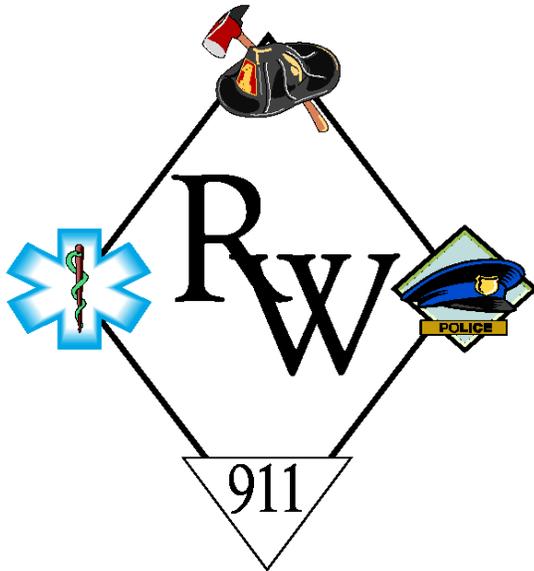


City of Sparta
Sparta Rural Fire
Department

**JOINT FIRE
DEPARTMENT
STUDY**

FINAL REPORT

April 16, 2012



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**CITY OF SPARTA/SPARTA RURAL FIRE DEPARTMENT
JOINT FIRE DEPARTMENT FEASIBILITY STUDY**

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INTRODUCTION

As municipalities attempt to deal with the current economic recession, loss of State Shared Revenues and to meet citizens' demands to reduce property taxes while maintaining a high level of service, sharing services with neighboring municipalities has become a growing trend. With this in mind, the City of Sparta retained RW Management Group, Inc. to conduct a feasibility study of the Sparta Fire Department joining the Sparta Rural Fire Department.

While RW was retained to provide an independent third party analysis of joining the two departments, an over-all department operations review of the two departments was also performed to determine what is currently working well and to identify areas that need improvement. This approach provides value to the fire departments regardless of whether a joint department is formed. The ultimate goal of this analysis is to provide recommendations that can be used now and in the future, to enhance public safety services to the City of Sparta and surrounding towns. Included in this study are recommendations to improve service, enhance training, reduce or contain costs (both operating and capital costs), and upgrade policies and procedures.

Project Work Tasks

In order to determine the feasibility of combining fire services for the two departments, the project team performed the following work tasks:

1. Conducted a project planning meeting with RW Project Manager the local project steering committee. The local project steering committee included the Sparta City Administrator and Fire Chief and the Sparta Rural Fire Chief.
2. Obtained and reviewed documentation provided by the project team such as current equipment inventories, detailed call volume statistics, capital improvement plans, by-laws, annual reports, etc.
3. Reviewed mutual aid agreements with surrounding departments and met with the Fire Chiefs of these departments.
4. Assessed the current fire department operations and future needs by conducting interviews and on-site observations. The interviews and observations were conducted with a variety of personnel:
 - Fire chiefs, officers, part time/volunteer fire personal
 - Village administrator
 - Rural Fire Board Executive Committee
 - Conducted an inspection of the fire stations
5. Determined any changes, or future trends, for fire safety industry standards related to operational requirements. During the development of recommendations, RW considered many factors and standards as a basis for recommendations, including:



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- National Fire Protection Association (NFPA)
- Federal Emergency Management Association (FEMA)
- National Fire Administration (NFA)
- Occupational Safety and Health Administration (OSHA)
- Insurance Services Office (ISO) Rating Schedule
- Local Fire Protection Ordinances
- State of Wisconsin Statutes and Administrative Code

OPERATIONAL OVERVIEW

City of Sparta and Sparta Fire Department

The City of Sparta is located in Monroe County and has a 2011 population of 9,590¹. The City's equalized value is \$428,091,800² and covers an area of 5.5 square miles. Sparta is the home of several businesses, including Century Foods International, Northern Engraving Corp., Spartek, Mathews Inc., F.A.S.T. Corp., Sparta Brush Company, McPherson Guitars, and Multistack.

The Sparta Fire Department is a paid-on-call department with 30 members including the fire chief and part time fire inspector. It provides fire and rescue services to the City only. Emergency medical services are provided by a private entity. It also has mutual aid agreements with neighboring departments, including the Fort McCoy Fire Department. The fire station is located near the center of the City. The Department responds to approximately 100 fire/rescue calls per year. In the fall of 2011, the Sparta Fire Chief retired and the Department is currently managed by an acting chief.

The 2011 Fire Department budget was \$201,156, which included operating costs, funding the equipment reserve fund and insurance costs that are included in the general fund budget.³ The Department has a significant inventory of fire fighting vehicles as shown in the table below. The Fire Station is currently adequate for the storage of vehicles, however office and meeting space is inadequate.

¹ Source: Sparta City Administrator.

² Source: Wisconsin Department of Revenue.

³ Source: City Budget and data provided by the City Administrator.



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City of Sparta Fire Equipment

Sparta FD Equipment	Equipment Age
Aerial Ladder	1978
Pumper	1994
Pumper	2001
Pumper	1999
Brush Truck 3	2000
Brush Truck 4	2000
Utility Truck	1970
Equipment Van	1987

Sparta Rural Fire Department

Sparta Rural Fire Department (SRFD) is a paid-on-call department with 30 members. This includes the Chief, Officers and firefighters. The Department also has a part time fire inspector. The Department provides fire and rescue services to all or portions of eight townships including the Towns of Adrian, Angelo, Lafayette, Leon, Little Falls, New Lyme, Sparta and Wells. The population of the eight towns is 7,137⁴ and its combined equalized value is \$546,076,896.⁵ The department responds to approximately 100 fire and rescue calls per year.

The Fire Department's approved budget for 2011 was \$192,082 which included operating costs and principle and interest payments on outstanding debt for equipment.

The SRFD fire station is located near the center of the City of Sparta and less than 150 feet from the City's fire station. The vehicle parking bays are crowded and inadequate to house current equipment. The training room is adequate. Offices are limited and equipment storage space is inadequate.

⁴ Source: Chief Mike Arnold

⁵ Source: Wisconsin Department of Revenue.



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SRFD Fire Equipment

The major equipment utilized by SRFD consists of the following:

Rural Sparta FD Equip.	
Engine 1	2000
Engine 2	2007
Engine 3	1998
Squad 1 (Heavy Rescue)	2008
Squad 9 (Equip. Van)	1987
Tender 1	1988
Tender 2	1998
Brush 4 (Jeep)	1979
Brush 6	1998
UTV 1	2009
Trailer	2009

The current complement of fire apparatus is adequate for responses within the Department coverage area.

Department Comparison

The equalized value and the number of calls for the two departments are very similar. However, the population and per capita cost for fire service are somewhat different. The result is that the per capita cost to operate the Rural Fire Department is approximately 25% higher than the City's Fire Department. The statistics for the two departments are compared in the table below:

