

July 2015

## **2014 ANNUAL REPORT PRESCOTT AREA FIRE & EMS ASSOCIATION**

Dear Fellow Citizens of Clifton Township, Oak Grove Township and City of Prescott:

**Introduction:** This annual report is presented during an evolutionary period in the history of the Prescott Area Fire and EMS Association. For the past several years the Association has operated financially within the narrowest of margin in order to offset ever-rising operational costs. We, the members of the Association Board, have balanced operational needs with broader fiduciary responsibility on behalf of the taxpayers who support and depend upon vital services. This fiduciary responsibility has and will continue to occur within an ever-changing economic and statutory environment. Funding begins at the federal block grant level, moves to the state and is subjected to legislative funding reductions, then moves to the local level where counties and municipalities are challenged to make up the shortfall. The rising costs of local Fire and EMS services, new mandates realized by the Affordable Care Act and local referendum initiatives all add to municipal budgetary and taxpayer pressures. Fortunately, in the Association's case, our vital Fire and EMS services are always supported by our three member municipalities.

As much as we concentrate on the fiscal aspects of the Association, we also concentrate on overall operational needs of our officers and volunteers to ensure sustainability and professional growth. Naturally, at times, there is a collision of interests and public debate within the confines of limited resources. This is, perhaps, the greatest challenge of the Association's Operating Committee – and one that demands prioritization. One thing that is always foremost on our minds, as we examine our budgetary responsibility, is to thoughtfully consider the long-term excellence and sustainability of our people who dedicate passion and talent to a cause greater than themselves. On behalf of the Association Board, we sincerely thank each member of the Prescott Area Fire and EMS Association for their noble service to our communities.

**Intergovernmental Collaboration during a Time of Change:** Because of the ever-changing economic environment across the state and within local communities, the City of Prescott and Townships of Clifton and Oak Grove, upon conclusion of the inaugural ten year Association Agreement, unanimously ratified a new ten year Agreement in 2014. This important decision maintained ongoing stability, flexibility and continuity to deal with the ever-changing realities of providing vital services. This open intergovernmental process, through representation, will continue our strength of "*E Pluribus Unum.*"

The Association Board will never shy away from the difficult decision to consolidate EMS services in 2015 and we would be remiss to not acknowledge this major decision forthwith. Public policy generates debate and debate yields consensus. Inasmuch, the Association Board accepted the challenge of weighing this important issue within the court of public opinion where support, opposition and indifference reside. Faced with stark financial and operational realities, the Association Board commenced a due diligence process to evaluate and illuminate options toward long-term sustainability of EMS services. Ultimately, the Board approved a service consolidation with the City of River Falls, a proven EMS provider and longtime mutual-aid partner. Paramount in this process is the Board's commitment to Prescott area volunteers and part-time EMS personnel who have built the services we have all trusted and appreciated. This consolidation effort will maintain quality, sustainability, and foster additional professional opportunities for our legacy EMS personnel. The residents of Prescott and townships of Oak Grove and Clifton are direct beneficiaries of this consolidation effort and should look forward with confidence as we all work to refine and remain accountable for our progressive decisions.

The Prescott Area Fire and EMS Association Board and members of the Prescott Fire and EMS Department sincerely thank our taxpayers for continued support and we look forward to another year of service to the citizens of Prescott and Townships of Oak Grove and Clifton.

Dan Johnson, Chair

Joe Rohl, Vice-Chair

## **General Condition of the Association & Department Operations**

### **About Prescott Area Fire and EMS Association**

The Prescott Area Fire and EMS Association was established in 2005 by the City of Prescott and Townships of Clifton and Oak Grove, for an initial ten year period. In 2014, this agreement was renewed for another ten years, effective in 2015, by these same three municipalities.

The operating committee's primary responsibility is the efficient and effective performance and business nature of Fire and EMS where they oversee general operations, specific personnel matters, annual funding sources, agreements, expenses, risk, cash flow, capital equipment, annual budgets, planning, communication, and related departmental and public policy.

The Association is structured as an intergovernmental unit with enumerated powers under Wisconsin statutes 66.23(1), 60.55, 62.13 and 66.0301. Oversight responsibilities of both Fire and EMS are conducted by appointed volunteer Operating Committee board members as follows: three from Prescott, two from Clifton, and two from Oak Grove Townships. A simple majority is required for a quorum to conduct Association business.

In conjunction with the Operating Committee Board, there is also municipality appointed volunteer Joint Board of Commissioners empowered under statute 60.55 and 62.13 to hear and act on any disciplinary actions or charges brought against the fire chief, department officers, and members.

