

**CITY OF EDGERTON
SPECIAL COMMON COUNCIL MEETING
EDGERTON CITY HALL, COUNCIL CHAMBERS
12 ALBION STREET**

Monday, June 13, 2022 at 6:00 p.m.

NOTICE: The meeting noticed above will also be live streamed on a Zoom platform: To view the meeting, please select the link to the meeting listed on the **calendar events** on the City website's home page at www.cityofedgerton.com. Due to occasional technical difficulties, citizen participation via Zoom may not be possible.

1. Call to order; Roll call
2. Confirmation of appropriate meeting notice posted on Friday, June 10, 2022.
3. Hear presentation regarding Fire District request for funding to address wages.
4. Consider financial impact of Fire District's request for increased funding for wages.
5. Consider Fire District's request for increased funding and funding options.
6. Adjourn

Notice: If a person with a disability requires that the meeting be accessible or that materials at the meeting be in an accessible format, call the City Administrator's office at least 6 hours prior to the meeting to request adequate accommodations. Telephone: (608) 884-3341.

Memo

To: Common Council
From: Staff
Date: 6/9/2022
Re: June 13, 2022 Meeting

Fire District Proposed wage increases: In its May 12, 2022 memo, the Fire District Board makes a case for increasing wages to attract and keep personnel. The projected financing impact on Edgerton, if none of the other revenue sources listed on page four of Chief Pickering memo materialize, are summarized below:

Projected increase in charges to Edgerton as compared to the 2022 budget:

2022 - \$10,993
2023 - \$35,347
2024 - \$74,439
2025 - \$94,590

2022 Requested Increase: This mid-year request would have to be funded with this year's budget surplus (if there is one), with savings, or with special funds such as ARPA funds.

2023-2025 Requested Increase: The average increase in the levy from new growth over the last 7 years has been approximately \$28,000. The increase in the levy is significantly less than the increases requested by the Fire District which would result in a decrease in operating funds for the City going forward and would be significant over time.

Funding Options: If the Council agrees there is a need for additional funding for the Fire District, the following are options to consider:

- **Reduce City Operating:** It is unlikely the City could reduce operating costs by nearly \$100,000 without reducing staff.
- **ARPA or Savings:** The Fire District's request is an operating cost, not a one-time cost. Using either ARPA or savings to fund operating expenses is not a sustainable solution and will deplete savings. Eventually, a permanent source of revenue will be required.
- **Assume there will be other funds available to cover the increase:** The following potential sources of funds to cover part of the wage increases are listed in the FD memo: increase income from the interfacility transfer business; savings from the consolidation with the petitioning municipalities; and additional state subsidies. The city

will also have an estimated levy increase of \$13,700 in 2024 due the retirement of TIF 8. This TIF related levy increase is a recurring revenue as the levy is increased by that amount going forward.

If the Council decides to not seek a long term funding source to cover the increased FD costs at this time, it could use savings for the next few years and wait to see what happens with other funding sources. A risk in this approach is that it is unknown what the economic climate will be in next few years. If the Council determines there is a need to request additional funding from residents through a referendum two to three years from now years and the economic conditions are not favorable (for example a recession), it may be difficult to obtain approval.

- **Referendum:** Obtaining an increase in the levy through a referendum provides a “permanent” source of funding to address the increased operating expenses. The timing for potential referendums is listed below. Please note that a November 2022 referendum would allow for an increase in funding for the 2023 budget. If a referendum were passed in 2023, the City would have to address the FD requested funding increase in 2023 by some other means. One advantage of a referendum in the near future, as opposed to the waiting for a few years, is the need for the additional funding is tied directly with the request for additional funding. It may be more difficult to make the case for the tax increase in two or three years if the wage increases were granted years earlier and were funded without a tax increase.

Election Date	Deadline to Submit to Rock County
November 8, 2022	August 30, 2022
February 14, 2023	December 6, 2022
April 4, 2023	January 24, 2023
August 8, 2023	May 30, 2023
November 7, 2023	August 29, 2023



Edgerton Fire Department

PROUDLY SERVING OUR COMMUNITY SINCE 1883

To: EFPD District Board
From: Randall Pickering – Fire Chief
Date: May 12, 2022
Subject: EFPD Paramedic Salary Comparison

The high demand for paramedic level personnel coupled with a nationwide shortage of available resources has reached the point where critical decisions need to be made.

While EFPD's "grow our own" strategy has been effective at helping us hold-our-ground, the regional demand for the paramedic resources we have "grown" is so high, we are losing personnel to neighboring communities at a rate faster than we can grow them.