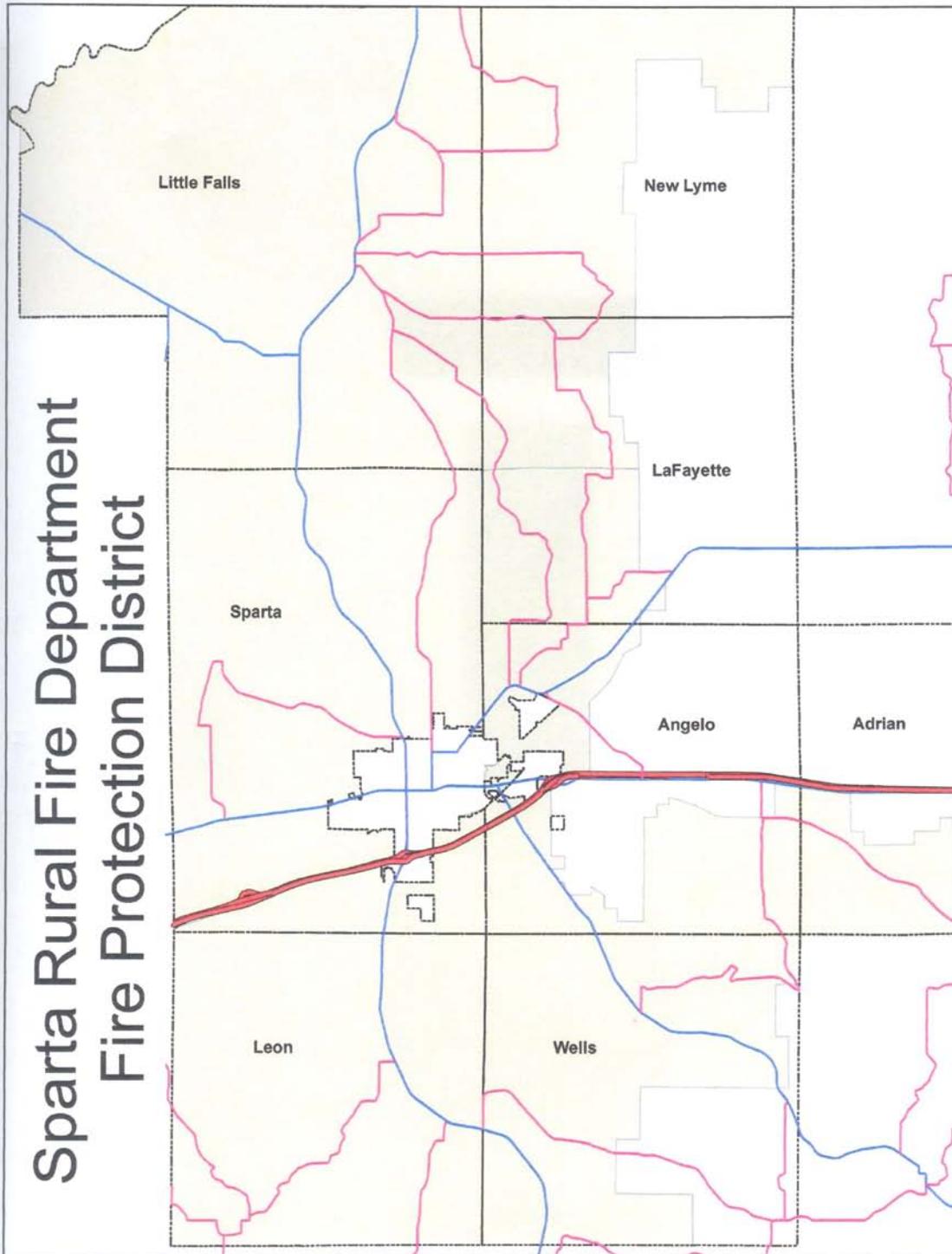
	2011 Population	Equalized Value	2011 Fire Budget	Fire Cost Per Capita	2011 Fire Calls
The City of Sparta	9,590	\$428,091,800	\$201,156	\$20.98	100
The Sparta Rural Fire Department	7,137	\$546,076,896	\$192,082	\$26.91	109

As demonstrated above, the two departments have significant differences in cost and coverage area. The service area of the two departments is shown on the map below.



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**Sparta Rural Fire Department
Fire Protection District**





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Current Fire Department Service Levels and Training

The both of the Sparta Fire Departments provide standard fire and rescue services to their respective communities. These services include:

- Fire suppression and rescue
- Fire prevention and inspection
- Loss prevention
- Disaster preparedness
- Public education for fire safety

Analysis of Fire Calls

According to statistics, obtained from the two Departments, they responded to similar types of calls in 2011.

On average, the each Department responds to 8.3 calls per month. In addition, both departments commit considerable time to fire prevention activities including, fire inspection, community education and other prevention efforts.

Current Fire Department Budgets

Providing for the protection of persons and property from fires twenty-four hours per day, seven days per week is a labor intensive effort. The nine municipalities are fortunate to have dedicated volunteers committed to the fire service which minimizes the personnel costs to operate both departments. However the cost to provide fire protection is still substantial. Together, the two departments are spending \$392,638 for fire protection services. A comparison of current Fire Budgets for the two Departments is shown below:



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Sparta Fire Department		
Rural Sparta Fire Department		
Current Budget Comparison		
	Current Sparta Fire Department	Current Rural Sparta Fire Department
Administration - Chief's Salary	\$ 10,779	
Fire Command Salaries	\$ 17,151	
Fire Inspector Salaries	\$ 5,000	\$ 3,200
Paid-On-Call Salaries	\$ 30,698	\$ 63,000
FICA	\$ 4,868	\$ 11,700
Retirement	\$ 1,200	
Health Insurance	\$ 500	
Life Insurance	\$ 150	
Utilities-Heat, light, water, sewer	\$ 5,000	\$ 8,200
Telephone	\$ 2,000	
Building Repairs & Maintenance		\$ 3,000
Vehicle Repairs & Maintenance	\$ 10,000	\$ 12,000
Radio Repairs/Maintenance	\$ 1,200	
Office Supplies	\$ 900	
Publications/Seminars/Dues	\$ 1,800	
Operating Supplies	\$ 1,800	
Oxygen/Extinguishers/Foam	\$ 1,000	
Vehicles Gas/Oil	\$ 1,800	\$ 4,200
Liability/Workers Comp. Insurance	\$ 5,310	\$ 15,400
Training & Certification Expense		\$ 4,000
Fire Education & Prevention Expense		\$ 3,000
Tower Rent		\$ 100
Debt Principal & Interest		\$ 40,882
Grant Support		\$ 7,300
Dist Expense & Contingency	\$ 15,000	\$ 4,800
New Equipment	\$ 85,000	\$ 10,700
TOTAL	\$ 201,156	\$ 191,482
Current Combined Expense		\$ 392,638
Net Difference 2 Depts vs. Joint Dept.		
Note: The City of Sparta Budget covers the period 1/1/2012-12/31/2012		
Rural Fire Department Budget covers the period 7/1/2012-6/30/2013.		



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FIRE DEPARTMENT FINDINGS AND RECOMMENDATIONS

The level of services and quality of services appear to meet the overall expectations of their residents and are within the expected performance range for these types of agencies. However there are several areas where expanded services and training were noted by the consultants. The following administrative and management recommendations should be considered regardless of combining services. They included:

- Mutual Aid Box Alarm System (MABAS) - MABAS is a mutual aid measure that may be used for deploying fire, rescue and emergency medical services personnel in a multi-jurisdictional and/or multi-agency response. Monroe County is currently in the process of developing a formal MABAS system.

Recommendation #1: The County should be encouraged to expedite the finalization of the MABAS program and the Sparta Departments should become active participants and provide a leadership role in implementing MABAS.

- Technical Rescue Training – The Department's do not have formal training in responding to confined space incidents. With the development of a sand mine in the area, this is a critical program that the Department's should implement. There is also a lack of training for aerial rescue, trench rescue, structural collapse, water and ice rescue.

Recommendation #2a: The Departments should significantly increase their training programs for aerial rescue, trench rescue, structural collapse, water and ice rescue and confined space entry.

Recommendation #2b: All fire fighters should be trained in the Incident Command System to the 200 training level. All officers should be trained to utilize ICS 400 level. Consistent with this training, an Emergency Management Director should be designated.

- A comprehensive risk analysis of potential response needs has not been conducted by either department.

Recommendation #3: A formal risk assessment should be conducted to evaluate potential response risks and to develop a response pre-plan to the most serious identified risks.

- Neither Department has developed a long range strategic plan to address future needs.

Recommendation #4: Develop a long range strategic plan that includes a vision, goals and objectives for the Departments, identifies challenges to their sustainability



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and develops a plan to address these challenges. The strategic plan should include all of the assessments found in this report.

- Bi-annual inspections are being conducted by both departments however; the inspection records are not computerized.

Recommendation #5: Inspection records should be computerized for record keeping/storage purposes as well as to simplify the inspection process.

- The two existing fire stations are not strategically located. The SFD station is well located to respond to fire calls in the City. The Rural Department has excessively long response times.

Recommendation #6: The Sparta Rural Fire Department should develop a long range plan to relocate its fire station outside of the City limits at a location that is strategic, takes into account natural and manmade barriers and reduces response times.

- The Rural Department allows alcohol in the fire station. Historically, this was a common practice among many volunteer fire departments. It does not appear to have created any difficulties for the department to date.

Recommendation #7: Almost all fire departments throughout the State have now eliminated alcohol in their fire stations. Even if there have been no negative incidents, the presence of alcohol can create a negative appearance for the department. Therefore, a policy should be adopted to prohibit alcohol from the fire station.

- The two departments utilize different financial systems. SFD uses QuickBooks and the Rural Department uses Quicken. Both are effective tools for recording financial transactions.

Recommendation #8: If the two departments join together, a single financial software system will be necessary. Either of the two current systems are effective.

DEPARTMENT SHARED SERVICES

The two Fire Departments currently provide a similar level of service, have duplicate equipment (some of which is unnecessary) and compete with each other for volunteer staff. The stations are located in close proximity to each other which lacks strategic value. After a careful analysis, the current structure may not be sustainable for the long term and furthermore, residents are not enjoying a level of efficiency that translates into cost savings. Based on our analysis, RW Management recommends the City of Sparta consider joining the Sparta Rural Fire Department. If this were to occur, the community as a whole could realize significant benefits of economy of scale,



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economy of skill, coordinated training and uniform standard operating procedures. This then translates into better service to residents.