The Operating Committee typically meets on a monthly basis with the Fire Chief, EMS Director and the City of Prescott administration partner to review all business and fiscal components. The committee captures feedback from the respective departments and receives any information or concerns expressed by the public. Unless specifically exempted under Wisconsin state statute, all Association meetings are open to the public.

### **Your Fire Department - Est. 1860 – “Don't go to a fire without taking at least one bucket”**

Tradition runs deep at Prescott Area Fire Department. Founded during the Civil War era by concerned citizens to protect their property from fire and other natural disasters – created at a time when neighbors really did depend on neighbors! In fact, on January 7<sup>th</sup> 1860, Prescott's first Hook and Ladder Company was organized, prompted in great part by the prevalence of fires in log and flour mills. This spirit of volunteerism exists even today in the hearts and minds of Prescott's area citizenry and is at the core of their desire to help one another during times of threat and need.

We are a department of 40 professionally trained fire-fighting volunteers that takes great pride in serving the community. Our capital equipment represents five fire trucks for event response and community event support.

The main Fire Station is in the City of Prescott on Flora Street built in the 1960s and expanded in the late 1980s to accommodate the addition of an ambulance service. The ancillary fire station is located at the Township of Oak Grove Town Hall on 1100<sup>th</sup> Street just south of Prescott.

In addition to the ground event response teams, Prescott Fire Department has a new watercraft response team for rescue and recovery operations located at a local marina. As with our mutual-aid ground support to other fire departments in the area, Prescott Fire also provides mutual-aid water rescue and recovery support to those same departments and agencies.

New space for the ambulance service (EMS) and Prescott Police Department was constructed in 2005 where it currently resides. Fall of 2014 marked an intergovernmental decision led by the Association, within Wisconsin statute authority to consolidate Prescott's EMS operations with River Falls Emergency Medical Services – a mutual-aid response partner.

### **Change of EMS Operations in a Changing Environment**

As mentioned in the Chairman's introduction, the Association Board commenced a due diligence process in the spring of 2014 to fully consider a trending annual budget deficit. Allina Health System conducted a *pro bono*, non-biased study that yielded a complete evaluation and assessment of our EMS services. Allina's published study was made available to the three member municipalities and the public. This study highlighted that an average of 300 calls per year would not cover current and future expenses, nor provides need capital to replace equipment and provide for necessary investments in our personnel. In fact, industry standards dictate that a minimum average of 1200 runs per year is necessary to balance the books absent emergency spending. The Prescott area is simply not growing that fast. In addition, the ambulance fleet and required equipment is vulnerable due to aging and no funds exist in escrow. Required capital would take years to raise within an environment of concurrently rising operating costs. Also of note, the study highlighted the need to add part-time paid EMT personnel due to declining volunteerism – an unfortunate industry trend.

Regardless of the budgetary shortfall of 2014, the stark reality of this study was that FY 2015 would require an additional infusion of funds without any capital equipment funding set aside. This presented a multifaceted challenge to the Association in light of State levy caps which could not be raised to the level of funding required. A financial instrument considered, and deemed impractical in light of the competitive environment, was a public referendum yielding another tax increase on our community members. Additionally, time to organize a referendum was prohibitive being so late in the planning year during budget formulation.

As a result, the Association explored another recommendation within the Allina study and pursued the option of consolidation opportunities with the surrounding communities. A Request for Information (RFI) was openly published by the Association and all responses were subsequently reviewed. River Falls EMS, a credible and valuable mutual-aid partner, was selected by the Association as a leading candidate for consolidation. Within this partnership the Association required, amongst other things, that the EMS location in Prescott be maintained and staffed in order to maintain effective and efficient response to our community members, and that our legacy personnel be provided opportunities to the full extent possible. We enforced these conditions out of a shared sense of pride in our local service and to help our deeply committed local volunteers and part-time personnel maintain the closest proximity.

January 1<sup>st</sup> of 2015 the consolidation became official alleviating the community of an uncertain financial risk due to cuts at the state and federal level (Medicare/Medicaid) and mitigating other risks foreseen and unforeseen of capital investment. The calculation for the consolidation comes at a per capita rate

structure that is shared by all three municipalities. Chute times (call response) will be maintained and the high quality and service will remain an expectation. Several Prescott area residents who are EMTs still work out of the Pine Street EMS facility where the day-to-day operations are housed. Within the terms of the multi-year Agreement, EMS service is under the direction of River Falls who maintains accountability to the Prescott Area Fire and EMS Association for oversight and fiduciary responsibilities.

