

Darien-Sharon-Walworth Fire/EMS Contracted Service Outline July 2020

The Fire/EMS Chiefs from the Darien Fire/EMS Department, the Walworth Fire/EMS Department, and the Sharon Fire/EMS Department have been working together for over a year to develop a plan to provide 24/7 Paramedic level Emergency Medical Services to the areas served by the three Departments. This document serves as a Concept Plan and outline for such a service. This document was updated and revised in July 2020, after the Darien, Sharon, and Walworth Chiefs attended Village and Town Board meetings in the participating jurisdictions in June 2020.

A. BACKGROUND

The Darien, Sharon, and Walworth Departments operate within the “volunteer” category of Wisconsin Fire Departments. Personnel are paid; however, they are not full time and are paid either hourly or by stipend for calls, meetings, and training. Members of these Departments serve their communities out of a desire to help the public, the camaraderie amongst the members, and a commitment to their communities.

Over the past ten years, the volunteer fire/EMS departments in Wisconsin and all over the United States have changed substantially. As municipal tax levies have tightened, less money is available to volunteer departments. As the population ages, there are more demands on the EMS system for non-emergency services (lift assists and rides to the hospital). As the older volunteers retire, fewer younger people are available to take their place. As the employer expectations change, fewer people can leave full-time work to respond to local emergency calls. As certification and training requirements increase, fewer people have the time and resources to commit to a volunteer department.

The Darien, Sharon, and Walworth Departments have struggled to function while facing these changes. Despite all the challenges outlined above, all three Departments have found a way to provide service. However, there are times when an ambulance is not available. There are times when calls for service go unanswered. There are times when patients wait, which can result in negative health outcomes.

B. CONCEPT

In order to ensure appropriate emergency medical service, the Chiefs from Darien, Sharon, and Walworth have been working together on a plan to hire a private service provider (“Provider”) to provide EMS and fire protection coverage to the areas served by the three Departments. The Provider will provide the staff (“Duty Crew”), the ambulance, the Wisconsin EMS license, the EMS service, and the billing services. One participating jurisdiction (“Lead”) would enter into a contract with the Provider (“Contract”), and all the participating jurisdictions would enter into an Intergovernmental Agreement (IGA) for the service.

The Duty Crew consists of two individuals providing 24/7 paramedic-level EMS and fire protection coverage in the service area. The Provider pays the employees and provides all administrative functions including workers compensation insurance, payroll, benefits, retirement, health insurance, and liability insurance. The Provider also provides the ambulance, fuel, equipment, and maintenance services for the ambulance. The Provider bills for the EMS runs performed by the Duty Crew under the Provider's Wisconsin EMS license. The Departments provide the uniforms, radios, certain supplies, oversight, operational management, and physical station locations.

C. GOALS

The goals of the Contract with the Provider and the IGA are as follows:

1. Increase level of Fire/EMS service for residents, visitors, and guests in the service area
2. Provide 24/7 Paramedic level EMS service in the service area
3. Decrease response times for all emergencies in the service area
4. Solidify partnership between Darien, Sharon, and Walworth for Fire and EMS services
5. Maintain existing individual department volunteer and paid-on-call programs
6. Continue to value and support volunteer Fire/EMS personnel through continued training and opportunities to utilize skills
7. Share costs among participating jurisdictions while providing a regional solution to the shortage of Fire/EMS personnel
8. Create efficiencies within Departments through working together on training and joint planning for future equipment and facility purchases

D. TERM

The Chiefs are considering a three-year Contract with the Provider and a three-year IGA among the participating jurisdictions: January 1, 2021 through December 31, 2023. The IGA would not automatically renew, and any possible renewal must be reviewed and renegotiated between all parties.

E. SERVICE AREA/PARTICIPATING JURISDICTIONS

- Village of Darien
- Town of Darien
- Village of Sharon
- Town of Sharon
- Village of Walworth
- Town of Walworth

F. EXPENDITURES AND REVENUES

While the cost of this Concept Plan would be substantial, the cost of attempting to start a "Fire District" and employing full time municipal Fire/EMS personnel would be significantly greater. The estimated cost of the Concept Plan, including the Contract and the equipment, medical supplies, radios, and other supplies ("Program"), is estimated at \$405,847.29.