There are substantial opportunities for savings in annual operating costs as well as equipment purchases. An analysis of the cost of a joint department is shown in the budget analysis below. Using current budget figures, a combined department budget has been developed that includes increasing the fire chief's pay to assume greater responsibility, a vehicle replacement fund and a significant contingency fund. With these changes, the overall cost for providing fire service would be reduced from \$392,638 to \$336,667, for a first year savings of \$55,971 (excluding revenues). The consolidated budget is compared with the current fire budgets in the table below.

In addition to the savings in operational expenditures, the revenue stream to offset expenditures would increase by having the City of Sparta adopt a call for service charge similar to that of the Rural Department (the City does not currently charge for these calls). The Rural Department projects 2012 revenue of \$50,000. If the City adopted a charge for service fee like that of the Rural Department, a conservative estimate of \$10,000 was projected as an additional revenue. This would bring the total revenue to \$60,000 for a combined department, which was used for purposes of this analysis. Including the additional revenue of \$10,000 results in an effective cost reduction of \$65,971 (i.e. reduced expense plus increased revenue) to the combined Department. This amount is arrived at by adding the net savings of \$55,971 plus an additional \$10,000 in revenue. See the budget below:



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Sparta Combined Fire Department Budget				
	Current Sparta Fire Department	Current Rural Sparta Fire Department	First Year Consolidated Fire Budget	Notes
Administration - Chief's Salary	\$ 10,779		\$ 20,000	Increase Chif's salary to assume additional duties
Fire Command Salaries	\$ 17,151		\$ 20,000	Increase Command salaries slightly
Fire Inspector Salaries	\$ 5,000	\$ 3,200	\$ 8,600	Combined current salaries
Paid-On-Call Salaries	\$ 30,698	\$ 63,000	\$ 83,000	Currently some supv. Salaries included here; Moved to above lines
FICA	\$ 4,868	\$ 11,700	\$ 10,067	7.65% of wages
Retirement	\$ 1,200		\$ 1,500	Assumes increase in Command salaries
Health Insurance	\$ 500		\$ 1,000	Assumes no change
Life Insurance	\$ 150		\$ 200	Assumes no change
Utilities-Heat, light, water, sewer	\$ 5,000	\$ 8,200	\$ 13,200	Assumes no change
Telephone	\$ 2,000		\$ 3,900	Assumes an increase by combing the Depts.
Building Repairs & Maintenance		\$ 3,000	\$ 5,000	Assumes an increase by combing the Depts.
Vehicle Repairs & Maintenance	\$ 10,000	\$ 12,000	\$ 22,000	This amt. should actually go down with fewer vehicles
Radio Repairs/Maintenance	\$ 1,200		\$ 1,500	Assumes an increase by combing the Depts.
Office Supplies	\$ 900		\$ 1,200	Assumes an increase by combing the Depts.
Publications/Seminars/Dues	\$ 1,800		\$ 2,500	Assumes an increase by combing the Depts.
Operating Supplies	\$ 1,800		\$ 2,200	Assumes an increase by combing the Depts.
Oxygen/Extinguishers/Foam	\$ 1,000		\$ 1,500	Assumes an increase by combing the Depts.
Vehicls Gas/Oil	\$ 1,800	\$ 4,200	\$ 5,200	Assumes a decrease with fewer vehicles
Liability/Workers Comp. Insurance	\$ 5,310	\$ 15,400	\$ 17,000	One policy is typically less expensive than two
Training & Certification Expense		\$ 4,000	\$ 7,500	Assumes an increase by combing the Depts.
Fire Education & Prevention Expense		\$ 3,000	\$ 4,500	Assumes an increase by combing the Depts.
Tower Rent		\$ 100	\$ 100	Assumes no change
Debt Principal & Interest		\$ 40,882	\$ -	Rural debt is paid off in 2012
Grant Support		\$ 7,300	\$ -	Assumes no grant match
Dist Expense & Contingency	\$ 15,000	\$ 4,800	\$ 15,000	Assumes a decrease
New Equipment	\$ 85,000	\$ 10,700	\$ 90,000	Assumes a decrease with fewer vehicles
TOTAL	\$ 201,156	\$ 191,482	\$ 336,667	
Current Combined Expense		\$ 392,638		
Net Difference 2 Depts vs. Joint Dept.			\$ (55,971)	



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EQUIPMENT SAVINGS

Even more importantly the operations savings over the long term is the potential for savings in vehicle purchases. The cost of fire vehicles continues to rise at an alarming rate (Pierce Manufacturing estimates an annual 10% per year increase over the next ten years). If the City joined the Sparta Rural Department, duplication of equipment could be reduced and the cost of new equipment would be shared between nine parties. Vehicle maintenance costs would also go down by having fewer vehicles.

In analyzing current equipment of the two departments, we have identified a number of pieces of equipment (9 total) that would not need to be replaced should the two departments combine. Based on a normal replacement schedule, if the City remains a separate department, it would need to spend \$2.3 million between now and 2021 to replace aging equipment. If it joined the rural department, it could avoid nearly \$1 million in equipment replacement costs.

The Sparta Rural Fire Department will need to expend \$3 million dollars to replace equipment between now and 2030 if it remains separate. It could realize avoided costs of more than \$1.2 million if it joined the two departments together. By combining the two departments, the departments (and their taxpayers) would realize a net savings of nearly \$2.2 million. Furthermore, as equipment is replaced the replacement cost will be shared between nine municipalities instead of eight, resulting in further savings. These savings are demonstrated in the table below:



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Sparta Fire Department						
Rural Sparta Fire Department						
Equipment Comparison & Recommended Replacement Schedule						
Sparta FD Equipment	Equipment Age	Equip. Replacement date	Equip. Needs Combined Dept.	Replacement Cost	Combined Dept. Replacement Cost	Net Difference
Aerial Ladder	1978	2018	X	\$ 900,000	\$ 900,000	
Pumper	1994	2015		\$ 450,000		
Pumper	2001	2021	X	\$ 450,000	\$ 450,000	
Pumper	1999	2019		\$ 400,000		
Brush Truck 3	2000	2020	X	\$ 40,000	\$ 40,000	
Brush Truck 4	2000	2020	X	\$ 40,000	\$ 40,000	
Utility Truck	1970			\$ 40,000		
Equipment Van	1987	2015		\$ 50,000		
SFD Total				\$ 2,370,000	\$ 1,430,000	\$ (940,000)
Rural Sparta FD Equip.						
Engine 1	2000	2020		\$ 450,000		
Engine 2	2007	2027	X	\$ 450,000	\$ 450,000	
Engine 3	1998	2018		\$ 450,000		
Squad 1 (Heavy Rescue)	2008	2028	X	\$ 325,000	\$ 325,000	
Squad 9 (Equip. Van)	1987	2015		\$ 325,000		
Tender 1	1988	2016	X	\$ 450,000	\$ 450,000	
Tender 2	1998	2018	X	\$ 450,000	\$ 450,000	
Brush 4 (Jeep)	1979	2014		\$ 30,000		
Brush 6	1998	2018	X	\$ 40,000	\$ 40,000	
UTV 1	2009	2025	X	\$ 25,000	\$ 25,000	
Trailer	2009	2030	X	\$ 8,500	\$ 8,500	
RSFD Total				\$ 3,003,500	\$ 1,748,500	\$ (1,255,000)
Net Difference				\$ 5,373,500	\$ 3,178,500	
			Avoided Costs		\$ 2,195,000	

COST ALLOCATION

An important issue with any joint service effort is how the costs are to be distributed between the municipalities. There are a number of different funding formulas that may be considered for cost allocations. Common funding factors typically include the utilization of population, equalized assessed values and call volumes. The proposed joint services budget for a combined Sparta Fire Department was calculated using all three factors. The results of these formula calculations are shown below:



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Funding Formula Based on Equalized Assessed Value Only

Currently, the Sparta Rural Fire Department allocates its costs among the eight Towns on the basis of assessed equalized values. This is a common approach used by many fire districts. This formula was utilized to distribute the fire costs with the City joining the Rural Department. Using this formula for a joint department results in all of the municipalities paying less for fire operating expenses as shown below.