### **Volunteering for Service – A Direct Appeal to Our Citizenry!**

President George H.W. Bush said that “public service is a noble calling.” So it does not matter at what level that service might be given. Whether at the federal, state, or local level – all communities have a need for dedicated citizens to serve. Our Prescott Area fire fighters and emergency management technicians recognize the call to duty. The Association asks that the citizenry consider giving back to your community by the service you may provide as a fire fighter or EMT. We ask that you consider being a volunteer and continue the rich heritage of public safety volunteerism going back to 1860!

### **New Policies for Risk Mitigation and Compliance**

2014 realized changes in policy for our operations and the financial well-being of the Association. Concentration was given to update both the bi-laws and handbook of the Fire Department and EMS personnel covering a range of matters to concentrate on safety and mitigate risk.

The Association also carefully monitored Fire response events and EMS service costs and made charge or fees adjustments to help offset loses or those that were further anticipated by state and federal reductions. Other cost adjustments in the EMS area was made that included new pricing structures for expert-level credentialed personnel and related EMS service charges. A team effort was coordinated, by including both Fire and EMS personnel for their own comments, inputs, perspective, and costing ideas to help offset increasing expenses and add efficiencies.

Statutory emphasis was given on Health Information Portability and Accountability Act (HIPAA) considerations upon the transfer of information during the EMS consolidation - and future Fire Department responses that involves patient health information.

For Association’s Fire Department personnel, a new disability and life insurance (AD&D) policy was made in effect for fiscal year 2015. This was the result of listening to valid occupational risk concerns by rank and file to address the hazards on the job site.

### **Communications**

To better serve the Fire Department and Community at-large, the Association is in the process to better communicate through different mediums, such as the city’s web site, paper publication, and meetings with fire staff to learn and support the annual communication needs. A plan was created and approved to work towards enhancing the way the Association disseminates information. Face to face feedback with our fire-fighters and officers will be conducted throughout 2015 to stay on top of any issues and to quickly resolve them. Lastly, through articles, announcements, other publications, including annual fund-raising or public events, the Association and Fire Department hopes to grow volunteer and financial donation opportunities. This kind of exposure reflects most positively in our public education program, provided by our Fire Department, at events like *Prescott Daze*, in public schools, and community events to share important fire safety advice.

### Statistics and Other Financial Items of Interest

Number of Fire Calls:	<b>2014</b>	<b>2013</b>
	57	80
Number of EMS Calls:	<b>2014</b>	<b>2013</b>
	325	340

- Total Per Capita Fire 2015 - \$20.28 Total Per Capita EMS 2015 - \$20.72  
(Note: of this EMS amount, we pay River Falls EMS, \$18.00 Per Capita, with the difference going to intergovernmental expense)
- Total Per Capita Fire 2014 - \$16.28 Total Per Capita EMS 2014 - \$24.72
- Number of Fire Inspections: 200 Commercial Properties, 37 Apartment/Condominium Buildings
- Both Wages of Fire Volunteers and Part-time EMS personnel were increased.
- Life/Dismemberment/Disability Insurance Policy for Firefighter and Board membership.

### Key Financial Information\*

In the Basis of Accounting/Measurement Focus, The Association follows the full accrual basis of accounting and the flow of economic resources measurement focus.

### Interfund Agreement with General Fund

The City has approved a resolution authorizing interfund borrowing between the General Fund and the Prescott Fire & EMS Association to cover cash shortfalls as needed. An interest rate of 2.5% is applied to any balance borrowed.

\*Please contact Vanessa Norby at Prescott City Hall Finance Department for any specific questions related to audited documents.

2014 Audited Financial Statement Fire Department

CITY OF PRESCOTT  
 FIRE/AMBULANCE ASSOCIATION  
 BALANCE SHEET  
 DECEMBER 31, 2014  
 FIRE SERVICE FUND

	YTD	PRIOR YTD
<u>ASSETS</u>		
101-11111 TREASURER'S CASH	37,806.41	90.86
101-13100 CUSTOMER ACCOUNTS RECEIVABLE	42,519.97	55,610.64
101-13101 OTHER RECEIVABLES	.00	3,394.34
101-13102 FIRE INSPECTIONS RECEIVABLE	1,470.13	.00
101-13150 ALLOWANCE/UNCOLLECTIBLE ACCTS	( 30,229.24 )	( 23,121.24 )
101-13200 SHORT TERM ADVANCE TO EMS	2,000.00	9,000.00
101-16081 ACCUMULATED DEPRECIATION	( 158,830.70 )	( 133,655.66 )
101-16090 CAPITAL ASSETS	660,839.10	660,839.10
	<u>555,575.67</u>	<u>572,158.04</u>
<u>LIABILITIES AND EQUITY</u>		
<u>LIABILITIES</u>		
101-21200 ACCOUNTS PAYABLE	17,241.83	20,676.07
101-22750 ACCRUED PAYROLL	628.41	933.06
101-25500 ADVANCE F/GEN FUND -TRUCK LOAN	28,923.95	37,226.95
101-25600 2012 GO BONDS - FIRE TRUCK	190,000.00	200,000.00
101-26201 DEFERRED INSPECTIONS REVENUE	1,470.13	.00
	<u>238,264.32</u>	<u>258,836.08</u>
<u>FUND EQUITY</u>		
101-34000 FUND BALANCE	313,321.96	313,968.38
101-34001 DONATION RESERVES FOR CLOTHING	500.00	.00
REVENUE OVER EXPENDITURES - YTD	3,489.39	( 646.42 )
	<u>317,311.35</u>	<u>313,321.96</u>
TOTAL LIABILITIES AND EQUITY	<u>555,575.67</u>	<u>572,158.04</u>