The root cause is very simple, salary disparity.

The EFPD continues to be a source for well-trained paramedic personnel:

- Our first Paramedic left to take a position with Beloit Fire.
- A second Paramedic resigned to fill a position with Milton Fire.
- A third Paramedic resigned to take a position with Janesville Fire.
- A fourth Paramedic left to take a position with Watertown Fire.
- A fifth Paramedic left to take a position with Brookfield Fire.
- A sixth Paramedic resigned to take a position in Walworth County.
- Our first Paramedic Intern left on 4/22 to take a position with Janesville Fire.
- A second Paramedic student left on 4/22 to take a position with Janesville Fire.
- A seventh Paramedic left is leaving in May to return to Jefferson EMS.
- We are aware that two other paramedic employees are in consideration for other positions.

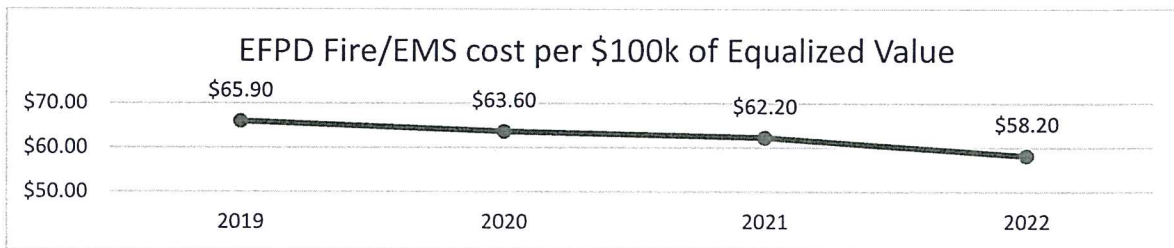
The challenge will get tougher as area departments continue to replace retiring personnel and other area communities (facing the same challenges we face) are planning to add full-time staffing:

- Janesville hired 6 paramedics recently to fill existing job vacancies, and will potentially be hiring 4 more this fall.
- Sun Prairie is currently hiring 6 full-time paramedics, and plans to hire 7 more this fall.
- The City of Beloit has posted a recruitment for 4-6 paramedic vacancies.
- The Town of Beloit currently has 1 paramedic vacancy.
- McFarland just posted to hire 3 paramedics immediately, and 3 more later this year.
- Orfordville is discussing a referendum in the fall to add 5 full-time positions.
- Fort Atkinson just passed a referendum to add 12 new full-time positions.
- The City of Jefferson is discussing a referendum for this fall to add 9 new full-time positions.
- Western Lakes (Oconomowoc/Dousman), Lake Mills, Johnson Creek, and Whitewater are all currently looking at their options for adding new full-time positions.

Over the last five years the District has made huge strides forward in service delivery to our communities:

- In 2017 we added on-duty staffing to ensure 24x7 EMS coverage.
- In 2018 we implemented the current live-in Intern program.
- In 2019 we added a third ambulance to the fleet.
- In 2019 we advanced to the paramedic level of care.
- In 2019 we rented, remodeled, furnished and occupied the new District Headquarters
- In 2020 we added the full-time Division Chief's position.
- In 2020 we began offering interfacility transport services.
- In 2021 we implemented a dedicated interfacility transfer crew.

Up to this point all these advances have been internally/self-funded, all while being able to actually lower our cost/\$100k impact on our citizens.



The challenge is the financial impact of the salary differential compared to neighboring/ area departments is too significant in the short term to be internally/self-funded. The growth of our interfacility transfer line-of-business may, in the future offer promise, and the discussions with Milton (et.al.) may lead to some savings if the integration moves forward; but in the short-term we desperately (and that word is not used lightly) need to stop the bleeding.

Short-term options all have challenges:

- Referendums are an option, but they take time to plan for and educate the voting public.
- Trying to rapidly grow the interfacility transfer business to generate increased revenues is an option, but we face the same challenge of trying to find even more staff at less than competitive wage rates. Right now we find ourselves constantly having to shift people from the transfer crew to the 9-1-1 crew to ensure continued 9-1-1 staffing.
- The potential incorporation with Milton, Milton, Johnstown, and portions of Harmony, Koshkonong, and Lima does hold the promise of freeing up current funding as shared costs are spread across 11 municipalities versus 5; but those savings would not materialize until some point in 2023.
- Borrowing, which sounds attractive, is the equivalent of taking out a loan to buy weekly groceries. It adds to the future challenge of having to buy next week's groceries AND pay off the loan for last week's groceries. It quickly becomes a death spiral if there is not a guaranteed solution to fund both.