Allocation Based on Equalized Value Only					
Revenue					
Accident Charges	\$ 60,000				
Total Revenue	\$ 60,000				
Amount to be Allocated	Total Expense*	\$ 276,667			
	2012 Equalized Value (per DOR)	Percent Allocation	Proposed Cost for a Joint Dept.	Current Municipal Net Cost	Net Difference
City of Sparta	\$ 428,091,800	43.94%	\$121,580	\$201,156	(\$79,576)
Town of Sparta	\$ 203,692,800	20.91%	\$57,849	\$63,890	(\$6,041)
Town of Angelo	\$ 64,002,000	6.57%	\$18,177	\$20,075	(\$1,898)
Town of Little Falls	\$ 108,422,100	11.13%	\$30,792	\$34,008	(\$3,215)
Town of Adrian	\$ 13,667,464	1.40%	\$3,882	\$4,287	(\$405)
Town of Lafayette	\$ 19,990,500	2.05%	\$5,677	\$6,270	(\$593)
Town of New Lyme	\$ 20,403,100	2.09%	\$5,795	\$6,400	(\$605)
Town of Wells	\$ 33,959,232	3.49%	\$9,645	\$10,652	(\$1,007)
Town of Leon	\$ 81,939,700	8.41%	\$23,271	\$25,701	(\$2,430)
Total	\$ 974,168,696	100.00%	\$276,667	\$372,438	(\$95,771)
*Total Expense equals the consolidated operating budget less revenue of \$60,000.					

For this study, equipment replacement was calculated over a twenty year period (the life of most fire trucks). The twenty year savings on capital purchases is projected to be nearly \$2.2 million. The twenty year savings on operating costs (without inflation) would be more than \$1.4 million, for a total savings to the nine communities of \$3.6 million over twenty years.

Funding Formula Based on Equalized Assessed Value and Population

Other frequently used formulas were also applied to the operating costs associated with this study to determine the best approach for all of the municipalities involved. The second funding formula utilized is to base one-half of the cost on equalized assessed value and one-half based on



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population. When applying this formula to the joint department budget, again all of the municipalities except the Town of Adrian experience a cost reduction. See the table below for the cost distribution:

Allocation Based One-Half on Equalized Value and One-Half on Population									
Amount to be Allocated	Total Expense	\$276,667	\$138,334			\$138,334			
	Equalized Value	Percent Allocation	1/2 of Cost Based on EAV	Population	Percent Share of Pop.	1/2 of Cost Based on Pop.	Proposed Cost for a Joint Dept.	Current Municipal Cost	Net Difference
City of Sparta	\$ 428,091,800	43.94%	\$60,790	9,600	51.42%	\$ 71,130.34	\$131,920	\$201,156	(\$69,236)
Town of Sparta	\$ 203,692,800	20.91%	\$28,925	3,179	17.03%	\$ 23,554.52	\$52,479	\$63,890	(\$11,411)
Town of Angelo	\$ 64,002,000	6.57%	\$9,088	1332	7.13%	\$ 9,869.34	\$18,958	\$20,075	(\$1,117)
Town of Little Falls	\$ 108,422,100	11.13%	\$15,396	1,556	8.33%	\$ 11,529.04	\$26,925	\$34,008	(\$7,083)
Town of Adrian	\$ 13,667,464	1.40%	\$1,941	821	4.40%	\$ 6,083.13	\$8,024	\$4,287	\$3,737
Town of Lafayette	\$ 19,990,500	2.05%	\$2,839	341	1.83%	\$ 2,526.61	\$5,365	\$6,270	(\$905)
Town of New Lyme	\$ 20,403,100	2.09%	\$2,897	157	0.84%	\$ 1,163.28	\$4,061	\$6,400	(\$2,339)
Town of Wells	\$ 33,959,232	3.49%	\$4,822	603	3.23%	\$ 4,467.87	\$9,290	\$10,652	(\$1,362)
Town of Leon	\$ 81,939,700	8.41%	\$11,636	1,081	5.79%	\$ 8,009.57	\$19,645	\$25,701	(\$6,056)
Total	\$ 974,168,696	100.00%	\$138,334	18,670	100.00%	\$ 138,333.70	\$276,667	\$372,438	

Funding Formula Based on Equalized Assessed Value, Population and Calls for Service

A third funding formula is based one-third on equalized assessed value, one-third based on population and one-third based on calls for service (call volume). When applying this formula to the joint department budget, again all of the municipalities except the Towns of Adrian and Lafayette experience a cost reduction.

Allocation Based on one-third Calls for Service/Population/EAV												
Amount to be Allocated	Total Expense	1/3 Amt. Needed										
	Calls for service	Percent of Calls by Municipality	1/3 Calls for Service	Population	Percent Share of Pop.	1/3 Pop.	EAV	Percent of EAV by Municipality	1/3 of EAV	TOTAL	Current Municipal Cost	Net Difference
City of Sparta	100	50.00%	\$46,111	9,600	51.42%	\$47,420	\$ 428,091,800	43.94%	\$40,527	\$134,058	\$201,156	(\$67,098)
Town of Sparta	27	13.50%	\$12,450	3,179	17.03%	\$15,703	\$ 203,692,800	20.91%	\$19,283	\$47,436	\$63,890	(\$16,454)
Town of Angelo	11	5.50%	\$5,072	1332	7.13%	\$6,580	\$ 64,002,000	6.57%	\$6,059	\$17,711	\$20,075	(\$2,364)
Town of Little Falls	16	8.00%	\$7,378	1,556	8.33%	\$7,686	\$ 108,422,100	11.13%	\$10,264	\$25,328	\$34,008	(\$8,680)
Town of Adrian	9	4.50%	\$4,150.01	821	4.40%	\$4,055.42	\$ 13,667,464	1.40%	\$1,293.87	\$9,499	\$4,287	\$5,212
Town of Lafayette	6	3.00%	\$2,766.67	341	1.83%	\$1,684.41	\$ 19,990,500	2.05%	\$1,892.46	\$6,344	\$6,270	\$73
Town of New Lyme	6	3.00%	\$2,766.67	157	0.84%	\$775.52	\$ 20,403,100	2.09%	\$1,931.52	\$5,474	\$6,270	(\$797)
Town of Wells	9	4.50%	\$4,150.01	603	3.23%	\$2,978.58	\$ 33,959,232	3.49%	\$3,214.85	\$10,343	\$10,652	(\$308)
Town of Leon	16	8.00%	\$7,377.80	1,081	5.79%	\$5,339.72	\$ 81,939,700	8.41%	\$7,757.06	\$20,475	\$25,701	(\$5,227)
Total	200	100.00%	\$92,222	18,670	100.00%	\$92,222	\$974,168,696	100.00%	\$92,222	\$276,667	\$372,309	



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One caution that we recommend on funding formulas is that if a calls for service factor is used, the call factor should be based on a three or five year rolling average so that one particularly bad year with an increase in calls does not negatively impact that municipality’s cost for the following year.

Given the above analysis, we recommend that a joint department utilize the assessed equalized value funding formula to finance operating costs, which is also consistent with the current funding methodology.

Joint Department Financial Analysis – Capital Costs

If the Sparta Fire Departments join together, the annual operating cost savings are significant as shown above. The benefits of replacing aging equipment can also be significant, since the cost of fire equipment is so high.

If the two departments combined the purchase of very expensive fire trucks would be shared among the nine municipalities, resulting in significant savings to all municipalities. For example, the cost of a new engine is approximately \$400,000. If the Fire Department remains independent, and purchases a new truck, its cost would be \$400,000. However, if this truck is purchased for a joint department and if the equalized assessed value funding formula is used for capital purchases, the cost to the Sparta Rural Fire Department would only be \$224,223. This is a savings of nearly \$176,000. The net difference to each municipality is shown in the table below:

Cost Sharing for Purchase of a \$400,000 Fire Truck

	2012 Equalized Value (per DOR)	Percent of EAV RSFD	\$400,000 Capital Purchase Rural Sparta Dept.	Percent of EAV Joint Dept	\$ 400,000	Net Savings
City of Sparta	\$ 428,091,800			43.94%	\$ 175,777	\$ 224,223
Town of Sparta	\$ 203,692,800	37.30%	\$ 149,204	20.91%	\$ 83,638	\$ 65,567
Town of Angelo	\$ 64,002,000	11.72%	\$ 46,881	6.57%	\$ 26,280	\$ 20,602
Town of Little Falls	\$ 108,422,100	19.85%	\$ 79,419	11.13%	\$ 44,519	\$ 34,900
Town of Adrian	\$ 13,667,464	2.50%	\$ 10,011	1.40%	\$ 5,612	\$ 4,399
Town of Lafayette	\$ 19,990,500	3.66%	\$ 14,643	2.05%	\$ 8,208	\$ 6,435
Town of New Lyme	\$ 20,403,100	3.74%	\$ 14,945	2.09%	\$ 8,378	\$ 6,568
Town of Wells	\$ 33,959,232	6.22%	\$ 24,875	3.49%	\$ 13,944	\$ 10,931
Town of Leon	\$ 81,939,700	15.01%	\$ 60,021	8.41%	\$ 33,645	\$ 26,376
Sub-Total	\$ 546,076,896	100.00%	\$ 400,000	100%	\$ 400,000	
Total EAV with City	\$ 974,168,696					

The above example is on a single piece of equipment. The municipalities should also consider the potential savings that could be achieved over time on the ten vehicles the department needs.

