****REVISED**

CITY OF FRANKLIN
SPECIAL COMMITTEE OF THE WHOLE MEETING*
** TUESDAY, OCTOBER 9, 2012, **7:30** P.M.
FRANKLIN CITY HALL, COMMON COUNCIL CHAMBERS
9229 WEST LOOMIS ROAD
FRANKLIN, WISCONSIN 53132
AGENDA

I. Call to Order and Roll Call

II. Business
   A. Public Policy Forum's report "Exploring Shared or Consolidated Fire Services in Southern Milwaukee County".

III. Adjournment

*Notice is given that a majority of the Finance Committee, Fire and Police Commission and Personnel Committee may attend this meeting to gather information about an agenda item over which the Finance Committee, Fire and Police Commission and Personnel Committee has decision-making responsibility. This may constitute a meeting of the Finance Committee, Fire and Police Commission and Personnel Committee per State ex rel. Badke v. Greendale Village Board, even though the Finance Committee, Fire and Police Commission and Personnel Committee will not take formal action at this meeting.

Notice is further given that upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information, please contact the Franklin City Clerk's office at (414) 425-7500.

September 24, 2012

To Mayor Taylor and Alderman Olson, Solomon, Wilhelm, Taylor, Schmidt, Skowronski

I have been informed that the common council meeting to discuss the fire consolidation report has been scheduled for October 9, 2012. Unfortunately, I will not be able to attend that meeting since I will be out of the country on vacation on that day. I believe that Commissioner John Nelson plans to attend the meeting.

Robert D. Donohoo

President, Police and Fire Commission

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CITY OF FRANKLIN
2012 SEP 26 AM 9:06

| APPROVAL | REQUEST FOR COUNCIL ACTION | MEETING DATE |
|---|---|---|
| Slw | | 9/04/12 |
| Reports and Recommendations | Recommendation from the Police and Fire Commission regarding the Public Policy Forum's document "Exploring Shared or Consolidated Services in Southern Milwaukee County". | ITEM NUMBER G.5. |

Attached is the Recommendation from the Police and Fire Commission dated August 30, 2012 regarding the Public Policy Forum's document "Exploring Shared or Consolidated Services in Southern Milwaukee County".

At their meeting of June 4, 2012, the Common Council requested the return of a recommendation no later than September 01, 2012.

COUNCIL ACTION REQUESTED

# CITY OF FRANKLIN POLICE AND FIRE COMMISSION

August 30, 2012

Re: PUBLIC POLICY FORUM REPORT EXPLORING SHARED OR CONSOLIDATED FIRE SERVICES IN SOUTHERN MILWAUKEE COUNTY STUDY

Dear Mayor Thomas M. Taylor and Members of the City of Franklin Common Council:

The City of Franklin Common Council, at its June 4, 2012 meeting, addressed the report from the Public Policy Forum regarding EXPLORING SHARED OR CONSOLIDATED FIRE SERVICES IN SOUTHERN MILWAUKEE COUNTY (hereafter the report). One of the motions that carried at the meeting provided, in part, that the report was referred to the City of Franklin Police and Fire Commission for their review, consideration, and potential recommendations back to the Common Council no later than September 1, 2012. Those requests have been acted upon and this letter is the Commission's written response to the requests of the Council.

The Police and Fire Commission at its August 14, 2012 meeting (all commission members were present) discussed the report and the July 24, 2012 recommendation from the Personnel Committee for over two hours. The first part of the meeting consisted of a presentation (and subsequent questions by commission members) by Attorney Thomas J. Hammer. Attorney Hammer was a police officer, a Milwaukee County Assistant District Attorney, and since the early 1980's a professor at Marquette University Law School. He was a member of the Village of Shorewood Police and Fire Commission for ten years (many of them as the President of the Commission) and he was one of the original members of the North Shore Fire Commission (thereafter NSFC). After his appointment to the NSFC he served as the Chairman of the commission for nine years and in that role he was the primary author of the rules of that commission. The primary focus of his presentation was the creation and operation of the NSFC. The NSFC, created as a joint fire commission pursuant to Wisconsin Statute section 61.65, is the Police and Fire Commission equivalent for the North Shore Fire Department (thereafter NSFD). The NSFC consists of seven members (one from each of the participating municipal jurisdictions) and it performs the fire department related functions of a standard Police and Fire Commission such as Franklin's commission. It does not have optional powers. It should be noted that the report did not address in detail this aspect of consolidation. It was evident from Attorney Hammer's presentation (and questions) that the fire Commission aspect of fire consolidation was not a hindrance to either the creation of the NSFD or its continued successful operation. Attorney Hammer also addressed several NSFD creation and operational items (the reasons for the consolidation, the issue of what happens to existing fire chiefs, the integration of numerous existing policies and procedures and fire cultures into one new department, dispatch issues, etc.) not directly related to the role of the commission. The second part of the meeting consisted of a

discussion of the report itself by commission members. This discussion included items and issues that were and were not addressed in the report.

The following motion was unanimously carried at the conclusion of the meeting-it is the position of the City of Franklin Police and Fire Commission that the consolidation report has too many unanswered questions for an ultimate decision to be made on consolidation. Two examples include: (1) how does the present mutual aid pact work based on a quality point of view; (2) the dispatch center issue. Therefore the Commission believes that further information needs to be compiled and gathered before a yes or no ultimate vote.

Commission Vice-President and Secretary John Nelson and I plan to attend the September 10, 2012 Common Council Committee of the Whole meeting where the issue of fire consolidation will be discussed. Other members of the commission may also be present for that meeting.

Sincerely

Robert D. Donohoo

Robert D. Donohoo
President, City of Franklin Police and Fire Commission

Cc: Fire Chief Martins
Commission members

| APPROVAL | REQUEST FOR COUNCIL ACTION | MEETING DATE 9/4/2012 |
|---|---|---|
| REPORTS & RECOMMENDATIONS | Recommendation from the Finance Committee Regarding the Public Policy Forum's document "Exploring Shared or Consolidated Services in Southern Milwaukee County" | ITEM NUMBER |

The Common Council, on June 4, 2012, referred the Public Policy Forum's report "Exploring Shared or Consolidated Services in Southern Milwaukee County" to the Fire Chief, Finance Committee, Personnel Committee, and the Fire & Police Commission for their review, consideration, and potential recommendations back to the Common Council and further moved to schedule this item on the agenda for a Special Committee of the Whole Meeting on September 10, 2012 (this date may be altered). Below comprises the report back to the Common Council from the Finance Committee where this item was taken up at their meeting of August 28, 2012. Attached also for your reference is the memo prepared by the Director of Administration that was the basis for the Finance Committee's discussion and comment.

Motion to provide the Common Council with the following report and recommendation concerning the Public Policy Forum's document "Exploring Shared or Consolidated Services in Southern Milwaukee County:

1. The methodologies, estimates, and assumptions of the report appear reasonable when considered in the report's context (as stated relative to the use of the financial figures derived from the modeling) that "they should be used only to broadly inform deliberations..." The fact that this is an initial review of the topic intended for initial consideration of the issue is itself a very important conclusion which is further emphasized by the report's statement on page 49 that "lengthy negotiations and considerable staff work" "would be necessary to further refine the operational framework, hammer out the basic elements of an intergovernmental agreement, and develop actual fiscal estimates and impacts." As such, the Finance Committee's recommendation should also be considered an initial recommendation, as subsequent additional detailed work may require subsequent consideration by the Finance Committee.

2. Two critical, primary questions need to be addressed before any additional significant work on the project should move forward:

   A) Do the other communities have continued interest in moving forward with the topic after review of the report?
   B) How does the potential need for Joint Dispatch play into the process?

3. The conclusions of the report present a reasonable and compelling case for further consideration of the potential for "exploring shared or consolidated services in Southern Milwaukee County." The Director of Administration's memo from 8/22/12, however, identifies a significant amount of work that would need to be completed before any such final determination could be considered. If the Common Council is interested in continuing to pursue the topic based upon its own read of the report and upon the recommendations it receives, then a work plan should be set forth addressing a timeline, priority or order, general level of detail or questions to be answered, and task assignments. Such a work plan could then be shared with the other communities to obtain or confirm continued support for the concept in general and for a strategy going forward. The work plan can either incorporate the items in #2 above or, at the direction of the Common Council, can be prepared pending sufficient resolution to the items in #2 above.

4. Prior to any final determination on the matter, the City should perform an audit or review of similar consolidations adopted by other communities to compare pre-consolidation estimates with post-consolidation results relative to financial savings, impacts on service delivery, and on other relevant topics.

5. Prior to any determination to proceed with the workload identified, the Common Council should consider, and then evaluate and prioritize, the factors that should drive the work and decisions going forward.

The Common Council has identified a special meeting for September 10 (date may be altered) to discuss this topic and meet with the Public Policy Forum on their report. As such, extensive discussion is not required at this time as the Finance Committee recommendation can be addressed at that time in the context of the full report and the other recommendations.

## COUNCIL ACTION REQUESTED

Motion to receive and file.

City of Franklin

Date: August 22, 2012

To: Finance Committee Members

From: Mark W. Luberda
Director of Administration

RE: Exploring Shared or Consolidated Services in Southern Milwaukee County
Summary and Discussion of Issues

The purpose of this memo is to identify issues that arise when considering the above referenced report and to provide Finance Committee members with a brief summary and discussion of each issue.

DECISION MAKING FACTORS: The report does not identify what should be the factors that would drive a decision to participate or to not participate in a different service delivery model. Response times, for example, are identified on page 8 as "a metric used by most departments to assess their capacity to meet demand." One could argue that statement is simply another way to say that response times are a measure of the quality of the service provision. The report, however, only addresses response times in relation to assumptions and presumptions. There is no quantified measure of impact on response times and there is no model employed to attempt to evaluate impact on response times. Each department, however, knows that there is plenty of data available relative to location, dates, times, and service length of each actual call. As such, it would be possible to perform a more detailed evaluation of potential impacts on response times creating a hypothetical scenario tracking each call under new assumptions of station call-out, back-fill procedures, reduced fleet sizes, etc.

As a second example, potential cost impacts are the factor that the report spends most of its time pursuing. Clearly cost will be a primary consideration in any decision to participate in a new service delivery model. Are these the only two factors that matter? The report did not provide a list or discussion on the various factors that could drive the decision making process, nor did it intend to. Nonetheless, before any decisions could be reached Franklin needs to determine, and then evaluate and prioritize, the factors that should drive any final decisions. The same can be said for each of the service delivery models presented in the report.

COORDINATED SUPPORT SERVICES MODELS – A NEED FOR FUNCTIONAL WORK PLANS: It is important to recognize that the report is intended to present an initial review of the service areas discussed. This is evidenced by the following statement in the Summary of the section (page 23): "the five municipalities would need to work diligently to ensure that the benefits of a consolidated approach (e.g. economies of scale, operational efficiencies and monetary savings) could be recognized without detracting from individualized service requirements and needs." In other words, the report doesn't address those questions. Nor was it the reports intent. The report intended to present a thoughtful overview of the potential coordinated support service functions. To that end, it has presented a compelling case for further consideration of cooperation in the areas of Training, Vehicle Maintenance, and Fire Inspection, but now the City's would need to "work diligently" before they could proceed. In other words, the report suggests a more detailed work plan or business model should be developed. Based on the report's overview, the City could now consider preparing a functional and operational

work plan for each of the service areas to see in greater detail how the coordinated support services would operate. The report itself does not provide sufficient detail in this regard to make a final decision on either of the matters. Department management would need to prepare an appropriate work plan proposal before a decision could be considered.

OPERATIONAL CONSOLIDATION MODEL – THE RISE OF THE JOINT DISPATCH ISSUE: The report identifies in a number of locations a need to consider, pursue, or implement a joint dispatch capability, but it is first mentioned in the Operational Consolidation Model section. Such an effort is, in and of itself, a very significant undertaking. Furthermore, one could argue that it creates a chicken-and-the-egg dilemma: Can the City even pursue the Operational Consolidation Model without a pre-existing joint dispatch? If not, then operational consolidation can be laid momentarily aside while consideration is given to joint dispatch. Despite the periodic reference, the report doesn't comment on how to coordinate such efforts. Before a decision can even be considered on Operational Consolidation, an initial, separate consideration, at least at the "thorough overview" level, must be developed.

OPERATIONAL CONSOLIDATION MODEL – "AN UNQUANTIFIABLE REDUCTION IN OVERTIME COSTS": Overtime costs are the predominant factor driving the expense variability of the Fire Department's budget, so much so that it can easily drive the bottom line of the City's entire budget. To that end, the "unquantifiable reduction in overtime costs" needs to be more thoroughly vetted before any decision could be considered.

FULL CONSOLIDATION MODEL – SENSITIVITY ANALYSIS: The report notes on page 29 that evaluating the potential impacts at more than the thorough overview level requires an intergovernmental agreement that "would establish the basis for many of the administrative, jurisdictional and logistical details of the new department, including the following: Equipment… Facilities…Personnel…Funding Formula." The processes and financial analysis performed seem reasonable, except that it is lacking consideration of any sensitivity analysis. The model for example addresses various cost streams as a single line instead of considering the range of potential costs. The degree in variation between the high and low estimates and the ease with which a result can move within that range reveals the degree of sensitivity in that number. In other words, do the suggested savings evaporate quickly or slowly (or grow) as assumptions and factors change in their analysis? The study does not address this issue of sensitivity.

Along this same vein, in relation to organizational structure and staffing levels, sensitivity modeling and alternative modeling should be performed to put this study in context. The need for this additional review is arguably supported by the study's contention that it is not possible to estimate the precise amount of savings in a consolidated department and that the modeling is complicated. Similarly, the report assumes that speculative decisions on dozens of small budget items (non-personnel costs) must be addressed in the formation of this department; these might want to be examined more carefully to see what range of impacts they could have on the fiscal savings model. The lack of the thoroughness and detail necessary to make a final decision is evidenced in the statement on page 36 that "It is important to note that all of the financial figures derived from our modeling flow from our assumptions, which means they should be used only to broadly inform deliberations on the full Consolidation Model." In short, the study admits that more analysis would need to be done, before it could be used to make a decision on the topic.

Factors subject to sensitivity could likely be identified by undertaking further development of the model and beginning to address a work plan that further details the form and function of a fully consolidated department.

FULL CONSOLIDATION MODEL – ALL OR NOTHING?: The model does a nice job presenting a single scenario detailing how a department shaped from the five communities could be structured, but it doesn't address or contemplate if there is any continued validity to the model if even one of the communities elects not to participate. Hales Corners, for example, would need to make a significant commitment to fire protection that they have yet to make in their history: funding a full-time, full-service department. If they elect not to move forward, the geography of the new department and, likely, the service delivery characteristics would be significantly impacted. The report provides no insight into whether or not this is an all or nothing proposal. Before undertaking any of the above additional evaluations, it would be useful to know whether any of the communities has determined that they have no interest in further consideration of the matter. If one of them has reached such a determination, then the next step is considering what potential configuration of a full consolidation model continues to have viability at the "thorough overview" level.

MISCELLANEOUS: The comments above are generally high-level questions or issues relative to the consolidation models. Obviously, it would be possible to generate a long list of potentially significant issues or questions if one were to examine each topic and its individual potential impacts at a more detailed level. Similarly, additional questions of a secondary or tangential nature could also arise. Following are some examples of the kinds of detailed topics or tangential issues that could still warrant evaluation or consideration.

- What would be the financial impact on existing Police Department dispatching of creating a joint Fire dispatch system?
- Are the estimated non-personnel costs adequate for the joint entity, particularly since most communities do not allocate administrative service costs (such as IT and payroll) to the current departmental budgets? If not, the total and allocated saving to the cities would be overstated.
- As an independent entity the issues of cash flow and reserves becomes important. Where does the entity get the resources to begin operations and how does it establish necessary reserves other than from the sponsoring cities, which would use part of the projected savings?
- Would there be a continuing cost for retiree health liability for each city for past years of employee service if the employee goes to the joint entity or retires at the time the joint entity began?
- EMS revenue is treated in different scenarios in the various contribution formulas, how do the treatments impact the savings to the cities and is the collection rate similar in the various cities? The savings would be less in cities that currently provide EMS service to other cities.
- Should a city require an additional fire station how would those additional costs be assessed by the joint entity?

To see other potential issues and for a more in depth consideration of certain aspects of the report, please see a copy of the memo provided to the Personnel Committee (attached for your convenience) that addressed the assumptions made within the report and commented as to the reasonableness of those assumptions.

POTENTIAL FINANCE COMMITTEE RECOMMENDATION TO THE COMMON COUNCIL: Given the above comments, the range of recommendations the Finance Committee could provide the Common Council is fairly broad. For discussion purposes, I would offer the following summary conclusions from the above discussion, which could be used as the recommendation to the Finance Committee.

1. The Following conclusion of the Personnel Committee remains valid and is restated below substituting the Finance Committee into the text:

   "The methodologies, estimates, and assumptions of the report appear reasonable when considered in the report's context (as stated relative to the use of the financial figures derived from the modeling) that "they should be used only to broadly inform deliberations..." The fact that this is an initial review of the topic intended for initial consideration of the issue is itself a very important conclusion which is further emphasized by the report's statement on page 49 that "lengthy negotiations and considerable staff work" "would be necessary to further refine the operational framework, hammer out the basic elements of an intergovernmental agreement, and develop actual fiscal estimates and impacts." As such, the [Finance] Committee's recommendation should also be considered an initial recommendation, as subsequent additional detailed work may require subsequent consideration by the [Finance] Committee."

2. Two critical, primary questions need to be addressed before any additional significant work on the project should move forward:

   A) Do the other communities have continued interest in moving forward with the topic after review of the report?
   B) How does the potential need for Joint Dispatch play into the process?

3. The conclusions of the report present a reasonable and compelling case for further consideration of the potential for "exploring shared or consolidated services in Southern Milwaukee County." The Director of Administration's memo from 8/22/12, however, identifies a significant amount of work that would need to be completed before any such final determination could be considered. If the Common Council is interested in continuing to pursue the topic based upon its own read of the report and upon the recommendations it receives, then a work plan should be set forth addressing a timeline, priority or order, general level of detail or questions to be answered, and task assignments. Such a work plan could then be shared with the other communities to obtain or confirm continued support for the concept in general and for a strategy going forward. The work plan can either incorporate the items in #2 above or, at the direction of the Common Council, can be prepared pending sufficient resolution to the items in #2 above.

| APPROVAL | REQUEST FOR COUNCIL ACTION | MEETING DATE 7/24/12 |
|---|---|---|
| REPORTS & RECOMMENDATIONS | **Recommendation from the Personnel Committee Regarding the Public Policy Forum's document "Exploring Shared or Consolidated Services in Southern Milwaukee County"** | ITEM NUMBER |

The Common Council previously forwarded the above referenced report to the Personnel Committee for comment. At their meeting of July 16, the Personnel Committee approved the following motion that comprises their report back to the Common Council. Attached also for your reference is the memo prepared by the Director of Administration and Fire Chief that was the basis for the Personnel Committee's comment.

Motion to provide the Common Council with the following report and recommendation concerning the Public Policy Forum's document "Exploring Shared or Consolidated Services in Southern Milwaukee County:

1. The "Management Rights" and "Consolidation" sections of the collective bargaining agreement retains for the City a broad, unilateral authority or right to address the managerial and operational issues of consolidation and shared services. Although the City must engage the union in the process "once the decision to consolidate is made" and although the Union may elect to pursue negotiations relative to changes they believe affect the wages, hours, and working conditions of their members; there are no significant human resources issues that would prohibit the City from considering the options set forth in the report.

2. The primary topics and impacts appear to be financial, operational, and governance instead of human resources related, so decisions pertaining to the options raised in the report should focus on those topical areas. Nonetheless, if further, detailed consideration of a specific aspect of this broad report is warranted or requested, the Committee can look at the specific issue in greater detail.

3. The methodologies, estimates, and assumptions of the report appear reasonable when considered in the report's context (as stated relative to the use of the financial figures derived from the modeling) that "they should be used only to broadly inform deliberations..." The fact that this is an initial review of the topic intended for initial consideration of the issue is itself a very important conclusion which is further emphasized by the report's statement on page 49 that "lengthy negotiations and considerable staff work" "would be necessary to further refine the operational framework, hammer out the basic elements of an intergovernmental agreement, and develop actual fiscal estimates and impacts." As such, the Personnel Committee's recommendation should also be considered an initial recommendation, as subsequent additional detailed work may require subsequent consideration by the Personnel Committee.

## COUNCIL ACTION REQUESTED

Motion to receive and file.

Item VII

City of Franklin

Date: July 13, 2012

To: Personnel Committee

From: Mark W. Luberda
Director of Administration

James Martins
Fire Chief

RE: Exploring Shared or Consolidated Services in Southern Milwaukee County

At the prior Personnel Committee meeting and upon request of the Committee, it was suggested that we could review the report and identify the assumptions that were made and address whether they were reasonable and identify which issues were human resources issues.

HUMAN RESOURCES ISSUES:

Attached is copy of the excerpts of two sections of the labor agreement that immediately address the issue of shared operations or consolidation. As you can see and as reported for the last meeting, the "Management Rights" and "Consolidation " sections of the collective bargaining agreement, gives the City unilateral authority to address such issues of consolidation and shared services. As such the City is only required to engage the union "once the decision to consolidate is made." Short of consolidation, the City has a very strong management rights section that enables the department to, among other things, "determine its general business practices and policies and to utilize personnel, methods, and means as it deems needed." This broad authority is offset by the Union's ability to seek to bargain over the impact of things that affect their wages, hours, and working conditions. In short and from a human resources perspective, the City has very broad authority to consider and address the contents of the report, but may be required to bargain the impact of the decision after the fact. Such language does not prohibit the City from choosing to engage the union in discussions on such decisions earlier in the process.