The cost of the Contract alone is \$360,747.29, as provided by the Provider in the attached letter dated July 9, 2020, and includes \$150,000 in revenue subtracted from the actual cost of the service. Because the Provider is using the Provider's license, the Provider is required to bill and retain the revenue from the EMS runs. The Provider will issue monthly statements and summary reports to the Lead participating jurisdiction. These reports will show how much revenue is collected by the Provider. Any revenue collected by the Provider over the \$150,000 included in the Contract would be returned to the municipalities based on the formula in which they contributed.

Other Program costs include administration and accounting services, legal services, and uniforms. The administrative and accounting services functions will be provided by the Lead participating jurisdiction. The legal services cost includes drafting the IGA between all of the participating jurisdictions and ongoing legal support. There are also costs associated with equipment, medical supplies, facility expenses, and contingency funds. Table one shows the estimate of expenditures for the Contract and Program for the first year.

Table 1: Proposed Year 1 Expenditures

DARIEN-SHARON-WALWORTH EMS CONTRACT & PROGRAM COSTS		
YEAR 1 EXPENDITURES		
Contractual Services	Est. Budget	Notes
Contracted "Duty Crew"	\$ 360,747.29	2 FF/Para, Ambo, Billing; NET of \$150,000 revenue per Contract
Admin & Accounting Services	\$ 10,000.00	1 muni admin team to take on
Legal Services	\$ 5,000.00	Drafting of IGA, ongoing legal support
Uniforms for Duty Crew; etc	\$ 3,500.00	Boots, uniforms, clothing
Ambulance Billing Service	\$ -	Included in Contract
Subtotal: Contractual Services	\$ 379,247.29	
Equipment Services	Est. Budget	Notes
Communications/Radios	\$ 5,000.00	2 portables; UHF, VHF Radios
Expendable Medical Supplies & Drugs	\$ 7,500.00	expendable medical
Reusable Medical Supplies	\$ 2,500.00	reusable medical
Subtotal: Equipment Services	\$ 15,000.00	
Facility Services & Contingency	Est. Budget	Notes
Misc Expenses	\$ 7,500.00	Misc. facility expenses (housing, utilities, etc)
Contingency	\$ 4,100.00	10% of program costs
Subtotal: Facility Services & Conting.	\$ 11,600.00	
ESTIMATED YEAR 1 EXPENDITURES	\$ 405,847.29	CONTRACT & PROGRAM COSTS

Table 2 shows the proposed revenue sources in the first year. The revenue is proposed to come from the participating jurisdictions: either from the municipal tax levy or other municipal funding sources. This table also includes other possible future sources of revenue including additional EMS run revenue (beyond the \$150,000 as outlined in the Contract), interest, donations or private sources, and miscellaneous revenues. To be conservative and ensure that the cost of the Contract is covered in the first year, no revenue from these sources has been included. However, in years 2 and 3, there may be additional revenue sources that would offset the amount needed from each participating jurisdiction.

More information relating to call volume and the participating jurisdiction funding formula is included later in this document.

Table 2: Proposed Year 1 Revenues

DARIEN-SHARON-WALWORTH EMS CONTRACT & PROGRAM REVENUES		
YEAR 1 REVENUES		
Annual Revenues	Est. Budget	Notes
Tax Levy Contributions		
T. Darien	\$ 87,016.48	See Table 8 for formula
T. Sharon	\$ 34,019.24	See Table 8 for formula
T. Walworth	\$ 79,312.33	See Table 8 for formula
V. Darien	\$ 45,447.95	See Table 8 for formula
V. Sharon	\$ 50,867.64	See Table 8 for formula
V. Walworth	\$ 109,183.64	See Table 8 for formula
EMS Run Revenue (Beyond \$150,000)	\$ -	Possible source of future revenue
Interest	\$ -	Possible source of future revenue
Donations/Private Sources	\$ -	Possible source of future revenue
Misc Revenues	\$ -	Possible source of future revenue
Subtotal: Revenues	\$ 405,847.29	
ESTIMATED YEAR 1 REVENUES	\$ 405,847.29	

Table 3 is provided for informational purposes to show historical departmental revenue data from 2016-2019. The Duty Crew is expected to take up to 85% of the calls in the service area. As such, these departmental revenues are expected to decrease during the term of this Contract and IGA.