MANAGEMENT SUMMARY

Next to life safety, incident stabilization, and property conservation, efficiency & effectiveness in providing an excellence in service that meets the needs of the Sparta communities must be an overriding concern. A constant and consistent level of service, a more secure and stable funding formula, uniform level of training, and the elimination of duplication of services, are the desired benefits of a shared service opportunity.



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There are increasing state and federal mandates to meet safety standards. There are also increasing public demands for accountability and justification for the funding of traditional programs.

Shared Service Benefits

If the City of Sparta Fire Department joined the Rural Department, citizens and the departments would realize significant tangible benefits. These tangible benefits would include:

- Providing a long-term approach for the departments to use as a planning guide for budgetary and operational considerations. This approach improves efficiencies by reducing repetitive processes and provides for structured management for the fire service.
- Improves the confidence and abilities of emergency response personnel to handle emergency incidents by providing coordinated training, management, organizational structure and technology. This will enhance trust each firefighter has for the other.
- Improves coordination of information between the emergency agencies and outside agencies.
- Improved coordination and productivity during major incidents and disasters with all involved agencies, including the on scene command posts, emergency management and emergency operations centers.
- Reduces potential liability due to improved response coordination and enhanced potential ability to meet accepted national standards. These standards are nationally recognized in the courts. Furthermore, by meeting these standards, the comfort level of citizen's increases and complaints diminish.
- The Department would receive service quality improvements through continuous self-assessment by managerial and supervisory staff. The joint department will have the capability to identify and correct deficiencies and build on strengths. The Department will be assured of utilizing best practices which results in a high level of community pride and citizen support.
- Improved coordination, management and responsiveness to preventative maintenance and repairs of emergency vehicles and provides increased familiarity of NFPA standards relating to emergency response vehicles.
- Improved emergency management and National Incident Management System (NIMS) coordination and implementation which is imperative for major incident responses and to maintain federal grant eligibility.
- Improves coordination of fire public education activities and allows for focused delivery of education to the citizenry.
- Improved human resource and personnel management and coordination within the current federal and state employment regulations.



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Governance Structure

An important concern expressed by elected and appointed municipal officials throughout this study has been the need for accountability to manage fire services, and to make sure it is responsive to citizens' needs. A comprehensive intergovernmental agreement between the municipalities would provide the necessary policy oversight. Its various functions would include, but not limited to:

- Appoint the Fire Chief (function of the Fire Commission)
- Budget development
- Approval of the annual budget (which is submitted to the municipal boards for funding)
- Approval of the funding formula and cost distribution between municipalities and any amendments thereto
- Provide financial oversight of the budget administration
- Annually evaluate the Chief's performance and determine his/her compensation
- Approve mutual aid agreements
- Determine levels and kinds of Fire and EMS services to be provided by the Department.
- Establish Fire and rescue policies, working with the Fire Chief
- Provide for formal citizen feedback/complaint procedure.
- Policy oversight
- Other actions as may be appropriate for the efficient operation of the department

The draft intergovernmental agreement found at the end of this report should be useful to the municipalities as a starting point to develop a final workable agreement between the two.

Joint Department Challenges

There are some significant issues which will need to be addressed in the event that the City of Sparta Fire Department joins the Rural Fire Department. These issues are part of the current administrative and cultural environment of the fire departments.

- Cultural change to support one department needs to occur with only one chief in control.
- Merging of Administrative Staff – The joint fire department will need some administrative support to accomplish required duties and responsibilities. The utilization of existing administrative staff will allow a continuity of services to the combined fire district.
- Loss of Status for Some – The combined fire district will have a finite number of managerial and supervisory positions. As there is some duplication of senior management positions between the two existing departments, a thoughtful and sensitive acknowledgement of past accomplishments must be objectively balanced against the managerial needs for the combined agency.



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- Difference in Operating Procedures – The differences in standard operating procedures, policies and practices will have to be modified into a cohesive and “most effective procedure standard.” The fire district’s chief will be responsible for consolidating, training and implementing a common set of rules and standards for the combined department.
- Authority and Responsibility – The duties and responsibilities required to effectively manage a joint fire district must be clearly outlined. Each of the duties and responsibilities must be tasked to a specific managerial position. Commensurate authority must also be given to each managerial position in order to accomplish the tasks outlined.
- Standardization of equipment – The initial equipment inventory of a consolidated fire district will, by default, be an assemblage of existing equipment. One of the initial duties of the fire district’s chief will be a complete inventory of all available equipment. The next step will be the development of a strategic plan for replacing obsolete equipment, equitable distribution of adequate equipment and a ten-year plan for equipment replacement.
- Difference in Philosophies – There may be some minor/major internal cultural differences in how each department is managed and operates. The consolidated fire district chief will need to establish a departmental mission statement and hold all department officials and staff accountable to the cultural standard outlined in the mission statement.

Joint Department Procedural Elements

- The existing fire chiefs should be jointly tasked with the creation of a long-term Strategic Plan which will address all of the components required to implement a fire district consolidation process.
 - The fire chiefs, and their managerial staff, should Identify all of the key needs, issues, requirements, and constraints represented in a consolidation effort.
 - The chief should also develop goals and objectives to be achieved by a joint fire district department.
 - Finally, the chiefs should formulate an action plan which identifies how each element should be addressed and who will be responsible for accomplishing each task.
- The District Board should form and activate a fire district advisory group consisting of board members, employee representatives and other stakeholders to assist the fire chiefs in addressing all issues represented in the Strategic Plan.
 - From the advisory group, working groups of key stakeholders could be formed to develop specific elements of the plan.
- After the full Strategic Plan is prepared, the fire district advisory board will begin by implementing the initial elements of the plan.



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- The appointment of an individual to manage and administer the combining of the two departments. This may be internal staff or external third party assistance.

Five-Year Departmental Goals, Objectives, and Performance Measures

Community Goal	Department Goal	Objective	Measure
Safe Community	Effective Service	Meet Standards	Reduce Response Times
Marketing the Dept.	Community Outreach	Increase customer satisfaction	Feedback with questionnaires
Fire Prevention	Community Education Programs	Deliver life safety information to the public	Community involvement and feedback
Inspection Program	Have it Fire-based	Keep structures safe	Haz-Mat facilities, multi-families, and commercial structures inspections
Injury prevention	Reduce risks to firefighters	Develop Injury Plan/Protocol	Data on injuries and types
Staffing	Strengthen the workforce	Recruit and retain a diverse workforce	Measured by volunteer longevity
Leadership training	Prepare future leaders	Officer Development Program	Level of education and certifications
Creative funding	Diversify revenue sources	Solicit revenue sources from outside of the General Fund	Grants, donations, commercial inspection program, fire/EMS-based billing for non-residents
Equipment purchasing	Standardized and safe equipment	10-20 year Capital Plan	Coordinated purchasing to save tax dollars



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APPENDIX 1

MODEL INTERGOVERNMENTAL AGREEMENT

(Note: This Model Intergovernmental Agreement is provided for information purposes only. Since the Rural Fire Department already has an existing agreement, it may want to have the City join the Rural Department under the existing agreement. RW did not review the language of the existing agreement.)



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ARTICLE I: PURPOSE

The purpose of entering into this agreement by the City of Sparta and the Towns of Adrian, Angelo, Lafayette, Leon, Little Falls, New Lyme, Sparta and Wells (hereinafter, "Municipalities") shall be to continue to provide fire and rescue protection by a joint Fire Department for all persons and properties located within the area described below and consistent with intergovernmental cooperation as described in s. 66.0301, Wis. Stats.

It is the common belief of the participating Municipalities that greater protection against fire losses within the area described below can be secured by the joint ownership and operation of fire equipment and that a more effective Fire Department can be promoted by the joint and mutual cooperation of the Municipalities (as defined herein), and that the cost of protection can be more equitably shared.