1. The three topics discussed under the Coordinated Support Services Model (pages 18-23) – joint training, joint vehicle maintenance, and consolidated fire inspections – all have the potential to elicit responses from the union seeking to bargain the impact of the decision. Despite the consolidation language and the Management Rights language, an action that significantly impacts a union member's job may elicit such a response. Nonetheless, we don't believe that potential is cause for preemptive action by the Personnel Committee at this time. This is particularly evident because the "Summary" on page 23 confirms that the considerations such as economies of scale, operational efficiencies, and monetary savings – neither of which are Human Resources matters -- would be the benefits or outcomes.

2. P.27 "The model could present significant opportunities to reduce overtime expenditures." Access to overtime would typically be thought of as a human resources issue, but the actions instigating the overtime reduction would be within our management and consolidation rights. Nonetheless, as it could ultimately affect their net take home pay, the union may attempt to seek rights to negotiate program aspects that lead to overtime reductions, whether it were appropriate under the contract or not. There is more discussion on this topic below.

3. P.29. "The new department would require a new union contract, salary-benefit structure and work rules for departmental personnel." Although this is a human resources issue, it would primarily be an issue for the new organization, except to the extent that once the decision to consolidate is made the City has a contractual obligation to involve the union. As such, although this is a human resources issue it does not need to be considered until after a decision to consolidate would be reached.

4. P. 31-33 Command Structure and Staffing of a Consolidated Department. There are a number of assumptions built into the staffing model as a whole which for the purposes of the study are reasonable in our opinion. For example, the assumed creation of an administrative support bureau with oversight of budgets, accounting, human resources, procurement, IT, and public information, is commonly how it is done in other consolidated fire organizations. Similarly, the overtime calculations in the report are hypothetical, but they could be plausible. As a whole, the model presents a reasonable conclusion as to what a consolidated department could look like. For the initial purpose of instigating discussions on consolidation, it is adequate. If, however, we consider moving forward with further considerations, additional models might be evaluated and sensitivity modeling should be considered for evaluating the risks in staffing levels. In other words, determining how quickly the savings are consumed by additional personnel would be a useful step, particularly relative to overtime savings which are presumed to be very substantial. Ultimately the new department will have to work out staffing levels and management structure, so evaluating the risk to the savings amount would be useful. Although I have noted it here within the Human Resources section, I do so for the purpose of noting that it will largely be managerial and financial issues. If consolidation considerations move forward, the Common Council should consider which department or committee should take the lead in the sensitivity analysis and evaluating alternate structures.

ASSUMPTIONS:

Overview: The report includes a significant number of assumptions, most of which are couched in terms of conclusions, suggestions, or determinations of the work group or the Fire Chiefs as a group. There were not many that were independent assumptions of the Public Policy Forum (PPF) itself. Generally they were reporting the consensus position of the work group members. For example, page 19 of the report indicates that "the work group determined that a centralized training bureau would logically be housed in Oak Creek and administered by that department's training officer" and page 29 postulates that the full consolidation model "assumes that each of the 10 existing fire houses would be fully staffed as part of the new department." There are dozens of such assumptions or stated conclusions that were the consensus of the group and not independent conclusion of the PPF. In retrospect, therefore, it will be much more efficient to simply list any such assumptions (or conclusions) where the Fire Chief or I have concerns with their reasonableness or validity or where special circumstances are worth noting. Similarly, if the report provides the justification for the assumption, then it is not necessary to incorporated herein as well. Lastly we have included a brief comment on the item and a statement as to whether or not the item is a Human Resources related item.

1. P.6: "A particularly important community characteristic when considering the provision of fire services is the density of the community and the number and age of its structures....Given the importance of property taxes as a means of funding local government services, another relevant factor is the property wealth of the communities and their property tax capacity." Although these are not the only items that could be considered, it is not unreasonable for the PPF to have offered these as measures by which communities could be compared. The distribution of the density, for example, could have service delivery impacts that are not obvious when considering density alone. Not a Human Resources issue.

2. P.8-9. "...response times are a metric used by most departments to assess their capacity to meet that demand." Although we don't disagree with this statement, it is important to note that the report also indicates that "average response times" are not the standard used by the National Fire Protection Association (NFPA), which considers percent of response calls meeting a fixed standard. So, extra attention should be placed on the caution listed in the second paragraph on page 9 if one is considering using the information in Table 5 as a basis for an argument or conclusion. Not a Human Resources issue.

3. P.9. "Another indicator of fire department service capacity and quality is the ISO rating." The ISO rating is prepared for a specific industry, the insurance industry, so a greater evaluation of their process would need to be undertaken before we would be willing to conclude that the ISO rating could be used effectively as a factor in the evaluation of the services addressed in this report. Not a human resources issue.

4. P.19. Training could be centralized by using the Training Officer housed in Oak Creek. Although as a broad issue, we concurred that the issue had merit, the Fire Chief cautions that the value of this depends on attention to unique qualities in each community. Additionally, before moving forward with considering approval for such a plan, the Fire Chief would want to be more sure that one centralized Training Office can address all the needs. As such, a more detailed work plan with hypothetical training schedules would need to be put together.

5. P.21 Relative to a joint Vehicle Maintenance bureau. "It is not possible to estimate fiscal savings ...It stands to reason, however, that a modest amount of savings...would be recognized by each of the five departments." We don't disagree with their conclusion on this limited issue. Not a human resources issue.

6. P.24. In regards to the Operational Consolidation model, the report states "In addition, the five departments would employ joint training, vehicle maintenance and fire inspection bureaus per the Coordinated Support Service Model,..." We don't know why it would need to be an absolute condition of operational consolidation that these three aspects consolidate as well. The PPF's discussion on operational consolidation focuses on station response and vehicle demands. These response issues could be treated separately from training, maintenance, and inspection. So, although it is reasonable to assume that operational consolidation of your primary responsibility -- EMS and fire response – may lead to and even make consolidation of these secondary responsibilities more likely, it does not have to be a forgone conclusion. Not a human resources issue.

7. P.24. "The Operational Consolidation Model would substantially reduce the number of fire vehicles needed to serve the southern Milwaukee County region, as redundancies deployed by individual municipalities to ensure appropriate coverage under several different high-activity scenarios no longer would be necessary." We do not dispute this assumption; however, their discussion does not thoroughly enough explore potential impacts on response times, which may be a primary factor in the final evaluation of options. This might need to be weighed against the similarly un-detailed assumption on page 27: "This framework could create a higher level of service in the region, as the opportunity to deploy resources without regard for municipal boundaries would provide for better overall coverage and consistent levels of training to the same operational protocols." Not a human resources issue.

8. P.33-34. "The number of vehicles required under the Full Consolidation Model would be dramatically reduced." We do not dispute this assumption of the group, but it probably warrants further analysis as to its potential impact on service delivery and response times.

9. P. 36-46 Fiscal and Operational Analysis and Operating Budget Impacts: Again, this section is replete with assumptions, but as a whole they are reasonable for the purposes of the study undertaken. They are, however, incomplete for the purposes of approving creation of a consolidated Fire Department. As noted above in relation to organizational structure and staffing levels, sensitivity modeling and alternative modeling should be performed to put this study in context. The need for this additional review is arguably supported by the study's contention that it is not possible to estimate the precise amount of savings in a consolidated department and that the modeling is complicated. Similarly, the report assumes that speculative decisions on dozens of small budget items must be addressed in the formation of this department; these might want to be examined more carefully to see what range of impacts they could have on the fiscal savings model. The statement on page 36 that "It is important to note that all of the financial figures derived from our modeling flow from our assumptions, which means they should be used only to broadly inform deliberations on the full Consolidation Model. In short, the study admits that more analysis would need to be done, before it could be used to make a decision on the topic. Although it has human resources impacts, this is primarily a managerial and fiscal issue.

P16: "the group also felt that a joint dispatch arrangement would be essential under a scenario in which the five departments were full consolidated." & P 27: "Creating the ability to dispatch to the closest appropriate unit would require a change in dispatching procedures and technology. The most obvious solution would be to create a joint dispatch function." & P. 47 "There is little question that full consolidation of fire and EMS services also would produce the need for a combined, coordinated dispatch system for fire and EMS calls. We do not dispute the logic of these statements; however, these simple references to joint dispatch could be lost in the report. Realistically, it adds an entire, extremely substantive dimension to any consideration of the three cooperative models, but it is not addressed to any significant extent. Based upon these statements or assumptions, one could argue that the issue of Fire Department consolidation cannot proceed without also addressing and resolving joint dispatch. Not a human resources issue.

Excerpt from: AGREEMENT BETWEEN THE CITY OF FRANKLIN
AND
THE FRANKLIN PROFESSIONAL FIRE FIGHTERS ASSOCIATION LOCAL 2760; I.A.F.F.
2010 - 2012

## ARTICLE II
## Management Rights

Section 1. The Association recognizes that, except as specifically limited, abridged or relinquished by the terms and provisions of the Agreement, all rights to manage, direct or supervise the operations of the employer and employees are vested solely in the employer. Such rights, in general, include, but are not limited to, the following:

A. To determine its general business practices and policies and to utilize personnel, methods, and means as it deems needed.

B. To manage and direct the employees of the employer, to make assignments of jobs, to determine the size and composition of the work force and each employee, and to determine the competence and qualifications of the employees.

C. To determine the methods, means, and personnel by which and the location where the operations of the employer are to be conducted.

D. To take whatever action may be necessary in situations of emergency.

E. To hire, promote and transfer and lay off employees and to make assignments and promotions to supervisory positions.

F. To suspend, demote, or discharge employees for just cause. (Disciplinary acts and procedures shall be subject to and governed by Section 62.13 (5) of the Wisconsin Statutes).

G. To establish or alter the number of shifts, hours of work, work schedules, methods or process.

H. To assign and schedule overtime work when required.

I. To create new positions or departments, to introduce new or improved operations or work practices, to terminate or modify existing positions, departments, operations or work practices, and to consolidate existing positions, departments or operations.

## ARTICLE XXVI
## Consolidation

Section 1. Should the City decide to consolidate its Fire Department with another municipality(ies), the City will honor the existing contract for wages and benefits until a new service provider is in place. Once the decision to consolidate is made, the City will agree to have the Union represented in the consolidation process and will be open to their concerns.

[Note: this is the complete text of Article XXVI]

# EXPLORING SHARED OR CONSOLIDATED FIRE SERVICES IN SOUTHERN MILWAUKEE COUNTY

Public Policy Forum

moving the region forward

## ABOUT THE PUBLIC POLICY FORUM

Milwaukee-based Public Policy Forum – which was established in 1913 as a local government watchdog – is a nonpartisan, nonprofit organization dedicated to enhancing the effectiveness of government and the development of southeastern Wisconsin through objective research of regional public policy issues.

## PREFACE AND ACKNOWLEDGMENTS

This report was undertaken at the request of municipal leaders in Franklin, Greendale, Greenfield, Hales Corners and Oak Creek to explore possibilities for sharing or consolidation of fire services. We thank them for their financial support of this project, and we hope that elected officials, fire department administrators and civic leaders from the five communities will use the report's findings to inform discussions during upcoming policy debates and budget deliberations.

Report authors also would like to thank the fire chiefs, city/village administrators and other municipal staff who participated in our deliberations and assisted us in our efforts to gather budget and operational data on the five fire departments. We also wish to thank the Greater Milwaukee Committee for its partnership in facilitating the ICC Shared Services and Cooperation Work Group and for its financial support of this report.

Finally, we wish to thank the Helen Bader Foundation for its grant to the Forum for local government and school district shared services research that helped make this report possible.

# EXPLORING SHARED OR CONSOLIDATED FIRE SERVICES IN SOUTHERN MILWAUKEE COUNTY

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## EXECUTIVE SUMMARY

In April 2011, at the suggestion of the Public Policy Forum and Greater Milwaukee Committee, the Intergovernmental Coordinating Council (ICC) formed a Shared Services and Cooperation Work Group to explore possibilities for greater service sharing among Milwaukee County's 19 municipal governments. The group was formed as a response to increasing budget pressures faced by the county's cities and villages, and the hope that certain sets of municipal services might be provided more efficiently and cost-effectively if shared or consolidated among multiple jurisdictions.

Since its initial meeting one year ago, the ICC Work Group has considered the potential for service sharing in a wide range of municipal functions. It quickly settled on fire services, however, as an area of primary interest, in part because of the considerable local resources spent on that function, and in part because of the success of a consolidated fire department in Milwaukee County's North Shore.

Spurred by the Work Group discussions, leaders from Franklin, Greendale, Greenfield, Hales Corners and Oak Creek agreed to participate in a research project designed to explore the range of service-sharing possibilities that may exist for their respective fire departments. This report – which was guided by a work group of fire chiefs and administrators from the five municipalities – is the culmination of that research project.

The report focuses initially on consideration of enhanced cooperation and service sharing in various areas of fire department operations that could occur within existing administrative and operational frameworks. It then moves on to model three increasingly comprehensive consolidation approaches, which could be implemented either on a step-by-step basis, or independently. Those models are:

- A **Coordinated Support Services** model, which involves the creation of unified bureaus to conduct training, vehicle maintenance and fire inspection services for the five departments collectively.

- An **Operational Consolidation** model, which envisions a unified operations framework under which the "closest unit responds" regardless of municipal boundary, but which retains the five departments as separate entities with independent personnel, vehicles and governance.

- A **Full Consolidation** model, under which the five departments would merge into a Southern Milwaukee County Fire Department with its own governance structure, budget, personnel, equipment, and operational framework.

The fiscal and operational analysis associated with those models suggests that each holds potential for improving the coordination and efficiency of fire and emergency medical services in the five communities. The analysis also shows, however, that substantial financial savings only would be achieved with the more comprehensive consolidation models.

**The following are key additional findings from our analysis of the potential for shared or consolidated fire services in southern Milwaukee County:**

- There is considerable opportunity to reduce the collective fleet of fire department vehicles in the region, thus allowing municipalities to reduce vehicle replacement and ongoing repair and maintenance costs. In fact, sharing of reserve vehicles and ladder trucks is feasible and would

produce savings irrespective of any additional service sharing or consolidation among the five municipalities. The most substantial reduction of vehicles would occur, however, under scenarios in which the departments pursue operational or full consolidation.

- In light of the individual policies, practices and procedures used by the five departments, as well as individual union contracts, salary/benefit practices and organizational structures, the potential for substantial personnel savings from the enhanced service sharing and operational consolidation models is limited. Consequently, if operating budget challenges facing the five communities produce the need for substantial fire department expenditure reductions, then full consolidation appears to be the one option available to the communities that holds potential for generating such reductions while also preserving or enhancing service quality.

- The Full Consolidation Model developed for the analysis retains all existing station locations in the five communities and minimizes personnel reductions, thus alleviating two of the primary concerns that typically emerge during fire consolidation deliberations. The report's fiscal modeling estimates $1 million in annual operational savings and almost $4 million in five-year vehicle savings under this approach, with neither fire station closures nor reductions in firefighting staff.

- Despite several benefits associated with the Full Consolidation model, several questions regarding the efficacy and desirability of a consolidated department can be raised. Perhaps the most prominent is whether the potential financial and operational benefits of consolidation exceed the cost for each municipality of relinquishing its ability to solely determine the appropriate level and framework for providing fire and EMS services to its citizens. When potential savings are broken down across individual municipalities, that question becomes even more difficult to answer, as fiscal impacts could vary widely depending on the nature of the contribution formula used to support the new department.

The report concludes by suggesting that the five municipalities consider the findings within the context of their own financial and operational needs and concerns. As they do so, they should keep in mind that a phased approach is a viable option, in which enhanced service sharing is implemented first as a possible precursor to operational or full consolidation; and that additional planning and analysis – as well as creation of a framework for an intergovernmental agreement between the five communities – will be needed to definitively project fiscal and operational impacts associated with the operational and full consolidation models.

## BACKGROUND

In the spring of 2011, in partnership with the Greater Milwaukee Committee (GMC), the Public Policy Forum submitted a proposal to Milwaukee County's mayors and village presidents to establish and facilitate a new work group to explore possibilities for shared services and functional consolidation. This proposal was a response, in part, to the substantial cuts to municipal aids proposed in the new state budget. In addition, it reflected longstanding Forum and GMC recommendations that government restructuring deliberations in Milwaukee County be limited not solely to large-scale consolidation proposals (such as a city-county merger), but also include smaller-scale possibilities ranging from simple joint purchasing to consolidation of public health or public safety services.

At its April 2011 meeting, the Intergovernmental Coordinating Council (ICC) – a body consisting of the chief elected officials from Milwaukee County's 19 municipalities and the county itself – voted to establish the work group, and to ask the Forum to facilitate it and conduct the research required to transform shared services ideas into public policy proposals. The work group has now met on eight occasions and has discussed and collected data on several potential areas considered ripe for shared services, including property assessment, property tax collection, public works and joint health care purchasing.

At one of its earliest meetings – in June 2011 – the ICC work group also discussed the potential for coordinating, consolidating or sharing fire services in southern Milwaukee County. Work group members cited the benefits experienced by the North Shore Fire Department (which has seen improved response times and reduced administrative overhead since its creation in 1995), the recent retirement of several fire chiefs in the southern part of the county, and growing facility and vehicle needs as rationales for exploring shared services or consolidation. They also noted that municipal fire departments in the southern part of the county already cooperate in terms of mutual response agreements and other activities.

In August 2011, the Forum and GMC organized a special meeting for leaders of the eight southern Milwaukee County communities to discuss the possible initiation of a formal study process. It was decided that fire service consolidation/sharing discussions among Cudahy, St. Francis and South Milwaukee already had progressed to the point that those discussions should continue on a separate and largely independent track. It also was decided that there would be merit in having the Forum launch an analysis of possibilities for coordinating, sharing or consolidating fire and Emergency Medical Services (EMS) among the remaining five municipalities: Greenfield, Franklin, Oak Creek, Greendale and Hales Corners.

Subsequent to that decision, four of the five municipalities adopted resolutions indicating their support for the study and their willingness to make a small financial contribution to it (the Greendale Board of Trustees elected to table the resolution, but authorized the village's participation in the study and its financial contribution). The study was formally launched in November 2011.

The study was conducted by the Public Policy Forum with the participation and oversight of a work group consisting of the city/village administrator or finance director and fire chief from each of the five municipalities. The work group met once or twice per month during the study period, with a smaller technical group consisting of just the fire chiefs meeting separately to flesh out operational details.

# CHARACTERISTICS OF STUDY AREA

## General Characteristics

The cities of Franklin, Greenfield and Oak Creek, and the villages of Greendale and Hales Corners, together comprise 83.7 square miles in the southern part of Milwaukee County, accounting for about 35% of the county's land area. According to the United States Census Bureau, the five communities had a total population of 128,297 in 2010, which was 13.5% of the county's total. Two of the five communities - Franklin and Oak Creek - are among the fastest-growing in Wisconsin, with population growth of slightly more than 20% during the past decade.

**Table 1** breaks down general demographic and geographic information for the five communities. Information on residents age 65 and older is included because of its relevance to demand for emergency medical services. This information shows not only that Franklin and Oak Creek are growing much more rapidly than the other three communities, but also that their population skews much younger.

**Table 1: General Geographic and Demographic Information**

| | Franklin | Greendale | Greenfield | Hales Corners | Oak Creek |
|---|---|---|---|---|---|
| Area (sq. miles) | 34.7 | 5.6 | 11.6 | 3.2 | 28.6 |
| Population (2010) | 35,451 | 14,046 | 36,720 | 7,629 | 34,451 |
| Population change (2000-2010) | 20.2% | (2.5%) | 3.5% | (0.9%) | 21.1% |
| % of Residents 65 or older | 13.4% | 22.2% | 20.5% | 18.5% | 11.0% |
| Median household income | $78,349 | $59,233 | $50,637 | $61,997 | $66,336 |
| Median home value | $239,800 | $215,300 | $186,400 | $228,900 | $217,800 |

*Source: U.S. Census Bureau*

A particularly important community characteristic when considering the provision of fire services is the density of the community and the number and age of its structures. **Table 2** shows data on those characteristics for each of the five communities. The data show that Franklin and Oak Creek – the two communities with the greatest land mass – have by far the lowest density and the newest structures.

**Table 2: Density and Structures**

| | Franklin | Greendale | Greenfield | Hales Corners | Oak Creek |
|---|---|---|---|---|---|
| Total households/families | 13,642 | 6,075 | 16,860 | 3,301 | 14,064 |
| Density (households/sq. mile) | 393 | 1,085 | 1,453 | 1,032 | 492 |
| Total residential/commercial structures | 13,249 | 6,057 | 16,618 | 3,316 | 13,284 |
| Median year built | 1986 | 1969 | 1973 | 1967 | 1990 |

*Source: U.S. Census Bureau*

Given the importance of property taxes as a means of funding local government services, another relevant factor is the property wealth of the communities and their property tax capacity. **Table 3** shows 2011 total and per capita equalized property values in the five communities, as well as 2012 property tax collections and property tax rates per $1,000 of property value.[1] Oak Creek had the lowest gross

[1] The gross tax levy and tax rate reflect property tax payments made by residents to support their local school district, municipality, Milwaukee County, MATC and MMSD.

property tax rate in Milwaukee County at $23.34, while Greendale's $28.15 placed it sixth-highest among the county's 19 municipalities. The county median was $26.77.