2014 Audited Financial Statement EMS Department

CITY OF PRESCOTT  
 FIRE/AMBULANCE ASSOCIATION  
 BALANCE SHEET  
 DECEMBER 31, 2014  
 AMBULANCE SERVICE FUND

	YTD	PRIOR YTD
<u>ASSETS</u>		
608-11111 TREASURER'S CASH	113.65	44.51
608-11202 FNB - EMS FUND	1.43	421.40
608-11400 ACCOUNTS RECEIVABLE	237,338.18	225,658.13
608-11410 ALLOWANCE FOR BAD DEBTS	( 153,412.48 )	( 141,308.95 )
608-16081 ACCUMULATED DEPRECIATION - AMB	( 20,627.89 )	( 17,484.16 )
608-16090 ASSETS/AMBULANCE	34,122.52	34,122.52
TOTAL ASSETS	<u>97,535.41</u>	<u>101,453.45</u>
<u>LIABILITIES AND EQUITY</u>		
<u>LIABILITIES</u>		
608-21200 ACCOUNTS PAYABLE	7,592.73	3,991.21
608-21270 RESERVE - VACATION/ SICK PAY	.00	13,917.94
608-21750 ACCRUED PAYROLL	11,858.18	9,068.73
608-25600 SHORT TERM ADVANCE F/GEN. FUND	.00	2,000.00
608-25612 ADVANCE FROM GENERAL FUND	8,380.96	11,001.86
608-25620 SHORT TERM ADVANCE F/FIRE	2,000.00	9,000.00
TOTAL LIABILITIES	<u>29,831.87</u>	<u>48,979.74</u>
<u>FUND EQUITY</u>		
608-35000 FUND BALANCE	52,473.71	86,284.56
REVENUE OVER EXPENDITURES - YTD	<u>15,229.83</u>	<u>( 33,810.85 )</u>
TOTAL FUND EQUITY	<u>67,703.54</u>	<u>52,473.71</u>
TOTAL LIABILITIES AND EQUITY	<u>97,535.41</u>	<u>101,453.45</u>

## 2015 Fire and EMS Revenue Budget Distribution

	2015 Population <u>Population Distribution</u>	
Prescott	4,258	58.94%
Oak Grove	2,158	29.87%
Clifton 40%	<u>808</u>	11.18%
	7,224	

Using 2014 Pierce Co guide

<u>2015 Budget</u>	<u>Fire</u>	<u>EMS</u>	<u>Total</u>
Prescott	86,329	88,241	174,570
Oak Grove	43,753	44,722	88,475
Clifton 40%	<u>16,382</u>	<u>16,745</u>	<u>33,127</u>
	146,464	149,708	296,172

<u>Levy History</u>	<u>Fire</u>	<u>EMS</u>	<u>Total</u>	
2015 Budget	146,464	149,708	296,172	<b>0% No Increase</b>
2014 Budget	117,571	178,601	296,172	<b>9.52% increase</b>
2013 Budget	125,254	145,162	270,416	<b>2.50% increase</b>
2012 Budget	122,199	141,621	263,820	<b>0% increase</b>
2011 Budget	122,199	141,621	263,820	

<u>Cost Per Person</u>	<u>Fire</u>	<u>EMS</u>	<u>Total</u>
<b>2015</b>	\$ 20.28	\$ 20.72	\$ 41.00
<b>2014</b>	\$ 16.28	\$ 24.72	\$ 41.00
<b>2013</b>	\$ 17.36	\$ 20.12	\$ 37.49
<b>2012</b>	\$ 16.94	\$ 19.63	\$ 36.57
<b>2011</b>	\$ 16.94	\$ 19.63	\$ 36.58

- It is estimated 40% of Town of Clifton population is in the Prescott Fire & EMS District