The governing bodies of the Municipalities (as defined herein), in regard to the operation of the Fire Department, Fire Board and Fire Commission (as defined herein), only reserve to themselves the duties and responsibilities as outlined herein.

ARTICLE II: CREATION OF FIRE DEPARTMENT AND FIRE BOARD AND FIRE COMMISSION

A. Fire Department. The Municipalities hereby establish a joint municipal fire department as a department of the Municipalities, which shall be known as the Sparta Fire Department (hereinafter "Fire Department" or "SFD").

B. Fire Board. The Municipalities hereby establish a joint municipal fire board as an agency of the Municipalities which shall be known as the Sparta Area Fire Board (hereinafter "Fire Board").

C. Fire Commission. The Municipalities hereby establish a joint municipal fire commission pursuant to Section 62.13 Wis. Stats. as an agency of the Municipalities, which shall be known as the Sparta Area Fire Commission (hereinafter "Fire Commission").

ARTICLE III: BOUNDARIES

A. Area. The area that shall be served by the Fire Department shall consist of the following on the date hereof:

- Sparta Rural Fire Department: entire incorporated area.
- City of Sparta: entire incorporated area.

The Department may also provide fire and rescue services to other areas either through mutual aid or through separate contractual agreements as approved by the Fire Board.



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B. Modifications to Area. The boundaries of the areas may be changed from time to time upon recommendation of the Fire Board and approval by the Municipalities.

C. Mutual Aid Agreements – A certified letter will be mailed to all mutual aid departments informing them of the merger. To the fullest extent allowed by law, the Municipalities intend for all mutual aid agreements currently in effect to continue in effect with the Fire Department assuming all obligations heretofore accepted by the Municipalities or previously existing fire departments of the Municipalities; and the Municipalities and Fire Department receiving the same benefit of the mutual aid agreements that the Municipalities and previously existing fire departments of the Municipalities would have received prior to entering this agreement.

ARTICLE IV: FIRE DEPARTMENT

A. Duties: The Fire Department shall be responsible for fire protection, rescue operations, water rescue, fire prevention and education, inspections, and such other duties as assigned by the Fire Board.

B. Composition. The Fire Department shall be comprised as set forth in the rules and regulations of the Fire Department. No member of the Fire Board and no member of the Fire Commission may serve in any capacity on the Fire Department.

C. Operational Policies. The Fire Department membership shall adopt rules and regulations for its control, management and government and for the regulation of its business and proceedings which, after adoption by the Chief and Officers of the Fire Department, shall become effective and operative upon approval by the Fire Board. Amendments of the same shall be adopted in the same manner.

D. Compensation. All compensation and benefits to be paid to the officers of the Fire Department and all other employees who are members of the Fire Department shall be determined by the Fire Board, all which must be specifically approved as part of the budget process.

D. Fire Chief. The Fire Chief shall serve as the liaison between the Fire Board and the Fire Department.

E. Emergency Management. The Fire Chief shall be designated as the Emergency Management Director, pursuant to Section 323.15, Wis. Stats., and would coordinate efforts for each of the Municipalities.

ARTICLE V: FIRE BOARD

A. Duties. The Fire Board shall be responsible for overseeing the operation of the Fire Department and shall have the specific duties and responsibilities set forth herein.



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- B. Composition. The Fire Board shall be comprised of nine voting members, one from each participating municipality. Each municipal representative shall be appointed by their respective governing body. The members so appointed must be residents of the Municipality from which they are appointed and can be elected officials of the Municipalities. They shall serve two year terms and may be reappointed. The members shall not be members of the Fire Department in any capacity or Fire Commission members.
- C. Subsequent terms. Following the initial appointments, the terms of all Fire Board members upon appointment shall be for two (2) years commencing on January 1 of each year.
- D. Vacancies. When a voting member resigns or is removed from membership on the Fire Board as outlined in Section 17.13, Wis. Stats., or other applicable laws, the affected municipal governing body shall appoint an appropriate person to fill such vacancy for the remainder of the term, subject to confirmation and the restrictions as set forth above. All Municipalities shall be notified when a new board member is appointed to fill a vacancy.
- E. Officers.
1. Election of officers. At its first meeting after its creation and after its first meeting after January 1 each year, the Fire Board shall choose from its members a President to preside at its meetings, a Vice President to act in the absence of the President and a Secretary/Treasurer.
 2. Bond. All members signing checks shall furnish a bond, the cost of which shall be included in the annual budget, in such amount as shall be required and approved by the Fire Board which shall be adequate to cover the funds entrusted to his/her care.
 3. Duties.
 - a. **President.** The President shall:
 - (1) Preside at all meetings of the Fire Board;
 - (2) See that all orders and resolutions of the Fire Board are carried out;
 - (3) Execute all contracts and agreements and approve the bill list as duly authorized by the Fire Board;
 - (4) Initiate the audit process pursuant to subsection (M) and submit a complete and detailed report of the financial condition of the Fire Department to the Municipalities on or before June 1 of each calendar year for the previous calendar year;



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- (5) Report to the Fire Board all matters within the President's knowledge regarding the Fire Department;
 - (6) Communicate with the Municipalities as reasonably requested and needed. Municipalities may receive copies of communications between the President and any of the Municipalities on request, and no such communications shall be confidential between the President and any single Municipality;
 - (7.) Countersign checks as required by the Fire Board policies;
 - (8) Prepare meeting agendas.
 - (9) Perform such additional duties as may be prescribed by the Fire Board.
- b. **Vice President.** The Vice President shall:
- (1) Discharge the duties of the President in the event of the President's absence or disability; and
 - (2) Perform such additional duties as may be prescribed by the Fire Board.
- c. **Secretary/Treasurer.** The Secretary/Treasurer shall:
- (1) Countersign all checks after the same have been signed by the Fire Chief or Fire Board President, if checks have not been signed by both.
 - (2) Keep a correct and complete record of all of the proceedings of the Fire Board;
 - (3) Keep an accurate account in accordance with generally accepted accounting practices (GAAP) of all monies received and disbursed;
 - (4) Provide a financial report to the Board monthly or as requested by the Board;
 - (5) Distribute agendas to members and media;



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- (6) Perform all general duties which are incidental to the offices of the Secretary/Treasurer subject to direction of the Fire Board.

D: Compensation. No salary shall be paid to the Fire Board members either as officers or as members.

E. Meetings.

1. The Fire Board shall hold meetings as necessary as determined by the President at a place, and at a time, to be fixed by the Fire Board for transacting such business as may require their attention. Special meetings of the Fire Board may be held whenever called by the Secretary/Treasurer upon direction of the President or upon written direction of three members of the Fire Board or upon written direction of the Municipalities. The Clerks of the Municipalities shall be notified of any regular or special meetings at least seven (7) days prior to the same, except for any emergency special meeting, in which case the Clerks of the Municipalities shall be notified before such meetings are held. The Fire Board shall keep a written record of its proceedings, which shall be transmitted in a timely manner to all Municipalities, members of the Fire Board, Fire Commission and the Fire Chief.
2. Quorum: Five members present constitute a quorum. Five members must vote in favor of a motion for it to be adopted. However, seven affirmative votes shall be required to adopt the annual budget and to approve an capital purchases that exceed a sum of \$5,000.
3. The Chief shall report to all Municipalities at a frequency determined by the Fire Board.
4. Notice: All meetings of the Fire Board shall be properly noticed as prescribed in Section 19.84 of the Wisconsin Statutes and, except as provided in Section 19.85 of the Wisconsin Statutes, all meetings of the Fire Board shall be open to the general public.

F. By-Laws. The Fire Board shall adopt rules, policies and by-laws as it deems necessary for its control, management, disbursement of funds, and governance and for the regulation of its business and proceedings.