**Table 3: Property Values and Property Taxes**

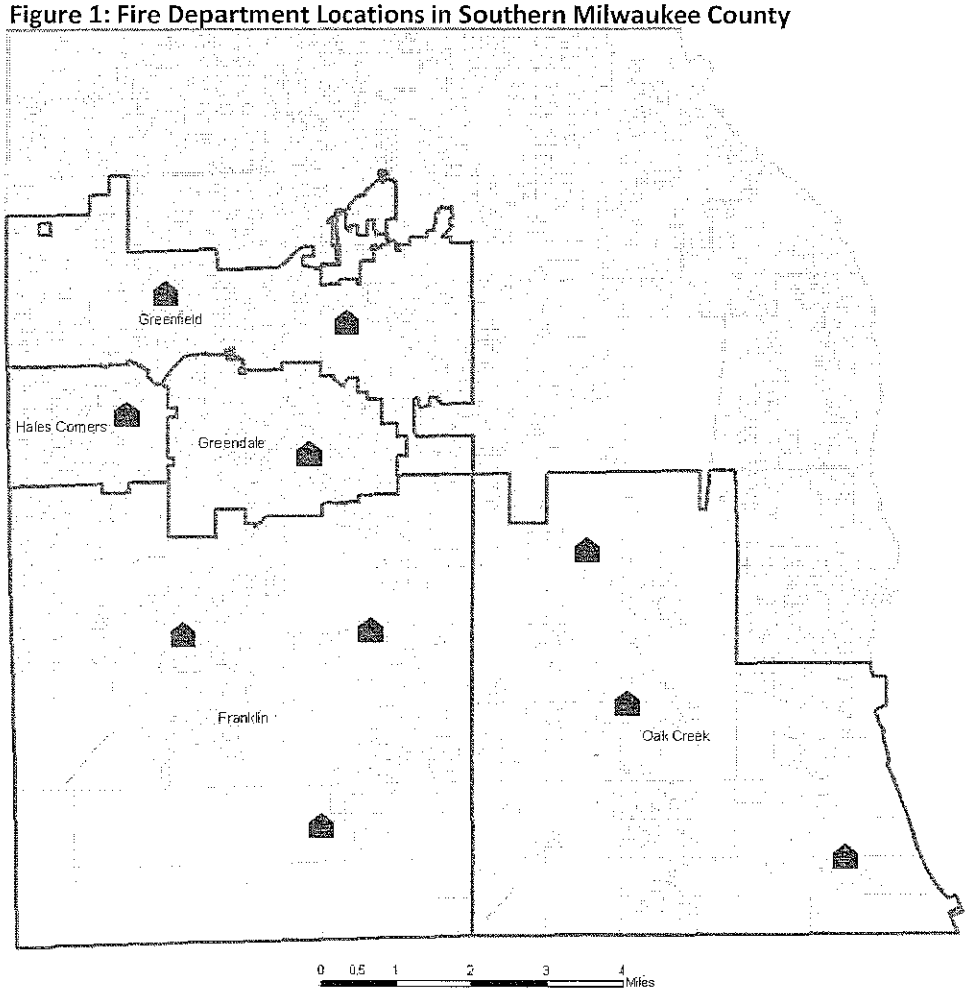
| | Franklin | Greendale | Greenfield | Hales Corners | Oak Creek |
|---|---|---|---|---|---|
| Total equal. value (2011) | $3,676,379,700 | $1,268,637,400 | $2,986,342,100 | $662,315,700 | $3,088,952,200 |
| Per capita equal. Value | $103,548 | $90,443 | $81,434 | $86,183 | $89,548 |
| Gross tax levy (2012) | $91,499,768 | $35,716,361 | $78,875,936 | $16,757,618 | $72,086,699 |
| Gross tax rate (2012) | $24.89 | $28.15 | $26.41 | $25.30 | $23.34 |

*Source: Wisconsin Department of Revenue*

## Fire Service Characteristics

The five communities each are served by independent fire departments that provide a wide range of fire and emergency response services. The municipalities with the largest land area - Franklin and Oak Creek - are served by three fire houses, while Greenfield is served by two and Greendale and Hales Corners by one each. **Figure 1** shows the locations of the 10 fire houses in the region.

**Figure 1: Fire Department Locations in Southern Milwaukee County**



In light of their rapid pace of economic development and population growth, it is not surprising that discussion has occurred in both Franklin and Oak Creek regarding the possible need for a fourth fire house, though those discussions have not advanced to seek funding or construction of either facility. Greendale officials, meanwhile, have discussed the possible need for a new fire house to replace the existing station in light of substantial maintenance and repair needs.

In addition to providing basic fire prevention and response services, each of the five departments engages in water rescue, extrication, fire safety inspections and fire investigations, among other duties. With regard to EMS, each of the five departments provides basic life support services, while three of the five – Franklin, Greenfield and Oak Creek – also provide advanced life support services (also known as paramedic services).[2] Greendale receives its advanced life support services from Greenfield,[3] while Hales Corners largely relies upon Franklin for its advanced life support services.[4]

**Table 4** shows 2010 activity figures for the five departments. In addition to showing the differing levels of activity, this information also indicates the extent to which EMS responses dominate the activity of the five departments. It is also interesting to note that Greenfield's activity level substantially exceeds those of Franklin and Oak Creek, despite their similar populations. This may be attributed to the substantial number of mutual aid calls fielded by the department (in 2010, Greenfield responded to 276 calls in Greendale alone, in part because it provides paramedic services to that community), as well as its older building stock, higher percentage of elderly residents, and greater population density.

**Table 4: 2010 Fire Department Activity Levels*[5]**

| | Franklin | Greendale | Greenfield | Hales Corners | Oak Creek |
|---|---|---|---|---|---|
| Fire responses | 522 | 248 | 755 | 226 | 711 |
| EMS responses | 2,573 | 1,398 | 3,724 | 642 | 2,637 |
| Fire inspections | 2,400 | 998 | 2,500 | 1,278 | 3,082 |
| Basic transports | 1,141 | 724 | 2,439 | 404 | 1,850 |
| Paramedic transports | 823 | n/a | 1,231 | n/a | 787 |

*Includes mutual aid responses in neighboring communities

While activity levels can be used to assess the demand for fire services, response times are a metric used by most departments to assess their capacity to meet that demand. The five fire departments measure average response times for both fire and EMS responses. Most measure the time that elapses between receipt of the initial call at the emergency response facility and when the fire or EMS responders leave the facility (also known as "turnout time"), as well as the time that elapses between leaving the facility and arriving on the scene.

[2] Advanced life support services refer to a level of pre-hospital emergency care that can include invasive life-saving procedures. These services differ from basic life support services in that they may involve the use of drugs or invasive skills, and require provision by individuals with an advanced form of paramedic training.

[3] Greendale currently is in the process of training its firefighters to provide advanced life support services and will soon end its reliance on Greenfield to provide such services.

[4] In July 2011, Hales Corners changed its level of service from EMT basic to EMT intermediate technician, which means that its fire department now treats and transports patients that meet a higher level of service, but one that still falls short of advanced life support.

[5] For this and all subsequent tables that contain data regarding the operational and financial characteristics of individual fire departments, the source of the information was the fire departments or municipalities themselves.

**Table 5** shows average response times in 2010 as measured by the time that elapses from the moment the call was received by the fire department from dispatch to the moment the responders arrive on the scene. As a point of reference, the National Fire Protection Association (NFPA) cites as its standard for response times for departments with full-time firefighters that at least four firefighters should be on the scene with suppression equipment within *five minutes and 20 seconds or less* from the initial call for 90% of all fire calls (80 seconds for turnout and four minutes for arrival on the scene).[6]

**Table 5: 2010 Average Response Times (in minutes)**

| | Franklin | Greendale | Greenfield | Hales Corners | Oak Creek |
|---|---|---|---|---|---|
| Fire responses | 5:16 | 5:00 | 4:56 | 6:00 | 5:48 |
| EMS responses | 5:39 | 4:41 | 5:11 | 3:00 | 5:33 |

Caution should be taken in interpreting this data, as the NFPA itself notes that the geographic size and density of a community "needs to be taken into consideration when comparing response time performance across communities."[7] Also, the data in **Table 5** shows average response times, which is not a reflection of the percentage of calls for which response times meet the NFPA standard.

Another indicator of fire department service capacity and quality is the ISO rating. ISO is an organization that provides information about property/casualty insurance risk to the insurance industry. One such source of information is a rating developed by ISO that is used by insurance companies to assess the ability of local fire departments to provide fire protection services. This rating is used, in part, to determine property insurance rates.

The ISO rating is seen by fire department officials as an important barometer of their ability to protect property-owners in their communities from fire damage. The ISO rates departments on a scale of one to 10, with a rating of one indicating superior service capacity, and a rating of 10 indicating failure to meet ISO's minimum criteria. According to ISO's web site, 10% of the overall grading is based on how well the department receives fire alarms and dispatches its fire-fighting resources; 50% is based on the number of engine companies and the amount of water a community needs to fight a fire; and 40% is based on the community's water supply. Among the five southern Milwaukee County departments, Franklin, Greendale and Hales Corners have current ISO ratings of four, while Greenfield and Oak Creek have ratings of three.[8]

[6] NFPA 1710: Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments.

[7] Flynn, Jennifer D., "Fire Service Performance Measures," National Fire Protection Association, November 2009. http://www.nfpa.org/assets/files/pdf/os.fsperformancemeasures.pdf

[8] In Wisconsin, no fire departments have achieved an ISO rating of one, and only 20% received a rating of four or lower per the latest data we could identify from ISO.

## Fire Department Personnel, Budgets and Equipment

Four of the five fire departments in the study area rely on full-time command staff, firefighters and related personnel. The one exception is Hales Corners, which has a full-time chief, a full-time deputy chief and a full-time lieutenant, but which relies largely on paid-on-call officers, firefighters, and emergency medical technicians for service provision. While not stationed at the Hales Corners fire house on a regular basis, paid-on-call personnel must live in Hales Corners or within a five-minute drive of the fire house.

**Table 6** provides a broad overview of staffing composition and levels at the five departments. In order to provide a point of comparison for Hales Corners, the table converts all positions to full-time-equivalents (FTEs). This information shows that Greenfield and Oak Creek maintain the largest departments in terms of FTEs, with Franklin a relatively close third. It is interesting to note that staffing levels generally correspond in proportion to the activity levels shown in **Table 4**.

**Table 6: Fire Department Staffing (FTEs)**

| | Franklin | Greendale | Greenfield | Hales Corners* | Oak Creek | Total |
|---|---|---|---|---|---|---|
| Chief | 1 | 1 | 1 | 1 | 1 | 5 |
| Deputy/Assistant Chief | 1 | 0 | 1 | 1 | 1 | 4 |
| Battalion Chief | 3 | 0 | 3 | 0 | 4 | 10 |
| Captain | 0 | 3 | 0 | 0.4 | 0 | 3.4 |
| Lieutenant (incl. Paramedics) | 9 | 3 | 6 | 1.3 | 9 | 28.3 |
| Firefighter (incl. Paramedics) | 30 | 12 | 27 | 4.3 | 36 | 109.3 |
| Driver | 0 | 0 | 12 | 0 | 0 | 12 |
| Administrative Staff** | 2.5 | 0 | 2 | 0 | 1.5 | 6 |
| **TOTAL** | **46.5** | **19** | **52** | **8** | **52.5** | **178** |

* Includes paid-on-call staff

** May include fire inspection staff

Given that a sizable portion of a fire department's annual expenditures are linked to its personnel, it would be logical to assume that departmental expenditures in the five departments would align relatively consistently with staffing levels. **Table 7** breaks down the 2010 actual expenditures for the five departments and reveals that is the case. The table also demonstrates the financial benefit gained by Hales Corners from its use of paid-on-call staff.

**Table 7: Fire Department Expenditures (2010 actual)**

| | Franklin | Greendale | Greenfield | Hales Corners | Oak Creek |
|---|---|---|---|---|---|
| Salaries and wages | $3,247,571 | $1,364,885 | $4,066,032 | $427,270 | $4,101,069 |
| Fringe benefits | $2,073,548 | $688,358 | $1,942,592 | $178,395 | $2,102,326 |
| Operating Expense | $373,751 | $98,451 | $643,621 | $132,271 | $538,603 |
| **TOTAL** | **$5,694,870** | **$2,151,694** | **$6,652,245** | **$737,936** | **$6,741,998** |

Fire department budgets and staffing levels also are linked to the number of pieces of apparatus that are used to respond to emergencies. The five departments in southern Milwaukee County use a combination of engines, ladder trucks, ambulances and smaller support vehicles to fulfill their missions. **Table 8** breaks down the apparatus used by each department.

**Table 8: Fire Department Apparatus**

| | Franklin | Greendale | Greenfield | Hales Corners | Oak Creek |
|---|---|---|---|---|---|
| Fire Vehicles | 3 | 2 | 4 | 2 | 4 |
| Ladder Trucks | 1 | 1 | 1 | 1 | 1 |
| Ambulances | 5 | 2 | 5 | 2 | 6 |
| Utility Trucks/Command Vehicles | 1 | 1 | 3 | 2 | 2 |
| Staff Vehicles | 4 | 1 | 4 | 2 | 3 |
| Other | 3 | 0 | 1 | 0 | 3 |
| **TOTAL** | **17** | **7** | **18** | **9** | **19** |

As might be expected given the current structure for financing local government in Wisconsin, the largest source of revenue supporting fire department operations is the property tax. A second major source – particularly for the three departments that provide paramedic services – is reimbursement revenue from EMS transports.[9] Other major sources include each municipality's share of a 2% charge levied by the State of Wisconsin on certain insurers, and fees charged for fire inspection services. **Table 9** shows the breakdown of these revenue sources for the five departments based on 2010 actual revenue totals.

**Table 9: Fire Department Major Revenue Sources (2010 actual)**

| | Franklin | Greendale | Greenfield | Hales Corners | Oak Creek**** |
|---|---|---|---|---|---|
| Locally allocated public resources* | $4,371,837 | $1,838,168 | $5,279,704 | $557,276 | $5,623,063 |
| Intergovernmental** | $237,319 | $1,501 | $213,265 | -- | $264,498 |
| Ambulance conveyance | $867,253 | $252,399 | $1,001,734 | $144,931 | $762,888 |
| 2% fire dues*** | $115,148 | $39,572 | $93,510 | $20,570 | $91,549 |
| Fire inspection fees | $103,313 | $20,054 | $64,032 | $15,159 | -- |
| **TOTAL** | **$5,694,870** | **$2,151,694** | **$6,652,245** | **$737,936** | **$6,741,998** |

* This revenue category consists largely of local property tax revenue, thought it also may include other sources of locally allocated revenue such as state shared revenue, power plant revenue (in the case of Oak Creek), and other flexible revenues allocated by city officials on a discretionary basis.

** This revenue category largely consists of the municipality's share of a $3 million "supplemental payment" provided by Milwaukee County to advanced life support providers, which is distributed per a formula developed by the Intergovernmental Coordinating Council. This $3 million payment was reduced to $1.5 million in Milwaukee County's 2012 Adopted budget, thus reducing this revenue category by 50% in 2012.

*** This revenue category reflects the state's distribution of dues collected under state statutes from insurers that conduct a fire insurance business in Wisconsin.

**** Oak Creek began implementing fire inspection fees in 2011.

[9] Residents are charged a fee by municipal paramedic providers in Milwaukee County for ambulance conveyances they receive. Fire departments use private billing companies to handle their fee collections, including reimbursement from private insurance, Medicare and Medicaid.

## CURRENT SHARED SERVICES AND FUTURE OPPORTUNITIES

The information provided in the preceding section shows that the southern part of Milwaukee County is home to five well-equipped, well-financed and relatively high-performing fire departments. Those departments collectively respond to about 13,200 fire or EMS calls per year, or an average of 36 per day; and they collectively spend about $21 million per year for fire department services, which not only include fire suppression and emergency medical activities, but also fire inspections and a host of emergency response capabilities.

A primary question for this report is whether the possible sharing or consolidation of fire services among the five departments might yield substantial cost savings without detracting from (or perhaps even improving) the quality of services provided. This section begins that analysis with an examination of current and potential future service-sharing among the five departments within their existing respective operating frameworks.

### Current Shared Services

Before considering the question of how the five Milwaukee County suburban fire departments might enhance their service sharing or contemplate consolidation, it is important to understand the manner in which the departments already work together to share services and responsibilities. The most prominent example of shared services and cooperation in the region is in the area of mutual aid. Each of the five departments voluntarily participates in Wisconsin's Mutual Aid Box Alarm System (MABAS), a network of fire departments in 25 counties that provide mutual aid to each other when requested.

MABAS was initiated in Wisconsin in the 1980s (and came to Milwaukee County in the 1990s) as a means of ensuring back-up for individual fire departments in situations where their resources are stretched because of a severe or long-lasting emergency. According to the organization's web site:

> *"MABAS is a unique organization where every MABAS participating agency has signed the same contract with their 750+ counterpart MABAS agencies. As a MABAS agency, you agree to: standards of operation, incident command, minimum level of equipment staffing, safety, and on-scene terminology. MABAS agencies, regardless of their geopolitical origin, are able to work together seamlessly on any emergency scene."*[10]

There is no charge for equipment, personnel or services provided under MABAS by one municipality on behalf of another, and any revenues recovered are equitably distributed. In addition, the MABAS regulations make it clear that emergency personnel responding to an emergency in a different municipality remain employees of their own department.

Analysis of mutual aid calls in the five communities reveals that the departments respond to frequent calls for back-up from their neighbors. **Table 10** shows the number of mutual aid calls fielded by each of the five departments in 2010.

[10] *What is MABAS?*, Wisconsin MABAS web site, http://www.mabaswisconsin.org/whatismabas.html.

**Table 10: 2010 Mutual Aid Calls Fielded by Each Municipality***

| | | Receiving community | | | | | |
|---|---|---|---|---|---|---|---|
| | | Franklin | Greendale | Greenfield | Hales Corners | Oak Creek | Other communities |
| Assisting community | Franklin | | 32 | 27 | 101 | 7 | 6 |
| | Greendale | 33 | | 24 | 1 | 2 | 6 |
| | Greenfield | 22 | 276 | | 19 | 1 | 20 |
| | Hales Corners | 14 | 2 | 15 | | 1 | 10 |
| | Oak Creek | 26 | 3 | 2 | 3 | | 83 |
| **Total mutual aid received** | | **95** | **313** | **68** | **124** | **11** | **125** |

* For Greenfield and Franklin, these figures include paramedic responses provided to Greendale and Hales Corners (respectively) under contract as part of the county-wide EMS system. As noted above, Greendale currently is establishing its own paramedic services, which will substantially reduce the volume of mutual aid provided to that community by Greenfield.

In addition to their participation in the mutual aid system, the five departments cooperate in several other areas of service delivery and emergency back-up. Cooperation is closest among Greenfield, Hales Corners, Greendale and Franklin, as those four communities comprise their own emergency management zone as designated by the Milwaukee County Sheriff's Bureau of Emergency Management.[11] The following summarizes several additional areas in which service sharing and cooperation is occurring.

- **Training** – The four Zone D departments participate in fire simulation, driver/operator, hazmat, and Technical Rescue team trainings. Oak Creek, which is part of Zone E, only participates in the fire simulation trainings.

- **Special Teams** – The Zone D Technical Rescue special team is comprised of eight staff from Greendale and approximately six staff from each of the other municipalities in Zone D (Oak Creek does not participate).

- **Communications** – Greenfield's 800 MHz radio system is used as a backup frequency by all of the other Zone D departments.

- **Joint Purchasing/Contracting** – All departments participate in countywide purchasing of turnout gear (firefighter protective clothing); Hales Corners also reports that it uses the same ladder testing vendor as other departments in order to negotiate reduced rates.

- **Other** – Hales Corners provides storage tank inspections for Greendale and Greenfield; Hales Corners fills all self-contained breathing apparatus bottles for Greendale.

[11] Milwaukee County is divided into five emergency management zones – Franklin, Greendale, Greendale and Hales Corners comprise Zone D, while Oak Creek is part of Zone E, which also includes Cudahy, St. Francis and South Milwaukee.

## Opportunities for Additional Shared Services in Current Framework

In light of the close cooperation that already exists between the five departments (and particularly among the four that comprise Zone D), an opening question for the study work group was whether additional opportunities for sharing and cooperation exist within the current operational framework. Eight specific areas were identified for exploration, as summarized below.

- **Training** - The five departments conduct regular and refresher training for their staff in areas like Emergency Medical Technician aptitude, appropriate use of new and existing equipment and gear, fire suppression strategies, fire inspections, equipment maintenance, etc. Most training sessions are provided by internal staff during work hours, as resource constraints make it difficult to take individuals off duty for training. Four of the five departments have multiple individuals (typically assistant chiefs and lieutenants) who are responsible for conducting training as part of their overall responsibilities. The fifth (Oak Creek) has a battalion chief who serves as a full-time trainer.

  Several of the fire chiefs who participated in the study work group cited the cooperation that already exists with regard to fire simulation, driver/operator, hazmat and Zone Confined Space training among the different departments. They thought additional coordination and cooperation could be warranted, particularly as a means of promoting uniformity across all municipalities. It was also noted, however, that differences in equipment, standards and protocols would present a challenge to a unified training approach. Ultimately, the concept of a unified training bureau was considered, under which one of the departments would take the lead in coordinating training for all five departments. That concept is discussed in further detail in the following section of this report.