Table 3: EMS Revenue by Department (2016-2019)

EMS Run Revenue by Department	2016	2017	2018	2019
Darien Fire/EMS	\$ 46,611.13	\$ 47,920.10	\$ 20,826.63	\$ 84,824.46
Sharon Fire/EMS	\$ 64,353.38	\$ 70,060.40	\$ 74,405.63	\$ 78,676.93
Walworth Fire/EMS	\$ 48,856.00	\$ 75,083.00	\$ 77,572.00	\$ 102,276.00
Total	\$ 159,820.51	\$ 193,063.50	\$ 172,804.26	\$ 265,777.39

G. FUNDING

The conventional way to fund the Contract and Program costs is to split the total cost between the municipalities using a combination of **equalized value, population, and call volume**. This formula has been used in the past for different joint Fire/EMS ventures in the state. It balances the value of the land and improvements within a jurisdiction with the population and the previous three years of call volume. This formula provides the fairest possible funding methodology because it is based on the jurisdiction’s ability to pay (value), potential for calls (population), and service use (previous actual call volume). However, because the formula takes into account three components, its impact on the municipal tax rates will be different.

Table 4 below shows the participating jurisdictions, the 2019 equalized values, those values reduced by TIDs, and the percentage of total value of the service area. The equalized value reduced by TID is the value used in Tables 8-10 on the following pages.

Table 4: Participating Jurisdictions with 2019 Equalized Values, as a percentage of the total service area

Participating Jurisdiction (PJ)	2019 Equalized Value	2019 Equalized Value Reduced by TID	Percentage of Total Value of Service Area
T. Darien	\$ 220,733,400.00	\$ 220,733,400.00	22.46%
T. Sharon	\$ 86,993,600.00	\$ 86,993,600.00	8.85%
T. Walworth	\$ 250,637,600.00	\$ 250,637,600.00	25.50%
V. Darien	\$ 108,647,600.00	\$ 104,895,600.00	10.67%
V. Sharon	\$ 80,572,400.00	\$ 80,572,400.00	8.20%
V. Walworth	\$ 240,272,300.00	\$ 238,918,400.00	24.31%
	\$ 987,856,900.00	\$ 982,751,000.00	100.00%

Table 5 shows the participating jurisdictions and the 2019 population estimates from the Wisconsin Department of Administration. The initial population estimate for each participating jurisdiction is provided by the DOA annually in August and finalized in October. The table also includes the percentage of the total population of the service area.

Table 5: Participating Jurisdictions 2019 Population Estimates, per the Wisconsin Department of Administration

Participating Jurisdiction (PJ)	2019 Population Estimate Per DOA	Percentage of Total Population of Service Area
T. Darien	1,729	16.79%
T. Sharon	902	8.76%
T. Walworth	1,692	16.43%
V. Darien	1,579	15.33%
V. Sharon	1,567	15.22%
V. Walworth	2,830	27.48%
	10,299	100.00%

Table 6 shows the call volume by Department for EMS calls in the years 2017, 2018, and 2019. Table 6 also includes 85% of the total number of calls. This statistic represents the percentage of calls the Duty Crew is assumed to make in a year. The remaining calls will be covered by the Darien, Sharon, or Walworth Fire/EMS Department members.

Table 6: Call Volume by Department (2017-2019)

EMS Run Data by Department	2017	2018	2019
Darien Fire/EMS	208	276	246
Sharon Fire/EMS	174	163	148
Walworth Fire/EMS	314	323	383
Total:	696	762	777
85% of Total Calls:	592	648	660

Table 7 breaks this data down further, providing the number of calls in each participating jurisdiction in 2017-2019. The average number of calls over this three-year period is used in the funding formula to accurately reflect the jurisdiction’s previous use of EMS services. The table also includes each jurisdiction’s percentage of the total call volume in the service area for the three-year period. For 2022, the call volume data used will be from the years 2018, 2019, and 2020. For 2023, the data will be from 2019, 2020, and 2021.

Table 7: EMS Call Volume by Participating Jurisdiction (2017-2019)

EMS Run Data by Participating Jurisdiction	2017	2018	2019	Average Call Volume (2017-2019)	Percentage of Total Call Volume of Service Area
T. Darien	128	215	215	186.0	24.97%
T. Sharon	67	55	47	56.3	7.56%
T. Walworth	116	115	144	125.0	16.78%
V. Darien	80	61	31	57.3	7.70%
V. Sharon	107	108	101	105.3	14.14%
V. Walworth	198	208	239	215.0	28.86%
Total:	696	762	777	745	100%

Table 8 brings the data together from tables 4, 5, and 7 to calculate the annual cost to each participating jurisdiction. The percentage of total value of each participating jurisdiction from table 4 is weighted at 33%. The percentage of total population from table 5 is weighted at 33%, and the percentage of total calls from table 7 is weighted at 34%. The formula multiplies each jurisdiction's percentages by the weight assigned, then the total percentage is multiplied by the funding needed (\$405,847.29) to determine the annual cost to each jurisdiction. The table also includes the proposed added taxes per \$1,000 of property value for those municipalities choosing to levy property taxes.