H. Budget.

1. Fire Department Budget.



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- a. The Fire Chief (hereinafter "Chief") shall submit the proposed budget for the Fire Department not later than August 1 of each year to the Fire Board for the next fiscal year beginning January 1. Such budget shall set forth on a line by line basis the items of revenue and operating and capital expenditures of the Fire Department. Upon receipt of the same, a special meeting or meetings shall be called by the Fire Board to discuss, amend, enlarge or reduce the various items of the proposed budget and to make a final recommendation to the municipal governing bodies. In the event the Chief does not submit a budget by August 1, then the Fire Board shall prepare the same.
- b. The Fire Board shall submit a budget to the Municipalities no later than September 15, and if the Fire Board fails to do so, the budget, as submitted by the Chief, shall be submitted to the Municipalities. The budget shall then be reviewed by a joint meeting of the Fire Board, the Municipalities and the Chief or his/her designee for the purpose of discussing and considering said budget, including any reductions thereof or additions thereto prior to the adoption thereof by the Municipalities. Said joint meeting shall be held between September 15 and October 15 each year. The Fire Board shall not have taxing powers. All funding and expenditures in the budget must be authorized and approved by the Municipalities. A final budget shall be adopted by the Municipalities no later than December 1 as part of the regular municipal budgeting process of each year. If the Municipalities do not adopt identical budgets for the Fire Board for the upcoming year by December 1 of each year, the last budget, less amounts budgeted specifically in the last budget for capital expenditures, approved by the Municipalities shall be deemed to be adopted by the Municipalities for the next calendar year.
- c. For the particular purpose of presenting the proposed budget and for the additional purpose of acting as an advisor to the Fire Board, the Chief or his/her designee shall serve as the only representative of the Fire Department membership, and all requests, suggestions, advice and problems shall be presented to the Fire Board by the Chief or his/her designee who shall in all respects represent the Fire Department membership. The Fire Chief and/or his/her designee(s) shall be the sole representative(s) of the Fire Department to the Fire Board for the purposes of presenting and discussing the budget. Provided however, if a member has a complaint against the Chief, the complaint shall be filed with the President of the Fire Board.
- d. Operating and Capital Financing Formula (Distribution of Costs).
 1. Each Municipality's annual financial contribution to the Fire Department's operating budget shall be based on the following:



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Equalized Value: The total budget contribution shall be shared among the Municipalities in proportion to each Municipality's percentage share of the total residential equalized valuation plus the Municipality's commercial equalized value multiplied times two. The values used shall be those as determined annually by the State of Wisconsin Department of Revenue.⁶

- I. Expenditures. The Fire Chief is responsible for administering the annual budget for the SFD and shall be accountable to the Fire Board for same. The Fire Chief shall present an itemized list of all invoices to be paid each month. The SFD shall not pay any invoice until approved by the Fire Board, unless otherwise authorized in the Fire Board rules, and which are in accordance with the annual budget approved by the governing bodies. Notwithstanding the foregoing, at no time may the Fire Chief or Fire Board exceed, by any amount, the total budget, except as follows. Any expenditure over the annual budget must receive unanimous prior approval by the Municipalities.
- J. Property, Equipment and Supplies. The Fire Board shall have the power to purchase, lease, sell, and dispose of all of the property, equipment, apparatus, and supplies of the Fire Department, as authorized in the approved budget or as set forth in Section XI. Sale of equipment owned by Municipalities is set forth in Article VIII.
- K. Assessment of Costs to End Users. The Fire Chief under the direction of the Fire Board shall have authority to bill end users for all assessments of costs of fire and rescue services, fire inspections, first responder services, and any other services performed by the Fire Department and shall be responsible for collecting the same. General policies regarding costs for such services shall be established in the rules, policies and/or by-laws of the Fire Board. The Fire Board shall be responsible for hearing and determining appeals of aggrieved persons respecting assessment of costs of such services. The Municipalities agree, upon request of the Fire Board, after reasonable attempts to collect the same by the Fire Board, to place on their respective tax rolls as special charges pursuant to Section 66.0627, Wis. Stats., all costs as determined by the Fire Board. Any monies collected hereunder shall be remitted to the Fire Board within forty-five (45) days of receipt of the same. Further, any monies collected under this section shall be shown as revenue of the Fire Board in the budget.
- L. Insurance. The Fire Board shall at all times keep in full force and effect insurance for the replacement value of the equipment and the participating Municipalities shall be named as additional insured's affording them full protection (less reasonable deductibles) against claims, casualties, losses, and liabilities occurring in operation of the Fire Department, and Fire Board, including insurance for the equipment referenced in Article IX as required by the leases contemplated therein, and provide the participating Municipalities with copies of the same.

⁶ Note: This section may need to be changed based on the final funding formula adopted by the municipalities.



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- M. Audit. The Fire Board shall have a financial audit performed on an annual basis by an independent certified public accountant (or firm of certified public accountants.) The results of the audit must be transmitted to the Municipalities no later than June 30 of each year for the preceding fiscal year.
- N. Excess Funds.
1. Surplus Funds – Budgeted funds unspent at the end of the year shall be retained by the Department. Surplus funds may be used to fund shortfalls in future budgets or for capital purchases. Surplus funds shall be shown on the annual budget request, and in the budget approved by the participating Municipalities. If the department terminates, these funds shall be returned to the Municipalities using the current years financing formula.
 2. Capital Equipment Fund – To be established and budgeted for annually.
 3. The Municipalities shall retain any and all monies received from the State and/or Federal Government for any purposes (except as set forth below). All other fire programs as authorized by the Fire Board upon which monies are received (including charges to end users, 2% fire dues, grants, and monies received from the State of Wisconsin for a highway call) shall go directly to the Fire Board and shall be shown as revenue of the Fire Department.
- O. Legal Advice/Legal Fees. The Fire Board may retain its own attorney, if required. Said attorney may not represent any of the Municipalities or the Fire Commission.

ARTICLE VI: FIRE COMMISSION

- A. Duties. The Fire Commission shall have the duties as set forth by Section 62.13 of the Wisconsin Statutes, excluding the optional powers as set forth in Section 62.13(6), Wis. Stats.
- B. Composition. The Fire Commission shall be comprised of five (5) voting members. The governing bodies of the towns shall appoint four commissioners on a rotating basis (in alphabetical order). One member of the Commission shall always be a City appointee. The members shall not be members of the Fire Board, Fire Department in any capacity, nor elected officials of the municipalities.
- C. Terms.
1. Terms of the initial voting members shall commence in January 2013 and serve three year staggered terms.
 2. Subsequent terms. Following the initial appointments, the terms of all Fire Commission members upon appointment shall be for three years commencing on January 1.
 3. Unfilled vacancies. When a voting member resigns or is removed from his/her membership on the Fire Commission as outlined in Section 17.13, Wis. Stats., or other applicable laws. The affected municipal governing board



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shall appoint an appropriate person to fill such vacancy for the remainder of the term, subject to confirmation and the restrictions as set forth above. All Municipalities shall be notified when a new commission member is appointed to fill a vacancy.

- D. Officers. At its first meeting after its creation and thereafter at its first meeting after January 1 each year, the Fire Commission shall choose from its members a Chairperson to preside at its meetings and a Vice Chairperson to act in the absence of the Chairperson and a Secretary/Treasurer to keep a complete record of all proceedings of the Fire Commission.
- E. Meetings.
1. Regular and Special. The Fire Commission shall hold meetings at the call of the Municipality, Fire Board, Chairperson, Vice Chairperson, or Fire Chief. The Clerks of the Municipalities and Secretary/Treasurer of the Fire Board shall be notified of any special meeting before such meeting is held. The Fire Commission shall keep a written record of its proceedings, which shall be transmitted in a timely manner to the Municipalities and Fire Board.
 2. Quorum. Four members present constitute a quorum as long as at least one member from each Municipality is present.
 3. Four members must vote in favor of a motion for it to be adopted. At least one member from each Municipality must vote in favor of the motion for it to be adopted.
 4. Notice. All meetings of the Fire Commission shall be properly noticed as prescribed in Section 19.84 of the Wisconsin Statutes and, except as provided in Section 19.85 of the Wisconsin Statutes, all meetings of the Fire Commission shall be open to the general public.
- F: Hiring.
1. Fire Chief. The appointment of the Fire Chief shall be made by the Fire Commission.
 2. Assistant Chief. The selection of the Assistant Chief is subject to approval by the Fire Commission.
 3. Captains. The Fire Chief shall select captains for each station, subject to approval by the Fire Commission.
 4. Appointments and Promotions. The Fire Chief shall appoint subordinates subject to approval by the Fire Commission.
- G: Disciplinary Actions Against Members. The Fire Commission shall be responsible for hearing and determining disciplinary actions against the Fire Chief and subordinates of the Fire Department pursuant to Section 62.13 of the Wisconsin Statutes.



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- I. Bylaws. The Fire Commission shall adopt rules, policies and bylaws as it deems necessary for its operation and business proceedings. Amendments of the same shall be adopted in the same manner.
- J. Compensation. No salary shall be paid to the Fire Commission members.
- K. Legal Advice/Legal Fees. The Fire Commission may retain their own attorney. The attorney may not represent any of the Municipalities or the Fire Board.

ARTICLE VII: PAYMENT OF BUDGETED EXPENSES

Budgeted expenses of the Fire Board, Fire Commission and Fire Department shall be paid as follows: Without the necessity of billing for or receiving an invoice, each Municipality, as shown in the adopted budget, shall be remit quarterly payments to the Fire Board on or before January 10, April 10, July 10 and October 10 of each year.