- **Maintenance** - The work group explored both vehicle maintenance and building maintenance as areas where efficiencies and/or economies of scale might be realized by sharing or coordinating services. With regard to building maintenance, it was felt that there was limited potential for cost savings or efficiency improvements given that such maintenance typically is performed by firefighters or municipal public works staff as part of their daily activities, and that it does not require substantial time or resources outside of occasional major projects like roof repairs.

  With regard to vehicle maintenance, a distinction was made between routine maintenance and more complex maintenance. Four of the five departments currently use internal municipal staff for routine maintenance, while all five use private service providers for specialized repairs and maintenance (Hales Corners uses a private provider for both forms). The four departments that use internal staff to perform routine maintenance typically use firefighters, public works staff, or both.

  In light of the fact that all five departments contract for specialized repairs and maintenance (and three of the five use the same vendor), the work group felt it would be worthwhile to explore the potential for cost savings through a joint purchasing initiative in which a single vendor would be procured to provide such services for all five departments. The group also discussed the notion of having one of the five departments conduct routine maintenance for the entire group. A unified approach to vehicle maintenance and repairs is discussed in greater detail in the next section.

- **Fire inspections** - A primary function of each of the five fire departments is to conduct inspections of all multi-occupancy residential buildings (greater than duplexes), schools, churches, and commercial buildings per Wisconsin Statutes to ensure compliance with fire codes and reduce the potential for

loss of life and property through fire. As shown earlier in **Table 4**, the five communities collectively conducted more than 10,000 fire inspections in 2010. Three of the five departments (Franklin, Hales Corners and Oak Creek) have at least one full-time position that is dedicated solely to fire inspections, while Greenfield dedicates portions of two part-time positions. Greendale, meanwhile, certifies all of its firefighters to conduct inspections.

The work group considered the feasibility of having a single fire inspection bureau within one of the departments to conduct inspections for all five. A potential drawback is the different fire codes that exist among the five municipalities, but the group felt that challenge could be overcome by ensuring that the bureau staff is cognizant of the differences and is trained to conduct inspections per the specifications of each individual municipality. The group also agreed that if an effort were made to consolidate this function, then elected leaders should be asked to consider making the fire codes uniform among the five municipalities. The concept of a unified fire inspection bureau is discussed further in the following section.

- **Special teams** – Most fire departments maintain groups of specially trained individuals to respond to specific types of emergency situations. As noted above, in the southern Milwaukee County study area, four of the five departments have technical rescue teams consisting of either six or eight individuals who are trained to respond to unique rescue situations involving confined spaces or other extraordinary circumstances, and who already work together on a cooperative basis. The fifth – Oak Creek – does not have a technical rescue team, but maintains a special tactical EMS team that is trained to respond to hostile situations (e.g. those involving gunfire). Franklin also has a second special team for emergency situations involving water rescue.

  In addition, four of the five departments (excluding Oak Creek) once cooperated on a joint effort to provide lower-level hazardous material response, but that effort was disbanded (the City of Milwaukee provides high-level hazardous material response in Milwaukee County). Each of the departments now includes low-level hazardous material response in its general training.

  The notion of consolidating different types of special teams operations within a single department was discussed by the work group. Because of the high level of cooperation that already exists, however, as well as the minimal fiscal and operational resources dedicated to this area, it was determined that further exploration in this area was not warranted.

- **Information Technology** – The work group discussed several possibilities for sharing or consolidating information technology (IT) services, including establishing common IT systems for general operations and EMS data collection and billing; and merging or sharing IT staff or consultants. Such consideration was complicated, however, by the different ways in which the individual departments obtain their IT services – and use the IT systems – of their larger governments.

  **Table 11** shows the estimated annual IT expenditures and IT providers for the five departments. Two use in-house staff from their larger governments, while three use outside consultants for IT support. The annual costs incurred by each department are either minimal or difficult to quantify because of their ability to tap into staff or consultant usage from their larger government.

**Table 11: Information Technology Costs and Providers**

| | Franklin | Greendale | Greenfield | Hales Corners | Oak Creek |
|---|---|---|---|---|---|
| Annual Cost | $19,800 operating (contract cost) | Approx. $5,000 (contract costs) | $11,800 operating (salary only) | $2,000 operating (contract cost) $3,000 capital | Portion of centralized IT budget |
| Provider | Heartland (dept. uses portion of a centralized contract) | JSO Technologies (dept. uses portion of a central contract) | 1 IT city employee split between police (85%) and fire (15%) | Heartland (City IT efforts are highly decentralized) | Centralized city IT staff |

The work group felt that while joint use of a centralized IT platform, or joint contracting or staffing of their IT function, might make sense from a service efficiency standpoint, the realization of cost savings likely would be limited given that departmental IT functions are closely associated with those of the larger municipal government in which they reside. In addition, several chiefs pointed out that a merger of fire and police IT functions within individual governments might be more logical, and that such a merger already has been effectuated in Greenfield.

With regard to EMS data collection and billing, it was found that four of the five departments already use the same vendors. It was agreed that exploration of a joint contract might be beneficial, but that such exploration should await disposition of the many issues surrounding the future of the Milwaukee County-administered EMS program.[12]

- **Communications** – The work group engaged in limited discussion about possibilities for combining dispatch operations, as well as for jointly exploring a new radio communications platform to replace Milwaukee County's 800mhz system, which is used by four of the five departments for radio communications (Greenfield maintains its own 800mhz system). Because dispatch operations in each of the five municipalities also involve police operations, it was decided that if joint dispatch discussions take place, it should be outside of the context of this study (though the group also felt that a joint dispatch arrangement would be essential under a scenario in which the five departments were fully consolidated). With regard to radio communications, the group agreed that the issue transcended the scope of the study and would be dependent on discussions taking place in different forums with the Milwaukee County Sheriff's department.

- **Emergency operations center (EOC)** – Communities across the country designate a specific location to serve as a central command and control location during emergency situations, such as natural disasters. Some communities also designate a backup EOC in the event that the main EOC is disabled or inaccessible during the emergency situation. The EOC in four of the five southern Milwaukee County municipalities is the police station, while the village hall serves as the EOC in the fifth. One of the communities (Greenfield) uses one of its fire stations as the backup EOC, while two of the five do not have a designated backup EOC.

  The work group discussed the merits of having individual fire departments serve as backup EOC's for neighboring communities (e.g. the Greenfield fire department would be the backup EOC for

[12] A decision by Milwaukee County to significantly reduce a supplemental payment to municipal EMS service providers has prompted municipal leaders to consider a new paradigm for providing Advanced Life Support services. Discussions on the future of the system will be ongoing during 2012.

Greendale). It was determined, however, that there are few costs associated with the maintenance of a backup EOC, and that the communities would naturally cooperate anyway in an emergency situation that was of sufficient magnitude to render a primary EOC inoperable. Also, in such a circumstance, it is likely that multiple municipalities would be impacted, which would call into question whether any municipality would have the capacity to serve as a back-up EOC to one of its neighbors.

- **Reserve fleet** – The work group engaged in considerable discussion about whether the need for "reserve" vehicles might be accommodated by sharing vehicles with neighboring departments, thus allowing for fleet sizes to be reduced. In particular, the concept of having a single "reserve" fleet that could be used when needed by each individual department was discussed. In addition, the potential for sharing "specialty" vehicles, such as command vehicles or utility trucks, was considered.

  It was agreed, after reviewing the vehicles owned by each department (see **Table 8**), that the five municipalities collectively own far more apparatus than needed for the geographic area they serve. Because they operate as distinct departments, however, with unique operational protocols, the notion of sharing vehicles would be logistically difficult.

  One complicating factor that emerged was the definition of "reserve." Greenfield, for example, maintains one of its engines as a "reserve" vehicle that only is used when another engine is out on repair, while Oak Creek has "reserve" ambulances that accompany the primary ambulance on each run to serve as a back-up. Others maintain vehicles in reserve for use when primary vehicles are out on calls and a subsequent call requires a response. Depending on the location of the reserve apparatus, use of a joint reserve fleet for either of the latter two circumstances could be problematic given the need to immediately access reserve vehicles when calls come in.

  Other logistical questions that emerged included differences among the municipalities in training and use of specific apparatus; whether use of a joint reserve would impact ISO ratings by diminishing the reserve capacity of individual departments; and whether the notion of a joint vehicle reserve could be successful without improved information technology that would allow for vehicle tracking. In addition, the group considered whether mutual aid agreements obviated the need for a joint reserve, as individual departments already were able to count on support from vehicles housed in other municipalities in circumstances where their apparatus was stretched thin by multiple incidents.

  Ultimately, the group decided that some limited sharing of vehicles among the five departments may be appropriate. It was agreed, for example, that the five municipalities did not need five ladder trucks, and that it would make sense for Hales Corners to eliminate its ladder truck and explore an agreement with one of its neighbors to provide ladder truck service in the rare instances in which such service may be needed. The concept of a formal joint reserve fleet, however, was deemed not worthy of pursuit under the current operational framework in light of the logistical and operational issues cited above.

## THREE MODELS FOR ENHANCED SHARED SERVICES

The previous analysis and discussion indicate potential for enhanced cooperation and service sharing in three important areas of fire department operations: training, vehicle maintenance and fire inspections. The work group felt that by working together to provide those services in a collective fashion, the five departments may be able to realize operating efficiencies and improvements, and that some existing command staff and firefighters may benefit from being able to focus on other core public safety responsibilities.

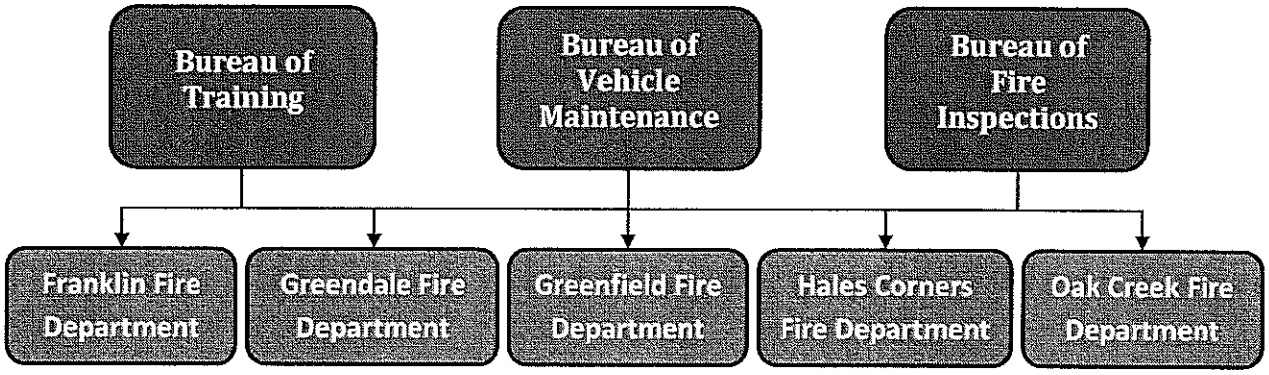
The work group also acknowledged, however, that coordinating services in those three areas would be unlikely to yield substantial budgetary savings. Given that exploration of budgetary savings was a key driver of the study, it was determined that other models should be explored as well.

In this section, we present detailed analysis of three such models. We start with a Coordinated Support Services model – which lays out in greater detail the concept of unified bureaus to conduct training, vehicle maintenance and fire inspection services for the five departments – and then move on to Operational Consolidation and Full Consolidation models. Each model builds on the previous model and, as such, presents the possibility of implementation on a step-by-step basis. Conversely, policymakers could elect to implement any of the three models independently, choose variations for a subset of the five departments, or pursue no action at all.

### Coordinated Support Services Model

Under the Coordinated Support Services model, the five departments would remain independent and would continue to provide fire and EMS services within the same municipal boundaries and operational protocols that currently exist. They would band together, however, to provide joint training, maintenance and fire inspection services for their respective staff, apparatus and communities, as shown in **Figure 2** below.

**Figure 2: Coordinated Support Services Model**



*Training*

As noted above, the provision of continual staff training is a critical imperative for each of the five departments to ensure that personnel maintain proficiency in all areas of operations, ranging from EMT skills, to use of equipment, to the latest in fire suppression strategy and technology. Some cooperation already exists in this area, as the departments jointly conduct fire simulation training, and four of the five (excluding Oak Creek) jointly conduct driver/operator, hazmat and Zone Confined Space training. Most training, however, is conducted by each department on an individual basis using internal staff.

**Table 12** shows how each of the five departments currently provides its training, as well as the estimated annual amount of training provided for firefighters, and whether that amount is deemed by the chief to be ideal. This information shows that only Oak Creek – which is the one department that dedicates a full-time command position to training – expresses satisfaction with the amount of training being provided to its firefighters.[13]

**Table 12: Fire Department Training**

| | Franklin | Greendale | Greenfield | Hales Corners | Oak Creek |
|---|---|---|---|---|---|
| Provider | Asst. chief and lieutenants dedicate portion of their time | A 24-hr shift officer coordinates training; all shift officers provide training | Asst. chief and lieutenants dedicate portion of their time | 1 lieutenant dedicates portion of time | 1 FT battalion chief (trains 40 hrs/wk) |
| Annual training hrs per firefighter | 120 | 77 | 100 | 140 | 180 |
| Is ideal level of training hrs being met? | No | Makes do w/current level | No | No | Yes |

A particular challenge for the departments is the need to provide training to firefighters when they are on duty, as resource constraints generally prevent the departments from using additional staff to cover for those who are engaged in training. Consequently, when calls come into the fire department during training, training sessions may need to be interrupted. This challenge also poses a potential roadblock to consolidation of training activities, as firefighters typically need to be in their station houses (or nearby) during training so they can respond to calls, which would make it difficult to hold joint training sessions for staff from the five departments in an off-site location.

Despite that challenge, the work group felt that exploration of joint training activities was merited, and that sentiment was echoed by training personnel who were consulted by the chiefs. In particular, the idea of having a centralized, full-time training staff that would coordinate and deliver most forms of training to personnel from each of the five departments was considered.

In envisioning such an approach, the work group determined that a centralized training bureau would logically be housed in Oak Creek and administered by that department's training officer, who currently is the only individual in the five departments dedicated full-time to training. Housing the training function in the Oak Creek department also would be logical given that the department recently invested nearly

[13] As a point of reference, the annual amount of training required for accreditation by the Commission on Fire Accreditation International (CFAI) is 240 hours annually (the West Allis fire department is the only department in the state to have received such accreditation). Also, ISO typically looks for about 20 hours of company-level training per member per month.

$70,000 for videoconferencing technology, which would be particularly useful as a mechanism for providing training to fire department personnel in other municipalities while they are on duty at their respective fire houses (though this may require some investment by the other municipalities to make optimal use of the technology). The group felt that the Oak Creek battalion chief could handle most of the administration and coordination of training for the five departments, but that he also would require assistance from additional staff from the four other departments, meaning that each would need to continue to devote some staff resources to training.

Potential benefits of such an approach would include the following:

- Several senior staff members who currently dedicate a substantial portion of their time to training would need to spend less time (particularly on administration, training plans and logistics), and would therefore be able to focus more on other responsibilities.

- Firefighters from the five departments could be trained per the same standards, guidelines and protocols, thus helping to ensure uniform standards of service across the region. In fact, the idea of producing uniform cooperative training manuals was suggested. This uniformity could be particularly beneficial given the extent of mutual aid across the five municipalities. Because the different departments currently use different equipment and have different approaches to various firefighting responsibilities, however, establishing such uniformity could be a difficult challenge.

- A senior command position that is dedicated full-time to coordinating training may be better able to keep abreast of new and innovative training opportunities and methodologies than multiple part-time individuals who have other responsibilities, thus improving the quality of training.

- Equipment that is purchased for training – as well as training exercises – could serve a larger number of fire department personnel, thus enhancing the efficient use of training resources.

With regard to fiscal impacts, the Oak Creek fire department may be entitled to seek compensation from the other departments for serving as the centralized training entity and for dedicating its full-time training officer to coordinating services for all five departments. The group also felt there may be no net cost to the other departments, however, as any modest charge could be offset with savings accrued from their ability to streamline operations in light of the removal of some training responsibilities from existing staff. There also may be opportunity for Oak Creek to receive a reciprocal level of service from other departments in other centralized areas of service, such as fire inspections.

While concerns were raised that differences in apparatus, equipment and protocols among the individual departments may hamper efforts to provide the same training to fire personnel from each department, the work group felt that a consolidated approach to training should be pursued. As one chief put it, "I don't see any big financial savings here, but consolidating our training would make sense from several other perspectives, including the perspective of better fire service."

*Vehicle Maintenance*

As discussed earlier in this report, in considering possibilities for shared vehicle maintenance services, the work group made a distinction between routine vehicle maintenance – which typically is provided in-house by fire department or public works staff – and more complex repairs and maintenance that

typically is contracted with an outside vendor. **Table 13** summarizes annual vehicle maintenance costs experienced by each department and how vehicle maintenance is performed.

**Table 13: Fire Department Vehicle Maintenance**

| | Franklin | Greendale | Greenfield | Hales Corners | Oak Creek |
|---|---|---|---|---|---|
| Estimated 2010 Cost | $19,908 | $14,195 | $57,663 | $20,000 | $41,000 |
| Routine/Preventive Maintenance Provider | Mostly fire dept. staff w/some use of DPW | A shift officer does most routine work plus other repairs | Fire dept. does some basic work, Sean Mayer Repair Service, DPW (very limited) | Sean Mayer Repair Service & Emergency Apparatus | DPW |
| Complex Maintenance/Repairs Provider | Sean Mayer Repair Service | Inland Diesel, Lakeland Truck Repair, Hiller Ford | Sean Mayer Repair Service & Emergency Apparatus | Sean Mayer Repair Service & Emergency Apparatus | Various vendors, including Hiller Ford, Truck Country and Lakeside International, Badger |

The work group determined there would be merit in exploring a joint contract with a single vendor or multiple vendors to perform complex maintenance work and vehicle repairs. An inquiry was made by one of the chiefs with one of the vendors currently used by multiple municipalities, and that vendor indicated he would be interested in bidding on a joint contract and that discounts likely would be applied in order to secure a larger volume of business.

In addition, representatives from Oak Creek indicated that their DPW operation may have the capacity and interest to perform routine vehicle maintenance for additional departments. The group did not view this possibility as a significant money-saver given that firefighters largely perform such maintenance during "down time," and the use of municipal public works staff typically does not result in a direct charge to the fire department. Also, questions were raised as to whether Oak Creek's DPW staff would have the necessary qualifications to service specialized fire department vehicles, and some cited a potential negative impact from needing to transport vehicles to Oak Creek for maintenance and repairs currently performed on site at individual stations. Nevertheless, it was felt that modest internal efficiencies might be realized under this approach, and that Oak Creek would have incentive to secure or train staff with the necessary qualifications if such a scenario materialized. Also, those municipalities that use their public works departments for maintenance saw potential benefit in no longer needing to do so.

Consequently, the idea of a single maintenance "bureau" in Oak Creek that would administer a joint contract or contracts for complex maintenance, as well as handle all routine maintenance for the five departments, was determined to merit consideration. It is not possible to estimate fiscal savings from such an arrangement at this time, as that would depend upon the rates charged by contractors; the charge that would be levied by Oak Creek to the other municipalities for routine maintenance work; and the efficiencies realized by those departments that no longer would need to dedicate firefighter and officer time to vehicle maintenance. It stands to reason, however, that a modest amount of savings (or increased revenues in the case of Oak Creek) would be recognized by each of the five departments.[14]

[14] After initial work group consideration of this concept, Oak Creek lost two of its three DPW staff to retirement. Consequently, while a fully staffed DPW operation in Oak Creek still may have the capacity to house the consolidated bureau, this concept could not be pursued until the staff vacancies are filled.

*Fire Inspections*

As discussed earlier in this report, fire inspections constitute a significant amount of workload and responsibility for each department. **Table 14** details how those services currently are provided and the volume of activity at each of the five departments.

**Table 14: Fire Department Inspections**

| | Franklin | Greendale | Greenfield | Hales Corners | Oak Creek |
|---|---|---|---|---|---|
| Provider | 1 FT & 1 PT fire marshal positions; occasionally use a consultant (Malek & Associates) | All fire staff are certified and conduct fire inspections | Portions of 2 PT fire marshal positions | 1 lieutenant & 1 on-call position | 1 FT position, which is supplemented as needed by fire fighter positions; consultant also used (Fire Safety Consultants) |
| No. of inspections performed | 2,400 routine inspections annually | 842 inspections annually | 2,500 annually (1,000 twice/yr, 500 once/yr) | 12-15 properties weekly | 3,500 routine inspections annually |

The idea of merging fire inspection responsibilities into one unified "bureau" was seen to have promise as a means of potentially eliminating some positions that are redundant among the five departments and/or freeing up the time of existing staff who currently conduct inspections. Both Franklin and Greenfield, for example, felt they could eliminate their fire marshal positions if a centralized bureau were created.

The group discussed organizing a bureau under a structure that would be similar to that of the North Shore Fire Department, which established a "Fire Prevention Bureau" within the department to conduct inspections in the seven North Shore municipalities. The bureau envisioned by the work group could be housed within one of the five departments, and would include a fire marshal, fire prevention specialist and three part-time inspectors.

