revenue (DOR) on August 15, 2019. The actual percentage would be based on the allocation in the year of implementation

# What would the increase be if Equalized Value was utilized for allocations – SCENARIO #2 (Standalone)

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	<b>% Budget Allocation by Equalized</b>	<b>Amount Paid in 2020</b>	<b>Scenario #2 Allocation</b>	<b>Potential Increase</b>	<b>Percentage Increase</b>
City of Milton	37.57%	\$391,592	\$ 929,007	\$ 537,415	137%
Town of Milton	31.05%	\$391,592	\$ 767,883	\$ 376,291	96%
Town of Harmony	20.03%	\$ 72,920	\$ 495,456	\$ 422,536	579%
Town of Johnstown	5.69%	\$ 27,676	\$ 140,629	\$ 112,953	408%
Town of Lima	3.78%	\$ 15,025	\$ 93,458	\$ 78,433	522%
Town of Koshkonong	1.88%	\$ 8,178	\$ 46,567	\$ 38,389	469%
		<u>\$906,983</u>	<u>\$2,473,000</u>	<u>\$1,566,017</u>	173%

The allocation percentages are based on the 2019 equalized values certified by the Department of Revenue (DOR) on August 15, 2019. The actual percentage would be based on the allocation in the year of implementation

# Levy Limit Implications

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Under Wis. Stats. 66.0602(5), Towns with populations of less than 3,000 do not have to go to referendum for levy increases if the increase is approved the annual town meeting or special town meeting:

**(5) EXCEPTION, CERTAIN TOWNS.** A town with a population of less than 3,000 may exceed the levy increase limit otherwise applicable under this section to the town if the town board adopts a resolution supporting an increase and places the question on the agenda of an annual town meeting or a special town meeting and if the annual or special town meeting adopts a resolution endorsing the town board's resolution. The limit otherwise applicable to the town under this section is increased in the next fiscal year by the percentage approved by a majority of those voting on the question. Within 14 days after the adoption of the resolution, the town clerk shall certify the results of the vote to the department of revenue.

# Levy Limit Implications

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For those municipalities who have more than 3,000 residents, the only way to get additional tax levy capacity is to pass a referendum.

**In odd-numbered years the referendum could be held:**

- April election (deadline for ballot language would be in mid January)
- A special referendum at anytime during the year (deadline for ballot language approval is no later than 70 days prior to election day). Total cost must be paid for by entities that choose a special election (including costs for the Rock County Clerk's office).

**In even-numbered years the referendum could be held:**

- April election (deadline for ballot language would be in mid January)
- August election (deadline for ballot language would be in late May)
- November election (deadline for ballot language would be in mid September)

# Action Steps

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- Choose a Scenario as soon as possible
- Hire FT Fire Chief or merge command staff
- Determine cost share methodologies for capital and operations expenditures
- Plan and build fire station based on GIS data (Hilltop Dr. location)
- Plan/prepare for a referendum in 2021
- If passage of referendum, hire staff
- Execute standalone operation or consolidation