Table 8: EMS Contract & Program Cost Estimate for Year 1 (2021), based on equalized value, population, and call volume

Participating Jurisdictions Tax Levy Contributions, based on value, population, and calls:					
Participating Jurisdiction (PJ)	Percentage of Total Value (Weight: 33%)	Percentage of Total Population (Weight: 33%)	Percentage of Total Calls (Weight: 34%)	Annual Cost to Each PJ Based on Value, Population & Calls	Added Taxes per \$1,000 of Value
T. Darien	22.46%	16.79%	24.97%	\$ 87,016.48	\$ 0.39
T. Sharon	8.85%	8.76%	7.56%	\$ 34,019.24	\$ 0.39
T. Walworth	25.50%	16.43%	16.78%	\$ 79,312.33	\$ 0.32
V. Darien	10.67%	15.33%	7.70%	\$ 45,447.95	\$ 0.43
V. Sharon	8.20%	15.22%	14.14%	\$ 50,867.64	\$ 0.63
V. Walworth	24.31%	27.48%	28.86%	\$ 109,183.64	\$ 0.46
	100.00%	100.00%	100.00%	\$ 405,847.29	

The formula used for funding will be included in the IGA. **Tables 9 and 10** show funding for years 2 and 3, using the same funding formula from Year 1 in table 8 with the assumptions outlined below. However, note that these are just estimates, as the numbers in the formula will change annually:

- 2% annual increase in equalized value for each participating jurisdiction
- 0.5% annual increase in population in 2020 (shown as Year 2 in Table 9) and 2021 (shown as year 3 in Table 10)
- 2% increase in call volume for years 2018, 2019, 2020 (shown as Year 2 in Table 9) and for years 2019, 2020, 2021 (shown as Year 3 in Table 10)
- 3% increase in Contract and Program costs in 2022 and 2023
- Added taxes represents the mill rate increase per \$1,000 of value

Table 9: EMS Contract & Program Cost Estimate for Year 2 (2022), based on equalized value, population, and call volume

YEAR 2: Participating Jurisdictions Tax Levy Contributions, based on value, population, and calls:					
Participating Jurisdiction (PJ)	Percentage of Total Value (Weight: 33%)	Percentage of Total Population (Weight: 33%)	Percentage of Total Calls (Weight: 34%)	Annual Cost to Each PJ Based on Value, Population & Calls	Added Taxes per \$1,000 of Value
T. Darien	22.46%	16.79%	24.97%	\$ 89,626.98	\$ 0.40
T. Sharon	8.85%	8.76%	7.56%	\$ 35,039.82	\$ 0.39
T. Walworth	25.50%	16.43%	16.78%	\$ 81,691.70	\$ 0.32
V. Darien	10.67%	15.33%	7.70%	\$ 46,811.39	\$ 0.44
V. Sharon	8.20%	15.22%	14.14%	\$ 52,393.67	\$ 0.64
V. Walworth	24.31%	27.48%	28.86%	\$ 112,459.15	\$ 0.46
	100.00%	100.00%	100.00%	\$ 418,022.71	

Table 10: EMS Contract & Program Cost Estimate for Year 3 (2023), based on equalized value, population, and call volume

YEAR 3: Participating Jurisdictions Tax Levy Contributions, based on value, population, and calls:					
Participating Jurisdiction (PJ)	Percentage of Total Value (Weight: 33%)	Percentage of Total Population (Weight: 33%)	Percentage of Total Calls (Weight: 34%)	Annual Cost to Each PJ Based on Value, Population & Calls	Added Taxes per \$1,000 of Value
T. Darien	22.46%	16.79%	24.97%	\$ 92,315.79	\$ 0.40
T. Sharon	8.85%	8.76%	7.56%	\$ 36,091.02	\$ 0.40
T. Walworth	25.50%	16.43%	16.78%	\$ 84,142.45	\$ 0.32
V. Darien	10.67%	15.33%	7.70%	\$ 48,215.73	\$ 0.44
V. Sharon	8.20%	15.22%	14.14%	\$ 53,965.48	\$ 0.64
V. Walworth	24.31%	27.48%	28.86%	\$ 115,832.93	\$ 0.47
	100.00%	100.00%	100.00%	\$ 430,563.39	

H. BILLING AND REVENUE ALLOCATION

Billing for calls and services performed by the Duty Crew will be done by the Provider’s billing company. The Contract will set the EMS billing rates for the Duty Crew. These rates will be determined by the participating jurisdictions. A billing rate escalator will be built into the Contract and the IGA. The billing rates may be reviewed annually as part of the Contract and IGA review.