A complicating factor in such an arrangement would be the treatment of fire inspection fees, which are levied in varying amounts by each municipality for inspections performed on commercial, industrial, and other large buildings, including most multi-family apartment buildings. While a unified inspection bureau scenario logically would dictate that each municipality turn over its fee collections to the bureau, that approach could produce a net loss for those municipalities whose fee collections exceed the direct cost of fire inspection positions that would be eliminated. Consequently, a financing formula – which likely would be based on the number of annual inspections – would need to be worked out between the five municipalities to ensure that each pays its fair share toward the cost of the inspection bureau without losing money under the arrangement.

While the possibility of consolidating fire inspection services was seen to have promise, two additional potential obstacles were cited. The first was the unique characteristics of the buildings and properties within specific municipalities, which some felt required specific expertise and familiarity that would suffer if inspections were handled by a centralized bureau, as opposed to fire department staff from each municipality. That obstacle was raised in particular for the City of Oak Creek, which houses a power plant. A related concern was that firefighters in each municipality would lose the familiarity they currently have with major industrial and commercial buildings by no longer being called upon to inspect

them. Officials from Greendale raised a particular concern in this regard, as the village relies on general fire department personnel to conduct all inspections (as opposed to using specialized fire inspectors and/or outside consultants).

In addition, as noted in an earlier section, the distinct fire codes possessed by each municipality were seen as a potential logistical problem, though one that could be overcome by ensuring that the centralized inspectors had sufficient familiarity with the individual codes to use them appropriately in the various jurisdictions. Regardless of whether that could occur, the work group was unanimous in asserting that if a centralized fire inspection bureau were pursued, then elected officials from the five municipalities should be urged to standardize their fire codes.

*Summary*

A model in which each of the five southern Milwaukee County municipalities retained its own fire department but consolidated certain major areas of support services holds promise as a means of enhancing operational coordination among the five departments, improving service quality, and producing some modest operational efficiencies and cost savings. Such an approach also might be seen as a logical first step in a multi-year process to implement operational or full consolidation of the five departments.

The above analysis also indicates, however, that efforts to consolidate even supportive services like training, maintenance and fire inspections would be clouded by the fact that each of the individual departments has its own operational protocols, equipment, and larger municipal framework. Those unique characteristics create both logistical hurdles and concerns that individual departments would not obtain the individualized services needed to meet their distinctive operational requirements.

That does not mean such an approach should not be pursued, but it does mean that the five municipalities would need to work diligently to ensure that the benefits of a consolidated approach (e.g. economies of scale, operational efficiencies and monetary savings) could be recognized without detracting from individualized service requirements and needs. Given that potential cost savings and operational efficiencies may be viewed as relatively modest, municipal and fire department leaders will need to determine whether the short-term and long-term benefits of a consolidated support services approach are worth pursuing on their own, or might be better (or only) pursued as part of a larger consolidation model.

## Operational Consolidation Model

*Operational Concept*

The Operational Consolidation Model envisions a scenario under which each of the five departments maintains its independent legal status, but functions under an "automatic aid agreement" in which the closest unit responds to a fire or EMS call regardless of municipal boundary. So, for example, a fire call from the southern tip of Greenfield would receive a response from the Greendale fire house, which would be the closest unit; and an EMS call from the northwestern tip of Franklin would receive a response from the Hales Corners fire house, which in that case would be closest to the call.
In addition, for those municipalities with multiple fire houses, routine back-up when fire vehicles or ambulances are out on call from a particular fire house would not be limited to fire houses within the

same municipal boundaries. Instead, back-up would be coordinated among those fire houses that are in closest proximity.

Operationally, this model would represent a substantial enhancement to the MABAS concept in that individual departments would not simply receive assistance from neighboring communities during times of high activity, but instead would work in concert with neighboring departments on an overall deployment strategy without regard for municipal boundaries, as if they were part of a larger consolidated department.

In addition, the five departments would employ joint training, vehicle maintenance and fire inspection bureaus per the Coordinated Support Services Model, and they would strive to develop unified standards and operational protocols for conducting their responsibilities. Because the departments would not be formally merged, however, each would retain its own salary/benefits structure, work rules, and equipment, and each would receive oversight, funding and policy direction from its own central administration and elected officials.

*Fiscal and Operational Analysis*

The Operational Consolidation Model would substantially reduce the number of fire vehicles needed to serve the southern Milwaukee County region, as redundancies deployed by individual municipalities to ensure appropriate coverage under several different high-activity scenarios no longer would be necessary.

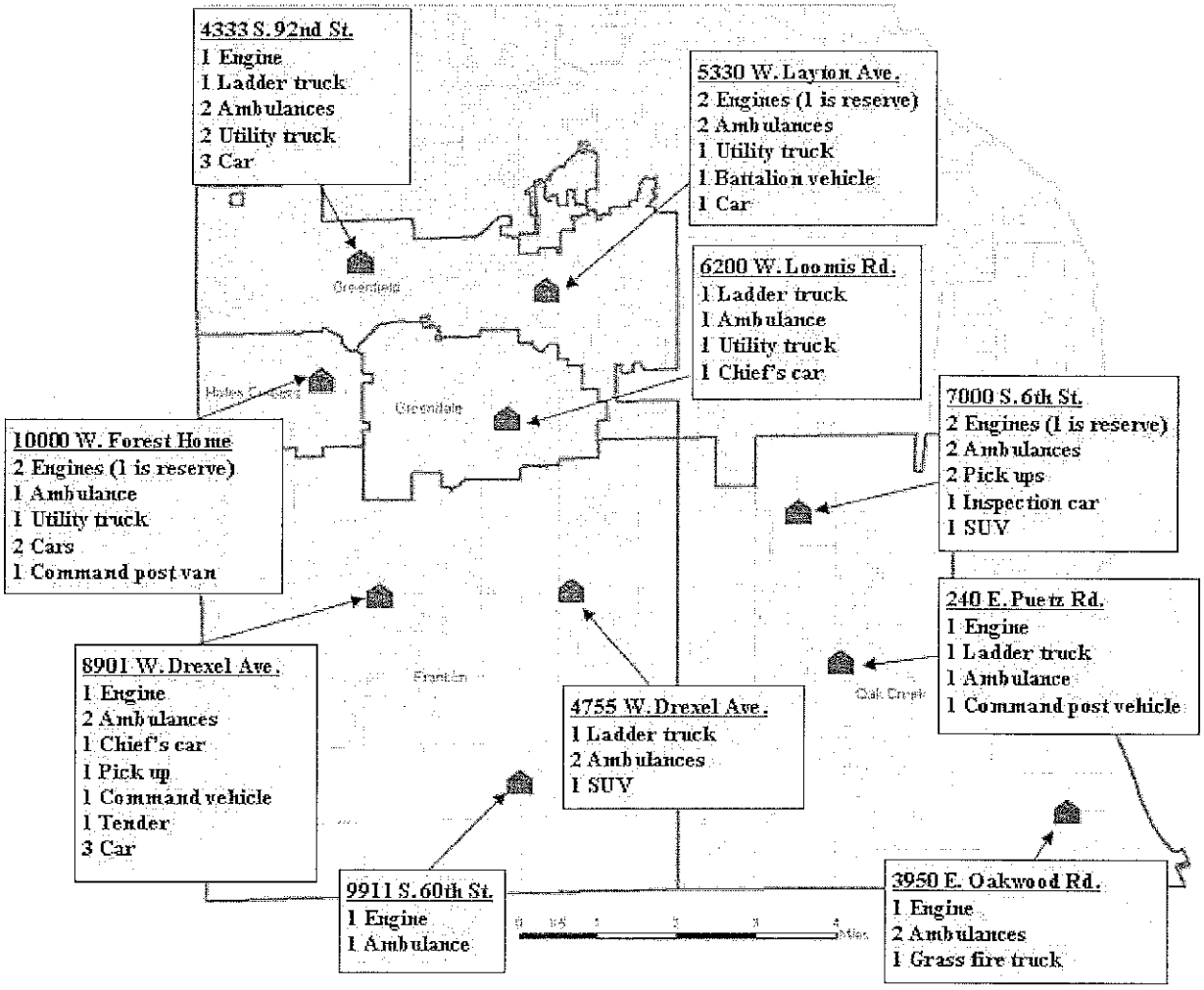
For example, it was determined by the work group that certain stations that employ both a ladder truck and an engine could function effectively with just a ladder truck in light of the fact that engines from several nearby stations would be available to supplement coverage for fire calls and to provide back-up in the event of multiple calls. In addition, the number of ambulances serving the region could be reduced, again because of the proximity of "back-up" ambulances in other municipalities that would now function as part of the same operational framework. It also was determined that the number of ladder trucks serving the region could be reduced from five to four.

**Table 15** shows the reduction of vehicles in the region envisioned by the fire chiefs under this model, while **Figure 3** shows how vehicles would be distributed among the 10 fire houses.

**Table 15: Operational Consolidation Model – Potential Changes to Fleets**

| Current Combined Fleet | | Potential Combined Fleet | | *Potential Changes* | |
|---|---|---|---|---|---|
| Engines | 15 | Engines | 11 (includes 3 reserves) | Engines | *-4* |
| Ambulances | 20 | Ambulances | 16 | Ambulances | *-4* |
| Ladders | 5 | Ladders | 4 | Ladders | *-1* |

Figure 3: Potential Distribution of Apparatus Under Operational Consolidation Model




The ability to reduce the combined vehicle fleet by nine vehicles would produce substantial vehicle replacement savings, as well as reductions in maintenance responsibilities and presumed modest cost reductions at the unified vehicle maintenance bureau. In addition, there would be savings associated with the reduced need for equipment that must be available on each piece of apparatus, such as hoses, breathing apparatus, radios, ladders, etc.

Because maintenance and equipment savings would be difficult to quantify and relatively modest, we focus in this report on vehicle replacement savings. **Table 16** shows vehicle replacement needs cited by the five departments through 2017.[15] Vehicles cited in **bold** represent those for which a replacement no longer would be necessary within the next five years because of the fleet reductions envisioned under the Operational Consolidation Model. Assessing the situation in this manner allows us to show the approximate savings associated with each vehicle that no longer would need to be replaced, which would total more than $3.3 million over the next five years for the five municipalities collectively.

[15] Those vehicles cited as needing replacement in 2012 or earlier have been identified by municipalities in previous budgets or planning documents but have not yet occurred.

**Table 16: Operational Consolidation Model – Vehicle Replacement Schedule & Potential Savings**

| Municipality | 2012 or earlier | 2013 | 2014 | 2015 | 2016 | 2017 | Savings |
|---|---|---|---|---|---|---|---|
| **Franklin** | **Ambulance 1** | | Med unit | | Ambulance | | $150,000 |
| **Greendale** | | **Engine 402** | | | | Med 44<br>Med 45 | $500,000 |
| **Greenfield** | **Engine 4**<br>**Engine 3**<br>**Ambulance 1**<br>Ambulance 2 | Ambulance 3 | | Med 9<br>Med 92 | | | $1,150,000 |
| **Hales Corners** | | | Ambulance 610 | | | | $0 |
| **Oak Creek** | **Ambulance**<br>**Ambulance** | | Ambulance<br>Ambulance | Ambulance | **Engine (Reserve)** | **Ladder Truck** | $1,550,000 |
| **Total** | | | | | | | **$3,350,000** |

The information contained in **Table 16** obviously serves only as an illustration of potential vehicle replacement savings that would occur under this model, and only within a five-year period. The actual process of shrinking the combined fleet likely would be far different from that depicted in the table, as it would depend on the actual inventory of vehicles at each fire house as shown in **Figure 3.** For example, while Oak Creek's ladder truck is the first scheduled for replacement in 2017 and appears on the table, the actual operational consolidation framework calls for Hales Corners to eliminate its ladder truck.

Also, it is important to note that most of the municipalities budget for their fire vehicle replacement needs by building a steady amount of property tax levy funding into each year's annual capital budget that is allocated to a capital equipment fund. Monies from the fund are used as needed when vehicle replacement needs arise (Hales Corners, which issues bonds for replacement of major vehicles, is an exception). The amount of annual capital equipment fund allocations for fire vehicles varies by municipality and by the projected timing and scope of vehicle replacement needs, but it can be several hundred thousand dollars annually. Consequently, the benefit of reduced vehicle replacement needs likely would be experienced by most municipalities as a relatively substantial reduction in the annual amount of property tax levy required to maintain an appropriately-funded capital equipment fund.

Actual savings realized by individual municipalities also would be impacted by the following:

- Whether each municipality actually intends to replace vehicles per its vehicle replacement schedule.
- Whether legal and logistical issues might be worked out to allow vehicles no longer required at a fire house in one of the five municipalities to be transferred for use at one of the others.
- Whether substantial revenue could be realized by selling unneeded vehicles.
- How the five municipalities decide to allocate savings from their collective effort to share vehicles. For example, would the municipalities agree to allow those who are avoiding replacements to reap the full savings, or would such savings be "pooled" and re-distributed to all five on a formula basis in recognition of the fact that the savings would accrue from the collective effort to operate under an operational consolidation framework?

Regardless of the answers to those questions, it is clear that the smaller combined vehicle fleet would allow the five municipalities to avoid substantial vehicle replacement costs not only within the next five years, but also over the long term. In addition, the chiefs cited two other major potential benefits from the Operational Consolidation Model:

- This framework could create a higher level of service in the region, as the opportunity to deploy resources without regard for municipal boundaries would provide for better overall coverage and consistent levels of training to the same operational protocols. It was noted that while the municipalities currently provide mutual aid to one another, when firefighters are called to a fire scene in a different municipality, they may not be familiar with the operational protocols used in that municipality. Under an operational consolidation model, all firefighters in the region would be trained to the same protocols and standards.

- The model could present significant opportunities to reduce overtime expenditures. The Greendale department, for example, makes frequent use of "call-backs" of fire department personnel on an overtime basis to provide coverage in certain instances in which on-duty personnel are out on fire or ambulance calls. Call-backs also are used by the Franklin department, though on a less frequent basis. The chiefs felt that because "back-up" often would be provided by on-duty personnel from a different municipality – as opposed to personnel being paid overtime at the same municipality – a sizable reduction in overtime payments (which currently total about $1.1 million annually in the five departments) may be achievable.

Despite the potential promise of the Operational Consolidation Model in these three areas (reduced vehicle replacement costs, enhanced service levels, and reduced use of overtime), several potential obstacles to this approach also were noted by the chiefs. Those include the following:

- While efforts would be made to standardize training and adopt the same broad operational protocols, the five independent departments still would be likely to maintain their own distinct ways of "doing business." This might include unique requirements regarding staffing levels, deployment of back-up vehicles, and use of different categories of personnel, as well as ownership of different types of apparatus and other equipment. It was felt that this continued independence might serve as a potential barrier to achieving truly coordinated service and effective operational consolidation.

- Because each department still would retain its own EMS revenue, the notion of coordinating EMS calls on the basis of call proximity could be problematic. As one chief put it, "everyone would still be chasing their own revenue, so there would be no financial benefit for municipalities to hold off on sending an ambulance when a call comes in even if an ambulance from another municipality might be closer."

- Creating the ability to dispatch to the closest appropriate unit would require a change in dispatching procedures and technology. The most obvious solution would be to create a joint dispatch function, which could require coordination with the five police departments and potentially create a new array of logistical issues and concerns. Another solution would be to invest in new technology that would allow distinct dispatch operations in individual municipalities to dispatch fire calls to other municipalities when appropriate.

*Summary*

A model in which the five southern Milwaukee County municipalities would maintain their own separate fire departments but respond to fire and EMS calls on a "closest unit" basis may offer the opportunity to improve fire department service in the region and reduce equipment costs, while allowing each municipality to retain local control of its own fire and EMS operations. The retention of local control would eliminate several political obstacles that commonly arise in deliberations over full consolidation of public safety functions by ensuring that municipal elected officials maintain authority over the staffing, location and equipping of municipal fire houses; the pay and benefits of fire department personnel; and overall budgeting and oversight of fire department operations.

The benefits that would be realized by maintaining local control, however, also call into question the effectiveness of this approach. While eliminating political obstacles, the ability of municipal officials to determine their own staffing levels and personnel structures, as well as retain their own EMS revenue, likely would prevent them from fully realizing the operational and fiscal efficiencies that would accrue from a truly consolidated operational model. In fact, other than citing the potential for an unquantifiable reduction in overtime costs, it was not possible for us to determine annual operational savings because none of the chiefs could cite staff reductions that definitively would be produced from the operational consolidation approach.

Nevertheless, the vehicle savings that would be produced under this approach are substantial, and local elected officials may wish to pursue it as a means of recognizing some savings without abandoning local control and oversight of fire operations, and while also promoting enhanced operational coordination among the five departments. Conversely, this option might be viewed as an appropriate interim step on the way to a multi-year plan to fully consolidate the departments.

## Full Consolidation Model

*Operational Concept*

The Full Consolidation Model envisions a scenario in which the five municipal fire departments are disbanded. In their place, a consolidated Southern Milwaukee County Fire Department (SMCFD) is created.[16] The SMCFD not only would operate under a "closest unit responds" framework and employ joint training, vehicle maintenance and fire inspections as in the Operational Consolidation Model, but it also would have a unified command, operational philosophy, equipment procedures, rules and regulations, and administrative services (including fiscal/accounting, information technology, procurement, and human resources). In addition, all personnel would be employees of the SMCFD (as opposed to the individual municipalities in which they are stationed), and all fire equipment and vehicles housed in the five municipalities would be owned by the consolidated department.

Governance

Under this model, the new department would be governed by its own board of directors, which would set policy, approve the budget, assist in long-range planning, and negotiate labor and management contracts. The specific composition of the board would need to be determined by the five

[16] We have named the new department for ease of reference in this report. The actual name obviously would need to be selected by the five communities.

municipalities. As a point of reference, the North Shore Fire Department (NSFD) Board of Directors is comprised of the mayor/village president (or his or her designee) from each of the seven member communities. The NSFD also maintains a separate fire commission to address personnel issues.

The legal authority for the five communities to establish a consolidated fire department is contained in Section 66.0301 of the Wisconsin Statutes, which allows municipal governments to form intergovernmental agreements for the joint administration and delivery of certain types of services. Elected officials from the five communities would need to develop such an agreement if they decide to pursue a consolidated department. That agreement would establish the basis for many of the administrative, jurisdictional and logistical details of the new department, including the following:

- **Equipment**. Assuming that ownership of fire department equipment would transfer to the consolidated department, the intergovernmental agreement would have to specify how to assess the value of existing equipment and determine which equipment the new department would use. The NSFD used an independent appraiser to value all equipment. The new department then purchased what it needed from individual municipalities, with unneeded equipment retained by each municipality to dispose of as it wished.

- **Facilities.** As will be discussed below, the Full Consolidation Model assumes that each of the 10 existing fire houses would be fully staffed as part of the new department. Consequently, there would be no need to determine the disposition of unneeded facilities. The intergovernmental agreement would need to address, however, whether ownership of the existing facilities would transfer to the new department, and which of the existing facilities would serve as the main administrative headquarters. Under the NSFD agreement, the municipalities agreed to transfer custody, use and control of buildings to the consolidated department, but not ownership. If that approach were used in southern Milwaukee County, then an additional consideration would be whether individual municipalities would be responsible for any repairs or maintenance required to bring each fire house to a similar level of condition and functioning before consolidation occurs.

- **Personnel**. The new department would require a new union contract, salary/benefit structure and work rules for departmental personnel. The intergovernmental agreement could be prescriptive regarding those issues or could empower the chief or board of directors to negotiate and formulate those important details.

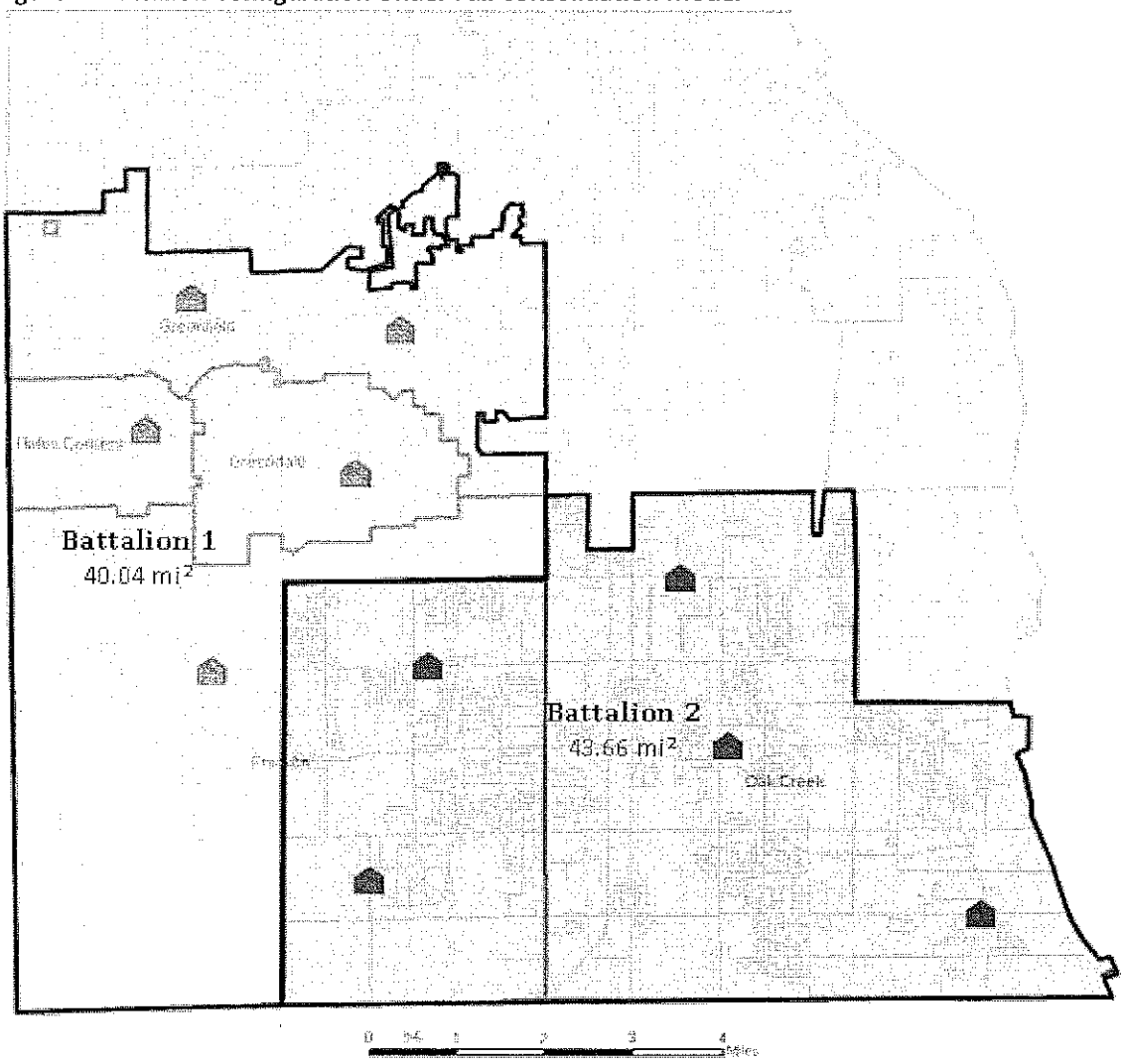
- **Funding Formula**. A key to the new department would be the creation of a funding formula dictating the annual contributions of each municipality, as well as the treatment of paramedic, fire inspection and other revenues. In the NSFD, the funding formula is based on a calculation that equally weighs population, equalized property valuation and usage. The NSFD agreement also contains cost-control language that limits annual increases in operating and capital budgets.