If a participating Municipality fails to make all or any portion of any payment required under this Agreement in a timely manner, such Municipality shall remit to the Fire Board interest at the rate of one percent per month or any fraction of a month on the outstanding balance due.

Expenses that exceed the budget, as authorized herein, shall be paid within thirty days of billings.

ARTICLE VIII: OWNERSHIP OF EQUIPMENT

The Municipalities shall continue to own the equipment and apparatus used by the Fire Department that they owned at the time of entering this agreement. If equipment owned by a single Municipality is sold, the funds are returned to that Municipality. If equipment owned by a single Municipality and insured by the Fire Department is damaged or irreparable and is disposed of, the fire department shall reimburse the Municipality blue book value for the equipment determined by a competent appraiser appointed by the Fire Board, even though insurance may cover total replacement cost. Any new equipment purchased as a replacement shall be owned by the Fire Department with all Municipalities contributing their share using the funding formula.

The Fire Department equipment and apparatus purchased during the term of this agreement shall be owned by the Fire Department with all Municipalities as tenants in common, with each Municipality's share of ownership being equal to the percentage paid, respectively, of the total price paid by the two Municipalities. The Fire Board shall keep records showing the date and cost of each purchase of each piece of equipment and apparatus used by the Fire Department subsequent to the date of entering this inter-municipal agreement, and the amounts paid by each Municipality.

The Municipalities shall lease all such equipment and apparatus to the Fire Board at the cost of \$1.00 per year, and the Fire Board shall be responsible to maintain, repair, insure, use, and control all such equipment and apparatus. No equipment or apparatus shall be sold by the Fire Board without the prior approval of the Municipalities.



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Although Municipalities will retain ownership of current equipment, the department will be responsible for their maintenance.

ARTICLE IX: FIRE STATIONS

The Fire Board and Fire Department shall keep the firefighting equipment in the fire stations as determined by the Fire Chief. Leases shall be entered into between the Fire Board and the Municipalities for the use of the space now occupied by the Fire Department until or unless the Fire Board determines otherwise. The initial rent under such leases shall be one dollar (\$1.00) per year per station until or unless the Fire Board determines otherwise. Maintenance and utility costs of any municipal owned buildings shall be paid by the Municipality that owns it. It is not the intention of this agreement to address the building of any new facilities. Substantial modifications and additions to current buildings that are chosen to be undertaken by any of the participating Municipalities will be paid for by the individual Municipality that owns it.

ARTICLE X: AMENDMENTS

The Municipalities may alter, amend and/or rescind all or any of the provisions of this Intergovernmental Agreement; however, such changes shall not take effect until approved by the Municipalities.

ARTICLE XI: TERMINATION

A. Agreement. This agreement shall take effect upon the effective date stated herein after the adoption by the governing body of each Municipality of a resolution approving the Agreement and authorizing its execution. This Agreement shall remain in effect in perpetuity subject to the following:

1. All Municipalities shall participate in this Agreement for a minimum of seven years.
2. After the expiration of the initial five year period, any Municipality wishing to withdraw from this Agreement may do so on at least two years written notice addressed to the clerk of each of the other Municipalities, provided however, that no such notice be given until expiration of the initial seven year period set forth in the prior paragraph.
3. Assets. In the event of the termination of this agreement, the Fire Board shall cause all of the assets it owns and the property owned as tenants in common by the participating Municipalities used by the Fire Department, to be appraised by competent appraisers, and the Fire Board is authorized to sell such assets to the Municipalities at the appraised value provided, however, that if more than one participating Municipality desires to purchase a particular asset, it shall be sold to the highest bidder. Assets shall be distributed using the Capital Equipment Fund



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Formula calculation. If termination is after 20 years from the date of this document and the Capital Equipment Fund Formula is no longer valid, the Operations Funding Formula shall be used. Any piece of equipment owned by the participating Municipality shall be returned to that Municipality. Failing to dispose of such assets to the Municipalities, the Fire Board is authorized to sell or dispose of the remaining assets at the best price obtainable therefore. Sale of the assets may not commence prior to four months before the Dissolution Date. No delivery of any asset to the purchasing party may occur until the Dissolution Date.

4. Remaining Funds. In the event of termination, the Fire Board shall pay all outstanding liabilities and obligations first. The proceeds from the sale of property owned as tenants in common by the participating Municipalities, net of costs of appraisal and costs of sale (if any), shall be divided in proportion to each respective Municipality's ownership interest therein on a property by property basis. Lastly, all remaining funds of the Fire Board shall be divided between and paid to the Municipalities in proportion to the then current year Financing Formula percentages set forth in Articles V (H)(1)(c).

ARTICLE XII: ADDITIONAL PROVISIONS

A. Binding Effect. The terms and provisions of this Agreement shall be binding upon and shall be beneficial to all of the parties hereto and their permitted assigns. No party to this Agreement may assign any of its rights or delegate any of its duties or obligations under this Agreement without the prior written consent, in its sole discretion, which cannot be unreasonably withheld, of the other party.

B. Rules of Construction. The captions in this Agreement are inserted only as a matter of convenience and in no way affect the terms or intent of any provision of this Agreement. All defined phrases, pronouns, and other variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular, or plural, as the actual identity of the organization, person, or persons may require. No provision of this Agreement shall be construed against any party hereto by reason of the extent to which such party or its counsel participated in the drafting hereof.

C. Choice of Law and Severability. This Agreement shall be construed in accordance with the internal laws of Wisconsin. If any provision of this Agreement shall be contrary to the internal laws of Wisconsin or any other applicable law, at the present time or in the future, such provision shall be deemed null and void, but shall not affect the legality of the remaining provisions of this Agreement. This Agreement shall be deemed to be modified and amended so as to be in compliance with applicable law and this Agreement shall then be construed in such a way as will best serve the intention of the parties at the time of the execution of this Agreement.

D. Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto regarding the terms and operations of the Fire Department, Fire Board, and Fire Commission, except for any amendments to this Agreement adopted in accordance with Article X hereof. This Agreement supersedes all prior and contemporaneous agreements, statements, understandings, and representations of the parties regarding the terms and conditions of the Fire



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Board, Fire Commission, and Fire Department, except as provided in the preceding sentence. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making such waiver.

E. Notices. All notices, requests, consents, or other communication provided for in or to be given under this Agreement shall be in writing, may be delivered in person, by facsimile transmission, by overnight courier, or by mail, and shall be deemed to have been duly given and to have become effective (i) one day after having been delivered in person or by facsimile, (ii) one day after having been delivered to an overnight courier, or (iii) three days after having been deposited in the mails as certified or registered mail, all fees prepaid, directed to the parties or their assignees at the following addresses (or at such other address as shall be given in writing by a party hereto): **Village Clerk, Sparta Rural Fire Department, with a copy to the Village President; and Village Clerk, City of Sparta, with a copy to the Village President.**

F. Expenses. Except as otherwise specifically provided in this Agreement, the parties shall pay their respective expenses and costs incurred or to be incurred in negotiating and carrying out the terms of this Agreement, including without limitation all of their respective attorneys' fees.

ARTICLE XIII: ADOPTION OF ORDINANCE

The Municipalities will repeal any respective ordinances creating the heretofore existing fire departments serving such Municipalities, and adopt this Intergovernmental Agreement for purposes of creating the Sparta Fire Department, and Sparta Fire Commission.

ARTICLE XIV: EFFECTIVE DATE

This agreement is effective immediately upon full execution of the parties, subject to the following. The Fire Department described herein shall be in existence with full authority at 12:01:01 a.m. on January 1, 2013. The Fire Board described herein shall be in existence with full authority immediately upon full execution of this agreement, following the appointment of the Fire Board as described herein. The Fire Commission described herein shall be in existence immediately upon full execution of this agreement, following the appointment of the Fire Commission as described herein, for the limited purpose of preparing for the timely full implementation, and shall have full authority at 12:01:01 a.m. on January 1, 2013.



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ARTICLE XV: SIGNATURE PAGE

City of Sparta

Mayor

Dated this ___ day of _____, 2012

Town of Adrian

Board Chair

Dated this ___ day of _____, 2012

Town of Angelo

Dated this ___ day of _____, 2012

Town of Lafayette

Dated this ___ day of _____, 2012

Town of Leon

Dated this ___ day of _____, 2012

Town of Little Falls

Dated this ___ day of _____, 2012

Town of New Lyme

Dated this ___ day of _____, 2012

Town of Sparta

Dated this ___ day of _____, 2012

Town of Wells

Dated this ___ day of _____, 2012