The Provider will retain any revenue from transports or other services provided by the Duty Crew up to \$150,000, per the Contact terms. After that \$150,000, any additional revenue will be returned to the participating jurisdictions, based on the funding formula, at the end of the year.

Table 11 on page 9 shows the total paid by year participating jurisdiction in Year 1 and the percentage of the total contract and program cost. Any revenue received by the Provider in excess of the \$150,000 outlined in the Contract will be returned to the participating jurisdictions based on the percentage of the total paid.

Table 11: Cost of Contract and Program by Participating Jurisdiction as a percentage of the total Contract and Program Cost

Participating Jurisdiction (PJ)	Contract and Program Cost Paid (Yr 1)	Percentage of Overall Contract and Program Cost Paid
T. Darien	\$ 87,016.48	21.44%
T. Sharon	\$ 34,019.24	8.38%
T. Walworth	\$ 79,312.33	19.54%
V. Darien	\$ 45,447.95	11.20%
V. Sharon	\$ 50,867.64	12.53%
V. Walworth	\$ 109,183.64	26.90%
	\$ 405,847.29	100.00%

For example, if the Town of Darien provides 21.44% of the funding, the Town will receive 21.44% of any revenue collected in excess beyond the \$150,000 outlined in the Contract and IGA.

I. OWNERSHIP OF VEHICLES

The Darien Fire/EMS Department and the Sharon Fire/EMS Department each have two ambulances, and the Walworth Fire/EMS Department has one ambulance. The Provider will be providing the ambulance for the Duty Crew and any backup vehicle necessary while the primary ambulance is out of service for any reason.

During the term of this Contract and IGA, each Department must maintain at least one ambulance for Departmental emergency medical service. All Departments will retain ownership of their own vehicles and equipment during this term, including insurance, maintenance, oil changes, etc.

J. ROLE OF EXISTING FIRE/EMS DEPARTMENTS

All other Fire/EMS operations will continue within the Departments. Volunteer members will be cross-credentialed for all three Departments in order to assist any Department as needed. The regular Departmental budgeted expenditures will likely remain the same in 2021, but may be adjusted annually thereafter to account for changes due to the Contract and Program based on data gathered in 2021. Current staffing and Paid-on-Call programs should remain during the term of the IGA. Another goal is to work toward all Departments paying all members the same wages within the next five years.

K. REFERENDA QUESTIONS

While some communities have funds available to add to their levies or other funding sources to pay for the cost of this program, other communities may need to ask voters to allow additional funds to be levied through a referendum. Towns may require that voters approve the additional funds during a special meeting for that purpose.

Regardless of the situation, the group recommends that all municipalities take action at their August Village or Town Board meetings to approve a referendum question on the ballot for the November 3, 2020 election to let voters decide if they would like to pay additional taxes for the additional Emergency Medical Service.

Each participating jurisdiction must determine its own amount needed for the referendum. The expenditure data provided in this document should be used as a base amount. Municipalities may want to consider the following items when determining how much money to request through the referendum:

- Loss of revenue to the individual departments due to the Duty Crew providing roughly 85% of transports and services
- Other impacts on individual departmental budgets, both on the revenue and expenditure sides

The following is an example of a Referendum question to be used for this program:

“Under state law, the increase in the levy in the _____ of _____ for the tax to be imposed for the next fiscal year, 2021, is limited to _____%, which results in a levy of \$_____. Shall the _____ of _____ be allowed to exceed this limit and increase the levy for the next fiscal year, 2021 through 2023, for an amount not to exceed \$_____ each year to be used toward **the establishment and maintenance of a third-party contract for full-time Paramedic level Emergency Medical Service provision in the Village of Darien, Town of Darien, Village of Sharon, Town of Sharon, Village of Walworth, and Town of Walworth**, by a total of _____%, which results in a levy of \$_____?”

L. CONCLUSION:

The need for additional resources for Fire and EMS provision in the service area are real right now. The need will only increase in the future. This Concept Plan and Outline represent an opportunity to provide 24/7 Paramedic-level EMS coverage and fire protection on a regional basis for a cost much lower than any one department or community could provide on its own.

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Document updated: July 10, 2020