Operational Framework

After detailed discussion, the five fire chiefs agreed that 10 stations would continue to be needed to effectively serve the region under a hypothetical consolidated approach. Based on that decision, it also was determined that the consolidated department should be organized into two battalions, with each housing five stations.

**Figure 4** shows the geographical configuration of the two battalions, as determined by work group discussions. Each battalion would cover a little more than 40 square miles (Battalion 1 would cover 40.04 square miles, while Battalion 2 would cover 43.66 square miles). While the geographical area covered by Battalion 1 would be slightly lower, its estimated call volume would be considerably higher, with 8,200 calls for service per year, as compared with 5,100 for Battalion 2.

**Figure 4: Battalion Configuration Under Full Consolidation Model**



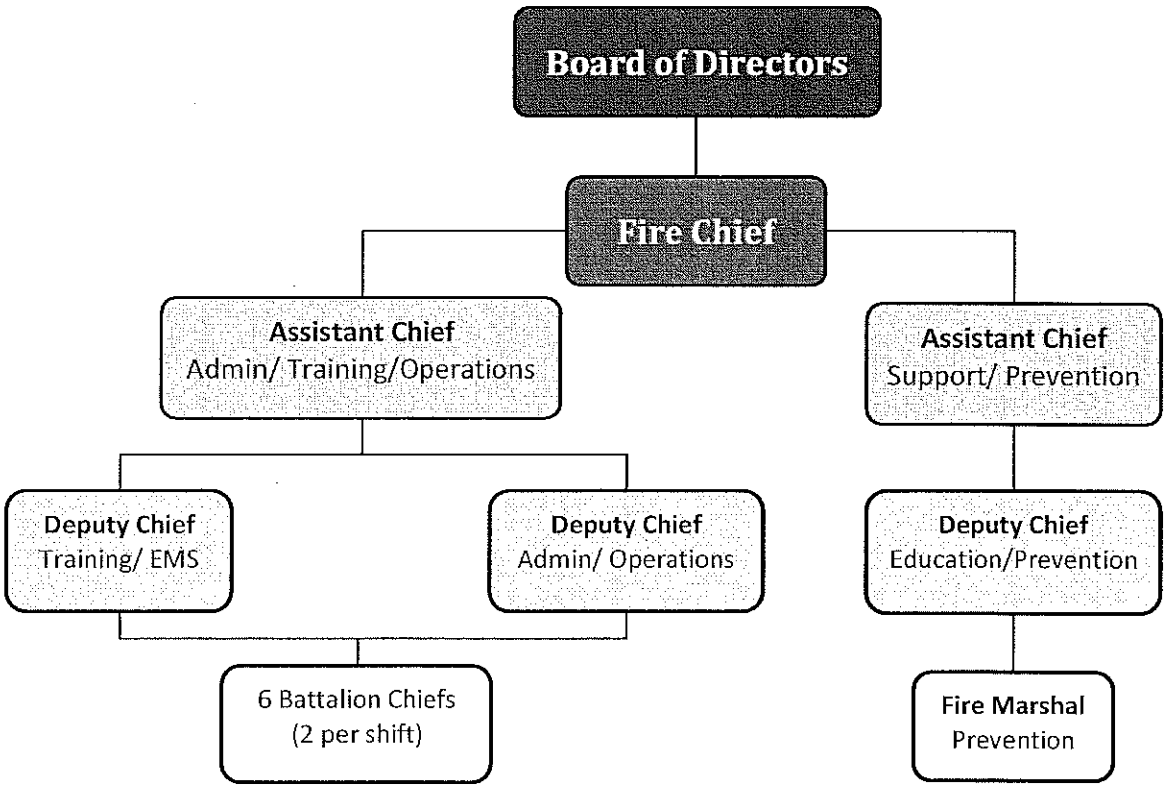

The chiefs agreed that the optimal location of fire houses under this configuration would involve moving the Greendale fire station to Greendale's southern border, and moving Franklin's northwest station at 8901 W. Drexel Avenue to its southwest corner. This would allow the Greendale station to more effectively serve the northern part of Franklin, and Franklin's southwest station to serve a part of the city that is expected to experience substantial development in the future. After considerable discussion, however, it was agreed that it would be difficult to identify a viable location for a station on Greendale's southern border (which is only about a mile from the Greendale station anyway), and that the level of development in southwestern Franklin did not yet merit a new station location. Consequently, the 10 existing station locations were deemed appropriate under this model, though consideration regarding

service to southwest Franklin may need to occur in the future depending on the level of anticipated development.[17]

Command Structure and Staffing

Based on the operational framework outlined above, a command structure for the new department logically would consist of one chief, two assistant chiefs, three deputy chiefs, and six battalion chiefs, as shown in **Figure 5**. The reduction of four battalion chiefs from the current collective framework would be accommodated by the two-battalion framework in the new department, which would require one battalion chief for each battalion's three shifts. The new command structure also would reduce the number of fire chiefs from five to one, though two assistant chief positions would be added to accommodate the need for underlying command capacity for the enlarged functions of administration/training/operations and fire support/prevention. The assistant chief for support/prevention would preside over the fire inspection bureau envisioned under the previous two models, which also would have a deputy chief, fire marshal, fire prevention specialist and three part-time inspectors.

**Figure 5: Command Staff Organizational Chart**

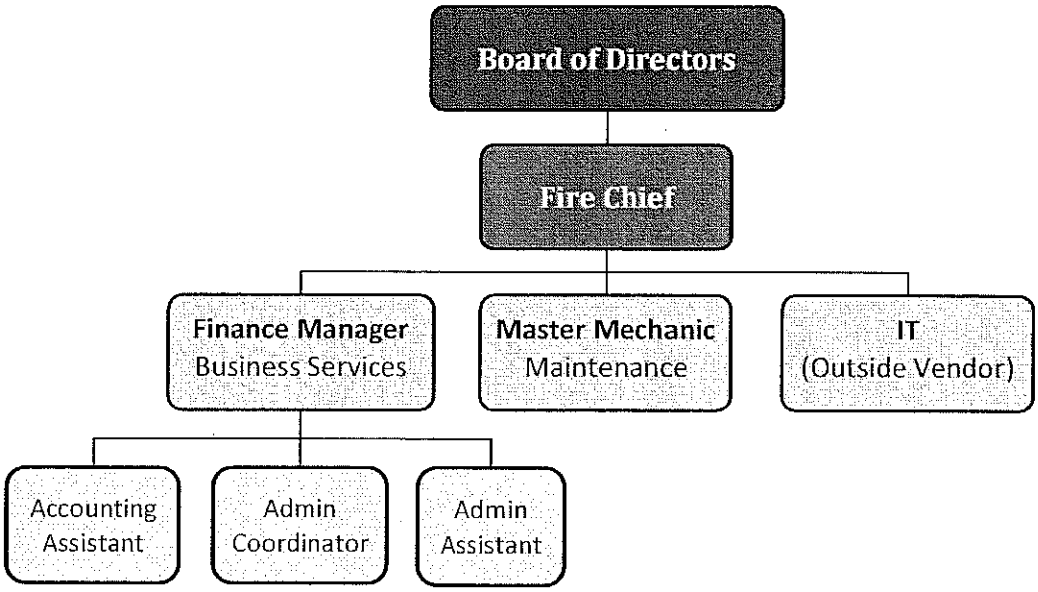



[17] Oak Creek is planning to move its existing Fire Station #1 at 240 East Puetz Road two to three blocks south to Centennial Drive, but that move would not impact the operational framework of the consolidated department.

This model assumes that creation of a consolidated SMCFD would necessitate the creation of an administrative support bureau to provide supportive services in areas like budget, accounting, human resources, procurement, information technology and public information. Most of those services are currently provided to the individual fire departments by personnel from their larger municipal governments. While it would be possible for one municipal government to assume those duties under contract with the consolidated fire department, the work group determined that it would be preferable to establish the capacity for those responsibilities within the SMCFD.

Consequently, the model envisions an administrative support bureau that is similar to that maintained by the NSFD. As shown in **Figure 6**, the bureau would include a finance manager, accounting assistant and two administrative support positions to handle fiscal, human resources, procurement and public information duties, as well as provide administrative support for the chief and assistant chiefs. It is assumed that a master mechanic position (as envisioned under the previous two models) also would be included in the administrative support bureau, as would contracted information technology support. The five positions created under this scenario would replace 3.25 FTE administrative positions currently contained within the five departments, which mostly provide administrative support to the chiefs.

**Figure 6: Administrative Support Organizational Chart**




In terms of general staffing, the chiefs determined that while operational efficiencies gained from a consolidated service model might plausibly allow for a reduction in firefighters, it would be prudent in the modeling exercise to assume that the number of firefighter FTEs currently employed by the five departments would be mirrored in the consolidated department. The model assumes, therefore, that 40 full-time firefighters (four per station) would be assigned to each of the three shifts, for a total of 120 FTEs. This would be roughly the same as the region's existing firefighter capacity, **which would mean that no firefighter lay-offs would need to occur under this scenario.** In fact, taking into account our model's conversion of Hales Corners' paid-on-call and part-time firefighter hours to FTEs, it is likely that there would be a handful of new full-time firefighter positions that would need to be filled.

Currently, a substantial subset of the firefighters employed by each department also is trained as paramedics. The Full Consolidation Model would replicate that approach, assuming that the new

department would maintain the same number of firefighter paramedics (69) that currently exists among the five departments. Also, after consultation with the chiefs, it was assumed that the new department would follow the approach of Greenfield, which specially trains a subset of its firefighters to function as drivers (the other departments use all firefighting staff as drivers). Consequently, the model assumes that 30 of the 120 FTE firefighters would be trained as drivers, allowing for three drivers to be assigned to each of the 10 stations.

Finally, the model assumes a total of 30 lieutenants, also allowing for three to be assigned to each station. Currently, the five departments employ 29.7 FTE lieutenants and captains (Greendale employs three captains and is the only department to maintain that classification). Of the 30 lieutenant positions in the new department, 18 also would be trained as paramedics, which is the same as the amount that exists today in the five departments.

**Figure 7** (on the following page) shows the complete organizational structure for the potential SMCFD, as well as a comparison of current positions maintained by the five departments with those envisioned under the Full Consolidation Model. This comparative analysis shows a net loss of 7.5 FTEs, the largest component of which is the reduction in the number of fire chiefs from five to one.

The staff model portrayed on this org chart assumes that each station would be staffed with a maximum of five and a minimum of four firefighters/lieutenants for each shift.[18] These maximum and minimum staffing levels per station are identical to those currently employed by the Greenfield and Oak Creek departments, slightly more robust than those currently employed by the Franklin department, and lower than those used in Greendale, which employs a maximum of six and a minimum of four at its only station. Hales Corners currently uses only two or three full-time staff per shift at its station in light of its reliance on paid-on-call staff, but would be staffed with a minimum of four full-time firefighters/lieutenants under the new model, providing an enhanced level of staffing.

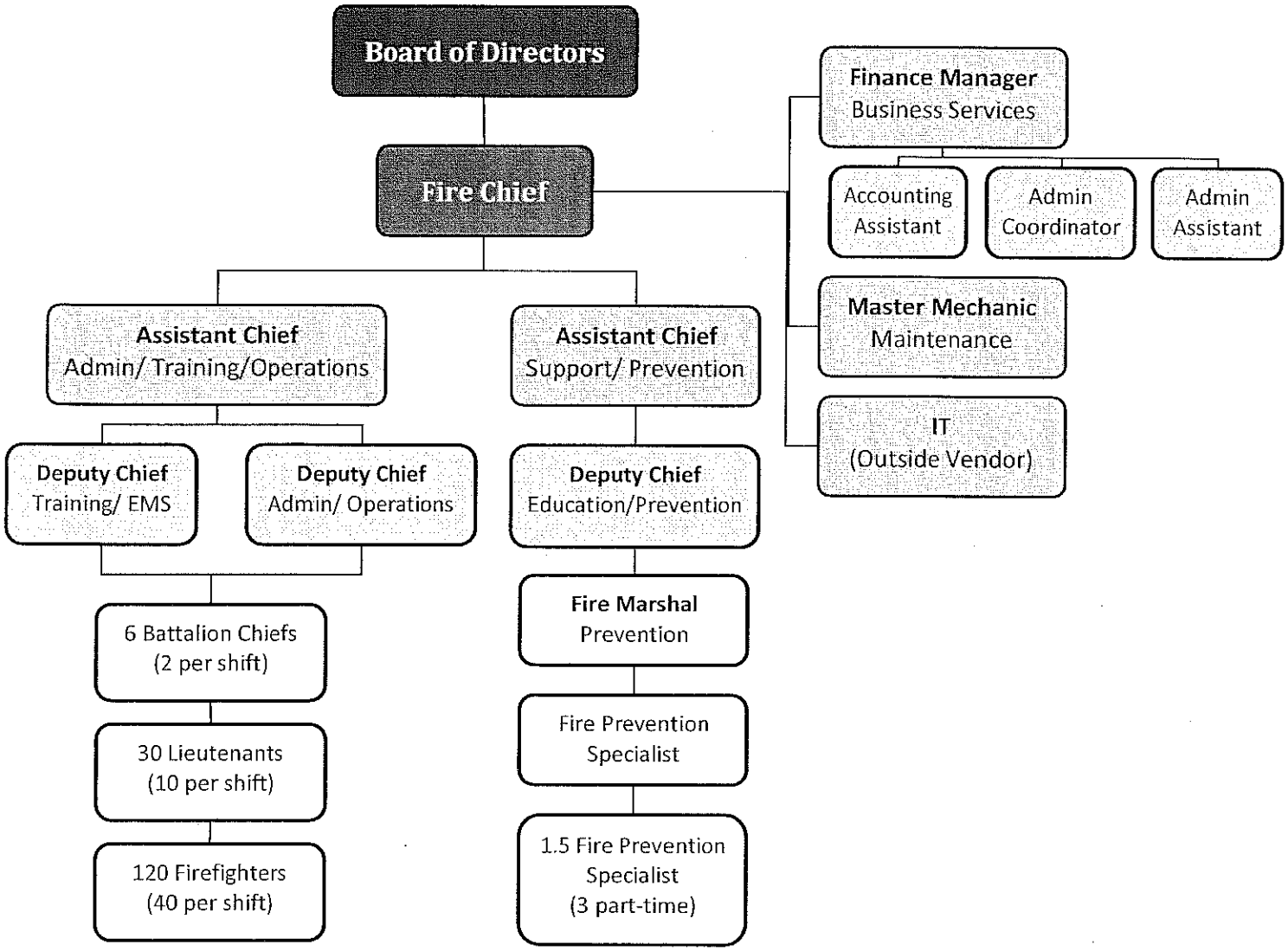
Vehicles

The number of vehicles required under the Full Consolidation Model would be dramatically reduced, mainly as a consequence of the new flexibility gained by a unified command staff to control a larger overall fleet and to strategically deploy apparatus as a single department. For example, the need for reserve vehicles at most individual stations would be eliminated because of the ability of 10 station locations within the same department to work in tandem to provide back-up coverage throughout the entire region. Similarly, the need for individual stations to respond to fire or EMS calls with multiple fire suppression vehicles or ambulances would be eliminated because of the ability of several stations within close proximity to respond in a unified fashion to the same call.

Work group participants felt that while the Operational Consolidation Model would produce some of those efficiencies, the distinct operational procedures of the five departments (such as the practice of some departments to respond to every EMS call with two ambulances) – as well as their likely concern about the ability of neighboring jurisdictions to appropriately respond when needed – would prevent that model from accomplishing the same level of coordinated service and the same operational efficiencies. Consequently, under the Operational Consolidation Model, vehicle reductions would not be as substantial.

[18] The difference in maximum and minimum staffing levels is attributable to the need to take into account time off due to vacations, illness, Family Medical Leave Act, etc.

**Figure 7: Consolidated Fire Department Full Organization Chart**




| Current Staff Structure*: | Potential Staff Structure: | Potential Changes: |
|---|---|---|
| 5 Chiefs | 1 Chief | -4 Chief |
| 4 Assistant/ Deputy Chiefs | 5 Assistant/ Deputy Chiefs | +1 Assistant/ Deputy Chiefs |
| 10 Battalion Chiefs | 6 Battalion Chiefs | -4 Battalion Chiefs/ Captains |
| 29.7 Lieutenants/ Captains (18 Paramedics) | 30 Lieutenants/ Captains (18 Paramedics) | +.3 Lieutenant/ Captains |
| 121.3 Firefighters/ Drivers (69 Paramedics, 12 Drivers) | 120 Firefighters/ Drivers (69 Paramedics, 30 Drivers) | -1.3 Firefighters/ Drivers |
| 4.5 Fire prevention positions* | 3.5 Fire prevention positions | -1 Fire prevention positions |
| 3.5 Support positions | 5.0 Support positions | +1.5 Support positions |
| **178.0 TOTAL** | **170.5 TOTAL** | **-7.5 TOTAL CHANGE** |

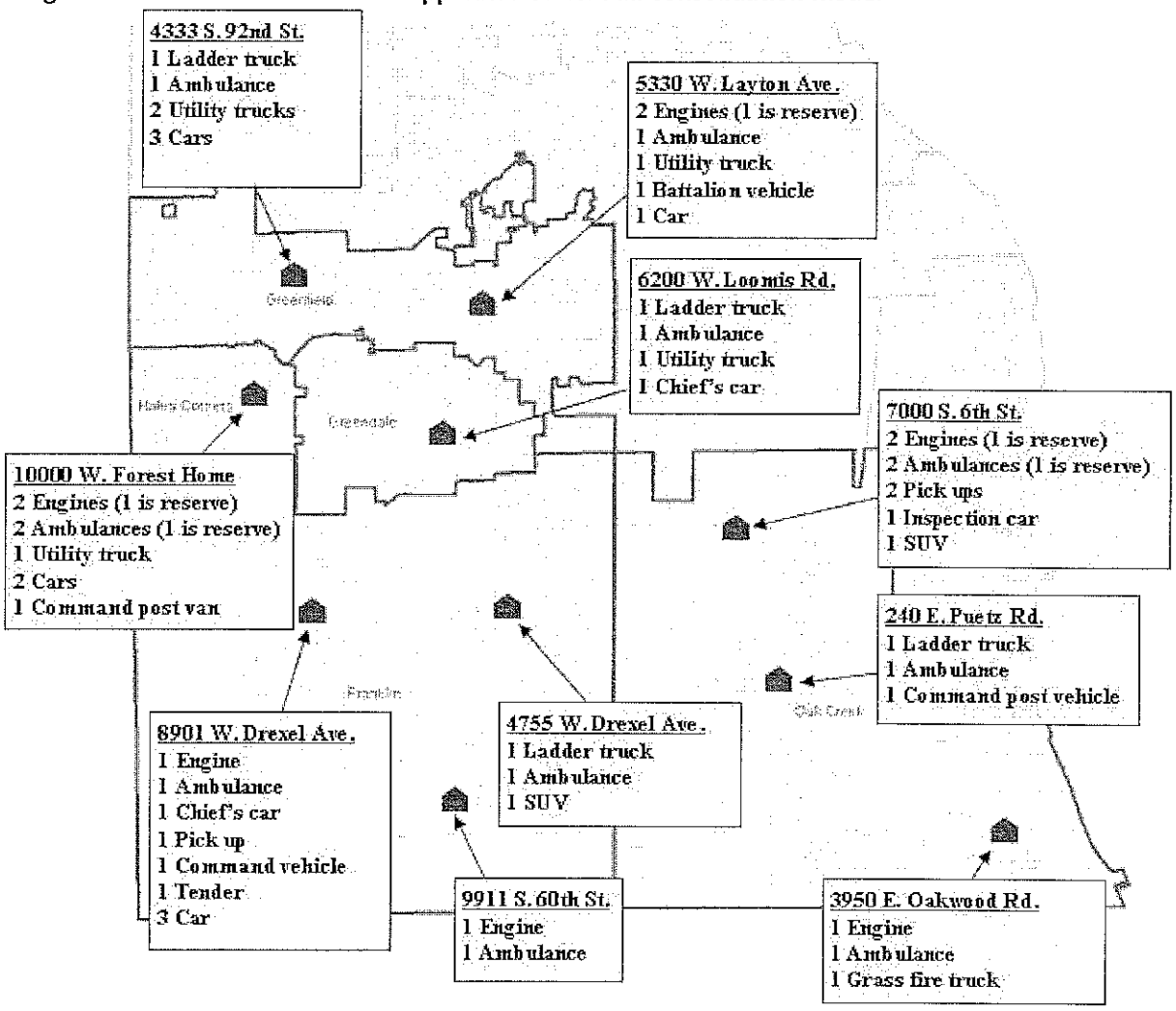
* Includes 1 Fire Marshal and 0.5 Assistant Fire Inspector for Franklin; 1 Fire Marshal for Greenfield; 1 Lieutenant for Hales Corner; 1 Lieutenant for Oak Creek.

Under the Full Consolidation Model, it was determined there would only be a need for 12 ambulances, nine engines and four ladder trucks, thus allowing for one ambulance and either an engine or a ladder truck at each station (three stations also would maintain a second engine as a reserve, and two stations would maintain a second ambulance as a reserve). It is assumed that the fleet of other miscellaneous vehicles - including utility trucks, command post vans, and chief's cars - would remain unchanged from today's combined fleet. **Table 17** shows how the fleet of engines, ambulances and ladder trucks under this model compares to the current fleet and the Operational Consolidation Model, while **Figure 8** shows the distribution of apparatus among the 10 stations.

**Table 17: Engines, Ambulances and Ladder Trucks Under Different Models**

| Current Combined Fleet | | Operational Consolidation Combined Fleet | | Full Consolidation Combined Fleet | |
|---|---|---|---|---|---|
| Engines | 15 | Engines | 11 | Engines | 9 |
| Ambulances | 20 | Ambulances | 16 | Ambulances | 12 |
| Ladders | 5 | Ladders | 4 | Ladders | 4 |

**Figure 8: Potential Distribution of Apparatus Under Full Consolidation Model**



The changes to command structure, personnel and vehicle deployment under the Full Consolidation Model likely would produce substantial collective financial savings. **It is not possible to estimate the precise amount of those savings at this time, however, nor is it possible to estimate precise impacts for individual municipalities, because the extent of savings and individual impacts will depend upon a variety of decisions that would need to be determined as part of an intergovernmental agreement.**

For example, the fiscal impacts of personnel changes cannot be precisely calculated until decisions are made regarding pay and benefits for staff of the new SMCFD; the impact on individual municipalities cannot be calculated until decisions are made regarding funding allocations and revenue collections; and savings from the reduced fleet cannot be precisely calculated until decisions are made regarding the disposition of surplus equipment and how municipalities will be reimbursed for equipment retained by the new department.

Nevertheless, using a variety of carefully researched assumptions, we are able to perform fiscal modeling that is designed to give policymakers a broad illustration of the types of fiscal impacts that might be anticipated should they elect to pursue the Full Consolidation Model. Those assumptions were reviewed (and in some cases jointly developed) by members of the work group. It is important to note that all of the financial figures derived from our modeling flow from our assumptions, which means they should be used only to broadly inform deliberations on the Full Consolidation Model.

Operating Budget Impacts

Because salaries and fringe benefits comprise the vast majority of the expenditure budgets of the five fire departments (see **Table 7** on page 8), those areas are the primary focus of our fiscal analysis. Estimating the potential personnel savings from a consolidated fire department is complicated, however, by the fact that each municipality employs different salary and benefits structures for its fire department personnel, each employs different budgeting procedures to take into account retiree pension and health care liabilities, and each has different procedures governing use of overtime.

Consequently, our approach for salaries and benefits generally was to use average wage and benefit calculations for the five departments collectively to develop a proxy for current collective personnel expenditures, and then compare those expenditures to personnel expenditures estimated under the Full Consolidation Model. Approaching the fiscal analysis in this manner allows us to estimate a potential personnel savings for the five departments collectively, but the individual savings (or added cost) for each municipality would depend upon its current actual expenditures, the allocation formula determined in the intergovernmental agreement to pay for the cost of the new department, and several other yet-to-be-determined factors.

The first step in constructing our fiscal model was to collect salary information from each of the five departments for each classification of position (most recent salary data was used), and then use that information to calculate the average salary for each position across the five municipalities, and a total current estimated salary "cost" for the region.[19]

[19] An "average" salary is used to take into account the fact that most positions have a pay range, and that the salaries of individuals across pay ranges typically is based on years of service, performance, experience and/or other factors.

The next step was to calculate the estimated annual salary total for the hypothetical consolidated department. To do so, we needed to make a series of assumptions regarding the average salaries that would be paid by the SMCFD for each position classification. For position classifications in the new department that replicated classifications in existing departments, we continued to use the average current salary among the five municipalities. For new positions that would only exist in a consolidated department, we used the maximum salary for the equivalent position in the NSFD. Finally, for command staff positions that would have a greater scope of responsibility in a larger consolidated department, we used the maximum salary from the five municipalities. The one exception to that rule was the fire chief, for which we assumed the NSFD maximum salary plus 10% to take into account the larger size of the SMCFD.

**Table 18** shows the result of these calculations, comparing our "proxy" estimate of current salary costs for fire department personnel in the region with projected salary costs for the new department. Again, it is important to emphasize that because these figures reflect a series of averages and assumptions, as well as a hypothetical organizational chart for the new department, actual savings and costs would vary.

**Table 18: Current and Project Salary Costs Under Full Consolidation Model***

| | Current staffing costs | | | Projected staffing costs | | | *Savings/ cost* | |
|---|---|---|---|---|---|---|---|---|
| Position | Average actual salaries | Current FTE | Total cost | Projected average salaries | Projected FTE | Total cost | *FTE* | *Savings/ cost* |
| **FIRE STAFF** | | | | | | | | |
| Fire Chief | $93,506 | 5.00 | $467,532 | $121,264 | 1.00 | $121,264 | *-4.00* | *($346,268)* |
| Assistant Fire Chief | $90,566 | 3.00 | $271,699 | $100,960 | 5.00 | $504,800 | *2.00* | *$233,101* |
| Battalion Chief | $84,024 | 10.00 | $840,240 | $89,560 | 6.00 | $537,360 | *-4.00* | *($302,880)* |
| Fire Lieutenant (Captain) | $69,511 | 14.00 | $973,148 | $69,511 | 12.00 | $834,126 | *-2.00* | *($139,021)* |
| Paramedic Lieutenant | $74,868 | 18.00 | $1,347,618 | $74,868 | 18.00 | $1,347,618 | *0.00* | *$0* |
| Firefighter EMT | $59,123 | 41.00 | $2,424,035 | $59,123 | 21.00 | $1,241,579 | *-20.00* | *($1,182,456)* |
| Firefighter HEO | $67,402 | 7.00 | $471,814 | $67,402 | 30.00 | $2,022,060 | *23.00* | *$1,550,246* |
| Firefighter Paramedic | $64,839 | 69.00 | $4,473,879 | $64,839 | 69.00 | $4,473,879 | *0.00* | *$0* |
| Paid-on-call staff | | 5.00 | $259,750 | | 0.00 | $0 | *-5.00* | *($259,750)* |
| Fire Marshall/ Inspector | $44,221 | 2.00 | $88,441 | $76,020 | 1.00 | $76,020 | *-1.00* | *($12,421)* |
| Fire Prevention Spec. | | 0.00 | $0 | $48,130 | 1.00 | $48,130 | *1.00* | *$48,130* |
| Fire Prevention Spec. PT | $50,190 | 0.50 | $25,095 | $48,130 | 1.50 | $72,195 | *1.00* | *$47,100* |
| **SUPPORT STAFF** | | | | | | | | |
| Finance Director | | 0.00 | $0 | $67,730 | 1.00 | $67,730 | *1.00* | *$67,730* |
| Accounting Assistant | | 0.00 | $0 | $33,100 | 1.00 | $33,100 | *1.00* | *$33,100* |
| Admin Coordinator | | 0.00 | $0 | $45,330 | 1.00 | $45,330 | *1.00* | *$45,330* |
| Admin Assistant | | 3.50 | $177,971 | $33,100 | 1.00 | $33,100 | *-2.50* | *($144,871)* |
| Master Mechanic | | 0.00 | $0 | $65,730 | 1.00 | $65,730 | *1.00* | *$65,730* |
| **TOTAL** | | **178** | **$11,821,222** | | **170.50** | **$11,524,021** | ***-7.50*** | ***($297,200)*** |

*This table does not reflect a recent shift in Hales Corners of a lieutenant position to a deputy chief position, as the shift had no fiscal impact.

We next used our estimate of current and projected salary costs to calculate cost estimates for fringe benefit expenditures. As mentioned above, the types and levels of fringe benefits (e.g. health care, pension, disability insurance, sick leave, etc.) differ by individual municipality, as do budgeting procedures for both current and post-retirement benefits. In addition, it is impossible to reliably estimate how the governing board of a consolidated department will establish and negotiate a fringe benefits package for its employees.

Consequently, we determined that it would be most logical and reliable to calculate and compare current versus prospective fringe benefit costs by estimating fringe benefits spending as a percentage of the overall salary budget. In this manner, we would not have to make assumptions regarding the types and levels of individual fringe benefit components, but could simply assume that the value of the overall fringe benefits package would equal a certain percentage of each employee's salary. To develop that percentage, we collected current fringe benefits spending information and percentages from each municipality and determined that the five municipalities spend an average of 53% of their salary budgets on fringe benefits. That 53% figure was then applied to the salary budget of the new department.

Our final step in comparing total personnel costs was to calculate existing and potential overtime spending. **Table 19** shows the actual three-year average of overtime spending by each department, which was used to establish a collective overtime spending amount that could be compared to estimated overtime spending by the consolidated department.

**Table 19: Three-Year Average of Overtime Spending by Department (2009-2011)**

| | Franklin | Greendale | Greenfield | Hales Corners | Oak Creek | TOTAL |
|---|---|---|---|---|---|---|
| Expenditures | $219,562 | $134,114 | $455,404 | - | $307,831 | $1,116,911 |
| FTE | 3.20 | 1.48 | 4.55 | - | 3.27 | 12.50 |

To estimate overtime spending by the SMCFD, initially we analyzed the current difference between shift "maximums" and "minimums" for the five departments to calculate the "buffer" of extra firefighters and lieutenants that exists within each to accommodate scheduled time off and time off for illness or family/medical leave (FMLA). Comparing that to actual average daily time off would have allowed us to provide a picture of the overtime "exposure" of each department, which could then be compared with a similar estimate for the new department. We found, however, that variations among the departments in vacation, sick and FMLA policies were too great to allow for an accurate calculation in this manner.

Consequently, using the information gleaned from the above analysis, and detailed discussion with work group members, we instead determined an estimate of the average number of FTE firefighters and lieutenants who would be "off" for each shift in the new department for four primary categories of time off: vacancy, vacation, holiday and sick/FMLA/injury. As shown in **Table 20**, using those estimates, we calculated a total average time off per shift of 11.33 FTE. Comparing that to the "buffer" of 10 positions between maximum and minimum staffing levels for the consolidated department yielded an average overtime exposure of 1.33 FTE. We then added an additional 0.5 FTE of overtime per shift to account for other use of overtime (e.g. heavy activity, special training needs) to come up with a total exposure of 1.83 FTE per shift. Multiplying that number by the average hourly salary for firefighters and lieutenants in the region, and taking into account overtime pay of 1.5 times regular salary, yielded a calculation of $181,853 per shift, and a total of $545,559 annually for three shifts. The estimated annual overtime savings – when compared to the $1.1 million actual spending amount shown in **Table 19** – is about $571,000.

**Table 20: Overtime calculations**

| FTE off-time | 1 shift | 3 shifts |
|---|---|---|
| Vacant | 0.33 | 1.00 |
| Vacation | 6.00 | 18.00 |
| Holiday | 2.00 | 6.00 |
| Sick/FMLA/Injury leave | 3.00 | 9.00 |
| **Total FTE off duty** | **11.33** | **34.00** |
| **Overtime** | | |
| Above buffer (needed OT to reach min.) | 1.33 | 4.00 |
| Other unanticipated OT | 0.50 | 1.50 |
| Total OT FTE | 1.83 | 5.50 |
| Cost of OT | $181,853 | $545,559 |

Though this calculation is hypothetical, we compared projected overtime spending for the SMCFD with that of a handful of other similar departments and found that the results were comparable (see **Table 21**). We also tested the result with work group members, who generally agreed that in light of the ability of a consolidated department to flexibly deploy a larger workforce among 10 station locations, as well as the new operational framework, it was certainly plausible that existing overtime usage could be cut in half.

**Table 21: Overtime Comparison**

| | Southern Municipalities Currently | SMCFD | North Shore | Racine | Green Bay |
|---|---|---|---|---|---|
| **Characteristics** | | | | | |
| Area (sq.mi.) | 84 | **84** | 25 | 16 | 54 |
| Population | 128,360 | **128,360** | 64,830 | 78,860 | 104,057 |
| Total responses | 13,382 | **13,382** | 6,170 | 9,135 | 10,171 |
| Total employees | 178 | **171** | 113 | 144 | 186 |
| Stations | 10 | **10** | 5 | 9 | 7 |
| **Staffing and Overtime costs (3 shifts)** | | | | | |
| Total max (lieuts and ffs) | 147 | **150** | 102 | 126 | 165 |
| Total min (lieuts and ffs) | 120 | **120** | 81 | 105 | 126 |
| Total OT FTE | 12 | **6** | 2 | 3 | 8 |
| Total OT hours** | 36,392 | **16,016** | 4,755 | 8,176 | 24,003 |
| Total OT expenditures | $1,116,911 | **$545,559** | $179,227 | $298,416 | $768,100 |

Using the calculations shown and described above for salaries, fringe benefits and overtime, we are able to calculate a total estimated annual savings for personnel expenditures for the Full Consolidation Model. That savings calculation – which totals a little over $1 million – is summarized in **Table 22**.

**Table 22: Total Personnel Expenditures**

| Expenditure Category | Estimated Current Annual Spending for All Five Departments | Estimated Full Consolidation Model Annual Spending | Difference |
|---|---|---|---|
| Fire staff salaries | $11,643,251 | $11,279,031 | ($364,220) |
| Admin/support staff salaries | $177,971 | $244,990 | $67,019 |
| Overtime | $1,116,911 | $545,559 | ($571,352) |
| Fringe benefits | $6,312,588 | $6,153,881 | ($158,706) |
| **Total Personnel Expenditures** | **$19,250,721** | **$18,223,461** | **($1,027,260)** |

It is important to note that there are a variety of factors that may impact actual personnel savings and costs that are not included or accounted for in our modeling, including the following:

- The model does not take into account potential savings that would accrue to individual municipalities from no longer needing to provide various support services to their fire departments, such as fiscal, accounting, human resources, etc. In some cases, there would be no fiscal savings, as the positions that handle those functions could not be eliminated despite the reduced workload. In other cases, however, municipalities may be able to reorganize or eliminate portions of positions, or reduce the amount spent on outside contracts for auditing or similar functions.

- The organizational framework assumes that information technology support for the new department would be contracted to an outside vendor. Consequently, no cost for this function is included in the personnel estimate. While there would be an actual new cost for this service that may reduce the size of overall potential savings, work group members felt that it also may be possible to offset a sizable portion of that cost by reducing existing levels of contract spending on information technology within individual municipal governments.

- The model does not take into account potential personnel savings that might result from a shift of responsibility for fire department facility maintenance from municipal governments to the SMCFD. In addition, as noted in discussion of previous models, potential personnel savings within individual municipalities from no longer having to devote public works department resources to fire vehicle maintenance are not included because they are not easily quantifiable.

Vehicle Savings

Effort to calculate savings from the vastly reduced size of the vehicle fleet under the Full Consolidation Model are hampered by the same issues cited in the discussion of the Operational Consolidation Model. To provide an illustration of potential savings, we can document the vehicles scheduled to be replaced by the five departments within the next five years that no longer would require replacement if the overall fleet size shrinks to the level suggested in the Full Consolidation Model. That analysis is shown in **Table 23** (vehicles in **bold** are those that no longer would require replacement).

**Table 23: Full Consolidation Model – Vehicle Replacements and Potential Savings**

| Municipality | 2012 or earlier | 2013 | 2014 | 2015 | 2016 | 2017 | Savings |
|---|---|---|---|---|---|---|---|
| Franklin | Ambulance 1 | | Med unit | | Ambulance | | $300,000 |
| Greendale | | Engine | | | | Med 44<br>Med 45 | $500,000 |
| Greenfield | Engine 4<br>Engine 3<br>Ambulance 1<br>Ambulance 2 | Ambulance 3 | | Med 9<br>Med 92 | | | $1,450,000 |
| Hales Corners | | | Ambulance 610 | | | | $150,000 |
| Oak Creek | Ambulance<br>Ambulance | | Ambulance<br>Ambulance | Ambulance | Engine-Res | Ladder | $1,550,000 |
| Total | | | | | | | $3,950,000 |

While a variety of factors (previously discussed for the Operational Consolidation Model) would impact actual vehicle savings, the $3.95 million in estimated savings shown in the table represents a reasonable portrayal of the magnitude of collective five-year vehicle savings that would be experienced by the five departments. Also, as previously discussed for the Operational Consolidation Model, savings resulting from the reduced need for hoses, radios, breathing apparatus and other equipment on each vehicle are not included in this estimate, nor are savings in vehicle maintenance costs.

Fiscal Impacts on Individual Municipalities

As previously noted, it is not possible to reliably estimate how each individual municipality might be impacted financially from the Full Consolidation Model given the multiple methodologies that municipal leaders could consider to allocate the costs and revenues of a consolidated department to each participant. Also, because such deliberations would need to occur as part of a negotiation regarding a much broader intergovernmental agreement, any agreement on cost allocations also could be influenced by agreements on a multitude of other important issues, including the disposition of apparatus, equipment and buildings.

Despite the inherent difficulty involved in projecting how funding allocations might occur under a full consolidation scenario, the work group determined that there still would be merit in modeling several distinct allocation approaches to illustrate the extent to which the allocation methodology could impact each municipality's consideration of the full consolidation model. Consequently, we developed four different allocation formulas that clearly demonstrate the range of potential impacts for individual municipalities.

In order to develop hypothetical allocation formulas, it was first necessary to estimate the total annual operating budget for the consolidated department. Only after that step is taken could a hypothetical cost and revenue distribution methodology be developed that could then be compared to current estimated fire department spending to determine individual municipal impacts.

As noted above, personnel expenditures are by far the largest area of expenditures for fire departments. In fact, our analysis of the budgets of the five southern Milwaukee County fire departments shows that non-personnel expenditures generally comprise about 10% of overall departmental spending.[20] Our modeling of the personnel budget for the SMCFD, therefore, covers about 90% of the hypothetical department's annual operating budget. Examples of other areas of expenditure that are not included are office supplies, postage, natural gas, medical supplies, travel/seminars, small equipment, and vehicle and building repair/maintenance.

Estimating the amount of the remaining 10% of the new departmental budget would require making speculative assumptions about dozens of relatively small budget line items. Those assumptions not only would be complicated by the uncertain future cost of items like natural gas and medical supplies, but also by the different ways in which the individual departments budget for non-personnel items (e.g. some governments budget centrally for fire department maintenance, supply and service items, while others include the cost of those items within fire department budgets).

Consequently, based on our analysis of current non-personnel spending by the five departments, we used the round number of $2 million as a proxy for non-personnel costs in determining both the current annual operating budget of the five departments collectively, and that of the new consolidated department. The $2 million equates to 9.9% of the SMCFD's overall expenditure budget when added to our previously estimated personnel costs. That figure is consistent with the approximate average percentage of non-personnel costs observed in our analysis of individual fire department budgets.

Using this proxy, **Table 24** shows our model for the full annual operating budget of the SMCFD. The table includes personnel-related expenditure amounts cited earlier in **Table 22**, as well as actual revenues contained in 2012 budgets for each municipality, which the model assumes would not change in the consolidated department.[21]

**Table 24: Estimated Total Operating Budget for Consolidated Department vs. Current Actual Spending**

| Expenditure Category | Estimated Current Annual Spending for All Five Departments | Estimated Full Consolidation Model Annual Spending |
|---|---|---|
| Fire staff salaries | $11,643,251 | $11,279,031 |
| Support staff salaries | $177,971 | $244,990 |
| Overtime | $1,116,911 | $545,559 |
| Fringe benefits | $6,312,588 | $6,153,881 |
| Non-personnel costs | $2,000,000 | $2,000,000 |
| **Total Expenditures** | **$21,250,720** | **$20,223,462** |
| **Total Revenues** | **$4,635,073** | **$4,635,073** |
| **Net Expenditure Budget** | **$16,615,647** | **$15,588,389** |

[20] As an example, the Greenfield Fire Department's total actual operations budget for 2010 was $6,652,245. Of that amount, $643,621 (9.7%) was for non-personnel expenditures.

[21] The methodology outlined in this section produces an estimated current annual spending amount for the five communities (combined) of $21,250,720. As a point of reference, this is comparable to the figure produced by aggregating each of the five municipalities' 2012 fire department expenditures reported in their 2012 adopted budget narratives, which is $22,010,660.

The next step in determining the fiscal impacts on individual municipalities is to determine the annual contribution from each of the five that would be required to support the operations of the new department, as well as the treatment of EMS and other revenues collected in each municipality. As discussed previously, the actual contribution formula would have to be negotiated by the five municipalities. For illustrative purposes, however, we developed four hypothetical contribution formulas that we applied to the estimated SMCFD spending levels shown above:

- **Contribution Formula 1: NSFD model.** This formula is based on the formula originally used by the NSFD upon its creation in the mid 1990s. It uses three equally weighted factors linked to population, equalized property value and fire department activity level. Specifically, we use 2011 population; a weighted calculation for 2011 equalized property values that is identical to that used by the NSFD (greater weight is given to industrial and commercial properties in light of the greater fire suppression responsibility associated with such properties); and 2010 call volume (this was the measure of activity level used by the NSFD in the initial years following consolidation; also, 2010 call volume is the most recent year for which a full data set is available). The percentage that is applied to each of the five municipalities for each of the equally weighted factors is shown in **Table 25**.

**Table 25: Contribution Percentages for Three Factors in NSFD Contribution Formula**

| | Franklin | Greendale | Greenfield | Hales Corners | Oak Creek |
|---|---|---|---|---|---|
| 2011 Population | 28% | 11% | 28% | 6% | 27% |
| 2011 Equalized Value | 32% | 11% | 24% | 6% | 27% |
| 2010 Call volume* | 23% | 12% | 33% | 7% | 25% |

* Does not include mutual aid responses

In addition, similar to the existing NSFD framework, this formula assumes that all revenues collected in the region are retained by the consolidated department and subtracted from total operating expenditures. The percentages shown above are then applied to net expenditures.

- **Contribution Formula 2: NSFD model but revenues retained by municipalities in which they are earned.** Here we use the same methodology as the previous formula to calculate contribution percentages, but we apply those percentages to total expenditures, and then subtract the estimated amount of revenue generated in each municipality from its contribution (based on the amounts included in their 2012 budgets). This approach reflects the possibility that the larger municipalities will insist on retaining their own revenue, as opposed to sharing it equally with all five.

- **Contribution Formula 3: Allocate costs based on current proportion of expenditures.** This formula assumes that the costs of the consolidated department are allocated based on each individual municipality's current proportion of total fire department expenditures made by the five collectively. Like Formula 2, that percentage is applied to total expenditures, and all revenues collected by the SMCFD are then distributed back to the municipality in which they were collected.

- **Contribution Formula 4: Equal distribution of costs.** This formula assumes that each municipality would be allocated an equal (20%) proportion of SMCFD net expenditures, with revenues retained by the consolidated department.

**Table 26** shows the contribution of each municipality to the SMCFD under each of the four contribution formula models.

**Table 26: Hypothetical Contributions to Fully Consolidated Fire Department**

| | Franklin | Greendale | Greenfield | Hales Corners | Oak Creek |
|---|---|---|---|---|---|
| Contribution Formula #1: NSFD Model with Revenues Retained by SMCFD | $4,269,116 | $1,782,553 | $4,447,717 | $961,460 | $4,127,543 |
| Contribution Formula #2: NSFD Model with Revenues Retained by Individual Municipalities In Which Earned | $4,243,500 | $1,982,279 | $4,177,684 | $990,092 | $4,194,833 |
| Contribution Formula #3: Costs Allocated on Basis of Existing Proportion of Fire Expenditures with Revenues Retained by Individual Municipalities In Which Earned | $4,110,258 | $1,841,900 | $4,152,119 | $344,967 | $5,139,144 |
| Contribution Formula #4: Costs Allocated Equally with Revenues Retained by SMCFD | $3,117,678 | $3,117,678 | $3,117,678 | $3,117,678 | $3,117,678 |

Finally, in order to determine how the hypothetical contributions would compare to existing net operating expenditures in each of the five municipalities, it was necessary to use our proxy budget for current spending to calculate estimated existing expenditure amounts. Actual 2012 operating budgets could not be used because our earlier models used average salary and benefit figures for the five departments to calculate personnel costs for the consolidated department (as opposed to actual salaries and benefits), as well as proxies for non-personnel costs. Also, the use of proxy budgets allows us to account for differences in how municipalities budget for different types of costs, such as retiree health liabilities. Comparing the hypothetical contributions shown above to the approximate net operating expenditure amounts currently experienced by the five departments (as determined from our modeling) produces hypothetical fiscal impacts for each, which are shown in **Table 27**.

**Table 27: Hypothetical Annual Operating Budget Impacts of Consolidated Fire Department**

| | Franklin | Greendale | Greenfield | Hales Corners | Oak Creek |
|---|---|---|---|---|---|
| Existing Expenditures (Proxy) | $5,679,820 | $2,282,538 | $6,036,444 | $632,807 | $6,619,112 |
| 2012 Budgeted Fire Dept. Revenues | $1,295,000 | $330,300 | $1,592,523 | $257,250 | $1,160,000 |
| **Current Net Expenditures (Proxy)** | **$4,384,820** | **$1,952,238** | **$4,443,921** | **$375,557** | **$5,459,112** |
| Contribution Formula #1 | $4,269,116 | $1,782,553 | $4,447,717 | $961,460 | $4,127,543 |
| **(Savings)/Cost** | **($115,704)** | **($169,685)** | **$3,796** | **$585,903** | **($1,331,568)** |
| Contribution Formula #2 | $4,243,500 | $1,982,279 | $4,177,684 | $990,092 | $4,194,833 |
| **(Savings)/Cost** | **($141,319)** | **$30,041** | **($266,236)** | **$614,535** | **($1,264,279)** |
| Contribution Formula #3 | $4,110,258 | $1,841,900 | $4,152,119 | $344,967 | $5,139,144 |
| **(Savings)/Cost** | **($274,562)** | **($110,338)** | **($291,801)** | **($30,590)** | **($319,967)** |
| Contribution Formula #4 | $3,117,678 | $3,117,678 | $3,117,678 | $3,117,678 | $3,117,678 |
| **(Savings)/Cost** | **($1,267,142)** | **$1,165,440** | **($1,326,243)** | **$2,742,121** | **($2,341,434)** |

On the whole, this exercise reveals that impacts on individual municipalities would vary widely depending on the allocation methodology and the treatment of EMS and other revenues. Also, it shows that Hales Corners would experience a substantial additional annual operating cost under three of the four scenarios, which is not surprising given that it would benefit from the use of full-time firefighting staff under the consolidated department.

**Again, it is important to recognize that these estimated fiscal impacts result from a fiscal model constructed with dozens of assumptions and proxies. Consequently, the figures cited in Table 27 should not be used to definitively assess whether the Full Consolidation Model would be fiscally advantageous to individual municipalities.** In reality, several additional allocation methodologies – or variations of these four methodologies – would be considered by municipal leaders should the Full Consolidation Model be pursued. In addition, several work group members pointed out that if consensus was reached among the five municipalities that full consolidation was desirable, then efforts undoubtedly would be made to settle on a funding formula that is deemed workable by each.

It also should be noted that these impacts do not provide the full picture of potential fiscal benefits, as they are limited to operating budgets. As discussed previously, the Full Consolidation Model holds potential to generate almost $4 million of vehicle savings in the next five years, though it is not possible to determine how those savings would be distributed among the five municipalities and when, precisely, they would occur. **Table 28** shows the potential total savings (both operating and capital) for the Full Consolidation Model over a five year-period. **Table 29**, meanwhile, attempts to annualize the total savings for each municipality on an individual basis under the four hypothetical formulas shown above by assuming that the $3.95 million in potential vehicle savings are equally distributed among the five municipalities and are annualized equally over the five-year period.

**Table 28: Potential Five-Year Operating and Capital Savings**

| | Potential Five-Year Savings |
|---|---|
| Operating Budget (Based on Model) | $5,136,300 |
| Capital Budget (Based on Projected Vehicle Replacement Avoidance) | $3,950,000 |
| TOTAL | **$9,086,300** |

**Table 29: Hypothetical Total Annual Fiscal Impacts of Consolidated Fire Department**

| | Franklin | Greendale | Greenfield | Hales Corners | Oak Creek |
|---|---|---|---|---|---|
| *Contribution Formula #1* | | | | | |
| (Operations Savings)/Cost | ($115,704) | ($169,685) | $3,796 | $585,903 | ($1,331,568) |
| (Vehicle Savings) | ($158,000) | ($158,000) | ($158,000) | ($158,000) | ($158,000) |
| **(Total Savings)/Cost** | **($273,704)** | **($327,685)** | **($154,204)** | **$427,903** | **($1,489,568)** |
| *Contribution Formula #2* | | | | | |
| (Operations Savings)/Cost | ($141,319) | $30,041 | ($266,236) | $614,535 | ($1,264,279) |
| (Vehicle Savings) | ($158,000) | ($158,000) | ($158,000) | ($158,000) | ($158,000) |
| **(Total Savings)/Cost** | **($299,319)** | **($127,959)** | **($424,236)** | **$456,535** | **($1,422,279)** |
| *Contribution Formula #3* | | | | | |
| (Operations Savings)/Cost | ($274,562) | ($110,338) | ($291,801) | ($30,590) | ($319,967) |
| (Vehicle Savings) | ($158,000) | ($158,000) | ($158,000) | ($158,000) | ($158,000) |
| **(Total Savings)/Cost** | **($432,562)** | **($268,338)** | **($449,801)** | **($188,590)** | **($477,967)** |
| *Contribution Formula #4* | | | | | |
| ( Operations Savings)/Cost | ($1,267,142) | $1,165,440 | ($1,326,243) | $2,742,121 | ($2,341,434) |
| (Vehicle Savings) | ($158,000) | ($158,000) | ($158,000) | ($158,000) | ($158,000) |
| **(Total Savings)/Cost** | **($1,425,142)** | **$1,007,440** | **($1,484,243)** | **$2,584,121** | **($2,499,434)** |

Operational Pros and Cons

Budgetary considerations typically are a key driver in any municipal shared services or consolidation initiative, and the potential for savings certainly would be an influential determinant in any deliberations regarding the future of fire services in southern Milwaukee County. Given the extremely high priority assigned to public safety services by both elected officials and the public, however, consolidation of fire services is generally seen as a non-starter unless existing levels and quality of services can be maintained or even enhanced.

In the case of the Full Consolidation Model developed for this report, the fire chiefs and administrators who advised the study agreed that the model should fully reflect the importance of fire and EMS services to citizens and policymakers in the region. That sentiment was reflected by decisions to retain the existing 10 fire houses that serve the five communities, and to maintain the collective level of firefighting personnel, despite the fact that those two areas often represent the largest savings opportunities in fire consolidation deliberations.

The most prominent service-related concern typically raised in fire department consolidation discussions is that response times will increase. In this case, because the 10 stations would remain, we assume that fire and EMS response times would be largely unaffected. Nevertheless, the other operational changes assumed under the Full Consolidation Model could produce a variety of service-level impacts and concerns, and those would need to be carefully considered and debated should this model be pursued. The following cites potential positive and negative operational impacts and concerns associated with the Full Consolidation Model.

*Potential Positive Operational Impacts*

- **Improved operational flexibility and efficiency**. As discussed above, because of the availability of a larger pool of personnel and the elimination of municipal service boundaries, during periods of high activity a consolidated department may allow for more effective deployment of apparatus and avoidance of extended response times, as well as reduced use of call-backs and overtime. In addition, proponents of consolidated fire services often argue that the ability of consolidated departments to create uniform procedures to serve a larger geographic area (as opposed to several independent departments with their own procedures covering the same area) produces higher efficiency and enhanced safety to firefighters. Proponents also argue that consolidation of several small departments can present an important opportunity to establish a strong organizational culture in a new department that replaces outdated standards and norms and emphasizes best practices.

- **Higher levels of service**. It could be argued that Hales Corners and Greendale, in particular, would benefit from higher service levels if their fire services were provided by a consolidated department. As previously discussed, Hales Corners currently is served mainly by paid-on-call firefighters who respond to calls when they occur, but who are not stationed at the fire house. Consequently, the Hales Corners fire house typically is staffed with only three firefighters during many parts of the day. Under the Full Consolidation Model, the Hales Corners fire house would be staffed the same as other SMCFD stations, with four or five full-time staff. With regard to Greendale, because that department only has one fire house, it relies heavily upon neighboring departments for back-up coverage. Arguably, having that back-up come from stations that are part of the same consolidated department would provide better service quality for several of the reasons cited above.

- **Enhanced response times for some locations**. Because of the "closest response" operational framework of the new department, it is possible that some geographic locations within the five communities would experience enhanced response times. For example, the far western portion of Greendale and the southwest corner of Oak Creek are located closest to stations in Greendale and Franklin (respectively), and the ability of those stations to respond first could result in a faster response time for residents and businesses in those areas. This same possibility would exist for the Operational Consolidation Model, but in the case of full consolidation the closest unit responding would be part of the same department, with its personnel trained under the same operating procedures and housed under the same unified command.

- **Enhanced dispatch**. There is little question that full consolidation of fire and EMS services also would produce the need for a combined, coordinated dispatch system for fire and EMS calls.[22] Such a system would allow such calls to be dispatched directly to the consolidated department, which could immediately deploy resources from all station locations, as opposed to being dispatched to a primary department for immediate response and then neighboring departments for back-up. This would produce fewer delays and faster access to service.

- **Higher-quality personnel**. A consolidated department may have a better opportunity to recruit and retain outstanding command personnel in light of its size, enhanced prominence, and higher maximum salaries for certain positions. Also, there would be greater opportunity to promote high-quality personnel from within the organization because of the larger talent pool.

[22] Because options for a combined dispatch operation also would involve consideration of police dispatch operations in the five communities, analysis of those options was deemed to be outside of the scope of this report.

*Potential Negative Operational Impacts and Concerns*

- **Loss of local control.** A common concern associated with fire department consolidation proposals – which also was cited by some work group members – is that the elimination of each municipality's ability to staff, fund and operate its fire and EMS services per its own individual specifications will negatively impact the quality of service. One related element of that concern is that different municipalities have unique needs for specific emergency response capabilities (such as Oak Creek and its power plant) that could be diminished under the auspices of a larger, consolidated department. Another is that higher call volumes in certain municipalities would result in reduced readiness and attention in others.

- **Diminished ambulance response times.** The deployment of only one ambulance per station in the Full Consolidation Model means that only one ambulance from the closest station would respond to an EMS call. If another ambulance call arrives when that ambulance is out, then a fire vehicle with trained emergency medical technicians would respond, but an ambulance from a different station would need to be called to make the emergency transport if one is required. Under such a scenario, therefore, while the timing of the first response would be unaffected, there could be a slight delay in the arrival of the transporting unit.

- **Impacts of continued economic development and population growth.** As noted earlier in this report, the fact that Oak Creek and Franklin are two of the fastest-growing municipalities in the state would have an impact on the structure and operation of a consolidated fire department. The operational framework envisioned in the Full Consolidation Model is deemed appropriate for today's level of residential and industrial development, but may need to be modified if growth in those communities continues as projected. Both Franklin and Oak Creek have cited the need to construct fourth fire houses in existing long-range plans, which could accommodate such growth under the consolidated framework. However, concerns have arisen that if the departments are consolidated, then all five communities would be required to pay for the construction of those stations if they are needed.

- **Diminished mutual aid capacity.** As discussed throughout this report, each of the five existing departments provides mutual aid to other departments and relies on such aid to some extent. Under the Full Consolidation Model, the need for mutual aid among the five would disappear, but other communities in Milwaukee and Racine Counties still would require mutual aid from the consolidated department. Concerns were raised by some chiefs that the capacity of the consolidated department to provide the same level of mutual aid to some neighboring communities may diminish. For example, it was felt that the new department may not be able to match Oak Creek's current ability to aid communities in Milwaukee County's south shore.

- **Fewer opportunities for career advancement.** While small fire departments can offer firefighters several opportunities for promotion and the option to undertake a range of responsibilities within the department, it is possible that the larger department would offer fewer opportunities for career advancement because of the larger personnel pool and reduced number of command positions, as well as the centralization of training, fire inspections and vehicle maintenance.

*Summary*

The Full Consolidation Model deemed most appropriate for the southern Milwaukee County region retains all existing station locations and minimizes personnel reductions, thus alleviating two of the primary concerns that typically emerge during fire consolidation deliberations (though also reducing the potential for fiscal savings). The two-battalion approach with the command/personnel structure and apparatus deployment described in this section was viewed by some work group members as a framework that not only would *not* diminish the quality of fire and EMS services in the region, but as one that might produce better and more efficient service in a number of respects.

Despite that sentiment, however, several questions regarding the efficacy and desirability of a consolidated department can be raised. Perhaps the most prominent is whether the potential benefits of consolidation in terms of financial savings and the potential for improved collective operational efficiency exceed the cost for each municipality of relinquishing its ability to solely determine the appropriate level and framework for providing fire and EMS services to its residents and businesses.

On the financial side, weighing potential cost savings against the loss of local control is a difficult endeavor. At first glance, the potential for $1 million in annual operating savings and $4 million in five-year vehicle savings across the region appears worthy of vigorous pursuit. When potential savings are broken down across individual municipalities, however, the issue becomes less clear. Hales Corners, for example, may be required to pay more for fire and EMS services under the Full Consolidation Model than it is paying today, though in return it would receive the benefits of a full-time fire department. The impacts on other municipalities would differ depending on the nature of the contribution formula, and the process used to determine the use and disposition of vehicles and equipment.

In the end, the question of whether to pursue this model may boil down to whether the potential financial benefits justify the lengthy negotiations and considerable staff work that would be necessary to further refine the operational framework, hammer out the basic elements of an intergovernmental agreement, and develop actual fiscal estimates and impacts. When considering that question, it will be important for policymakers from the five communities to do so not only within their existing budgetary and operational contexts, but also with an eye toward the future.

For example, while the potential fiscal benefits may not seem sufficiently attractive to justify pursuit based on recent experience with 2012 budgets, that assessment could change with consideration of future budget challenges, which may necessitate reductions to existing fire department staff or apparatus. If that is the case, then consolidation may be viewed not only as a means of saving money, but also as a means of *preserving* existing service levels. In addition, while individual municipalities today can base resource allocation and operational decisions on assumptions of robust mutual aid from neighboring communities, they should consider whether tight budgets and other factors will allow such aid to continue to be provided as readily and inexpensively in the future.

## CONCLUSION

This report is the product of a process initiated by elected officials and administrators in Franklin, Greendale, Greenfield, Hales Corners and Oak Creek to consider several options for sharing or consolidating fire and EMS services, and to illustrate the fiscal and operational impacts and considerations associated with those options. While the purpose of this report was not to recommend a specific course of action, our research, modeling and deliberations with the project work group have produced the following conclusions:

- There is considerable opportunity to enhance service sharing and coordination among the five municipal fire departments, particularly in the areas of training, fire inspections and vehicle repair/maintenance. While financial savings associated with those opportunities are limited, additional benefits may accrue from the ability to centralize expertise and responsibility for specialized functions in a single department (thus freeing up personnel in other departments to focus on other core duties); and to unify training and inspection standards and procedures across the region. The latter benefit may be viewed as particularly important given the extent of mutual aid that occurs among the five municipalities.

- There is considerable opportunity to reduce the collective fleet of fire department vehicles in the region, thus allowing municipalities to reduce vehicle replacement and ongoing repair and maintenance costs. Indeed, after assessing the collective fleet, the work group determined that its size far exceeds that needed for an area with the square mileage and population of the five municipalities. Sharing of reserve vehicles and ladder trucks is feasible and would produce savings irrespective of any additional service sharing or consolidation in the region. The most substantial reduction of vehicles would occur, however, under scenarios in which the departments pursue operational or full consolidation.

- In light of the individual policies, practices and procedures used by the five departments, as well as individual union contracts, salary/benefit practices and organizational structures, the potential for substantial personnel savings from the enhanced service sharing and operational consolidation models is limited. Consequently, if operating budget challenges facing the five communities produce the need for substantial fire department expenditure reductions, then full consolidation appears to be the one option available to the communities that holds potential for generating such reductions while also preserving or enhancing service quality.

- Implementing a fully consolidated fire department in southern Milwaukee County may have widely varying fiscal (and possibly operational) impacts on the five individual communities, thus creating a sizable potential barrier in efforts to achieve consensus on this approach. Because each of the five communities is anticipating increasingly difficult budget challenges, however, and because of uncertainty regarding the future of the Milwaukee County-coordinated EMS system and the preservation of capacity to maintain existing levels of mutual aid, it is possible that this approach ultimately may be viewed as worthy of consideration by each of the communities, even though perceived benefits would be different for each.

We suggest that each of the five municipalities consider this report within the context of its own financial and operational needs and concerns, and determine which (if any) of the options outlined in the report it is interested in exploring. As they do so, we would urge them to keep in mind that a

phased approach, in which enhanced service sharing is implemented first as a possible or presumed precursor to operational or full consolidation, is a viable option; and that definitive action on the operational or full consolidation models optimally would be preceded by an effort to flesh out additional details and the potential framework for an intergovernmental agreement, which would allow for conclusive determination of individual operational and fiscal impacts.

After initial consideration by elected officials, re-creating the work group of administrators and fire chiefs created for this report to make recommendations on implementation of specific options may be an optimal approach. If that approach is taken, then the Public Policy Forum stands ready to assist with facilitation and/or research support.