Addressing the issue cannot wait until the 2023 budget cycle. We need to stop the exodus of trained personnel, or risk having to drop down to non-paramedic service levels. There are multiple potential short-term options which would then offer us time to work together on municipality-by-municipality longer-term solutions.

Current salary disparity:

	<u>EFPD</u>	<u>Comparisons</u>	<u>Delta</u>
Starting Wage	\$47,233		
- City of Beloit		\$46,941*	\$ -
- Kwik Trip		\$50,000	\$ 2,767
- Janesville		\$50,698	\$ 3,458
- Watertown		\$51,186	\$ 3,953
- Town of Beloit		\$54,212	\$ 6,979
- Ryan Brothers		\$58,802	\$11,569
- McFarland		\$60,094	\$12,861
- Brookfield		\$62,908	\$15,675
Year 2	\$50,610		
- City of Beloit		\$52,890*	\$ 2,280
- Janesville		\$50,698	\$ 88
- Watertown		\$53,324	\$ 2,714
- Town of Beloit		\$57,590	\$ 6,980
- Brookfield		\$70,822	\$20,212
Year 3	\$52,125		
- City of Beloit		\$58,142*	\$ 6,017
- Janesville		\$67,092	\$14,964
- Watertown		\$55,558	\$ 3,433
- Town of Beloit		\$61,919	\$ 9,794
- Ryan Brothers		\$69,680	\$17,555
- Brookfield		\$76,007	\$23,882
Year 4	\$52,125		
- City of Beloit		\$62,295*	\$10,170
- Janesville		\$68,315	\$16,190
- Town of Beloit		\$61,919	\$ 9,794
- Brookfield		\$84,368	\$32,243

* City of Beloit offers subsidized healthcare post retirement up to age 65.

All comparisons are based on equalized hourly rates, adjusted for healthcare premium deductions and any other known/quantitative hourly rate factors.

Incremental funding by municipality by year:

In the short-term my recommendation is to focus on closing the gap with our “biggest competitors”, those departments in Rock County, until longer-term permanent solutions can be quantified, realized, and/or funded.

Based on Janesville, Beloit and the Town of Beloit wage rates including FICA and WRS benefits, and assuming a 3% levy increase per year:

<u>Time Period</u>	<u>Gap</u>	<u>EFPD Distribution based on EV</u>	
7/1/2022 to 12/31/2022	\$ 32,775	Albion	\$ 6,417
		Edgerton	\$10,993
		Fulton	\$12,625
		Porter	\$ 1,193
		Sumner	\$ 1,547
1/1/2023 to 12/31/2023	\$105,387	Albion	\$20,635
		Edgerton	\$35,347
		Fulton	\$40,395
		Porter	\$ 3,836
		Sumner	\$ 4,974
1/1/2024 to 12/31/2024	\$221,941	Albion	\$43,456
		Edgerton	\$74,439
		Fulton	\$89,492
		Porter	\$ 8,079
		Sumner	\$10,476
Cumulative 2022-2023-2024 Funding Required:		Albion	\$ 70,508
		Edgerton	\$120,779
		Fulton	\$138,712
		Porter	\$ 13,108
		Sumner	\$ 16,997
2025 gap projection (Year 4)		Albion	\$ 55,220
		Edgerton	\$ 94,590
		Fulton	\$108,635
		Porter	\$ 10,265
		Sumner	\$ 13,311

2025 Financial Consequences:

While there are potential short-term ways that the 2022, 2023 and 2024 gap could be addressed, the following calculations assume 100% of the gap would fall to the levy in 2025. This is a worst-case scenario that assumes no growth in the interfacility transfer line of business, no savings from the integration of Milton-Milton-Harmony-Johnstown-Koshkonong-Lima, no added state funding towards Medicare and Medicaid costs, no state surplus

allocation towards the EMS funding issues being experienced statewide, and no more than 3% levy growth for 2023, 2024 and 2025.

While we could run multiple scenarios related to each potential long-term solution, the expectation is some amount of relief/assistance will come from some combination of efforts.

The following calculations assume no relief/assistance; meaning any amount from any of the initiatives lowers these numbers.

Estimated maximum cost per capita to EFPD municipalities in 2025:

	<u>Population</u>	<u>Annual Cost per capita</u>	<u>Monthly cost per capita</u>
Albion	1975	\$27.96	\$2.33
Edgerton	5779	\$16.37	\$1.36
Fulton	3580	\$30.34	\$2.53
Porter	969	\$10.59	\$.88
Sumner	846	\$15.73	\$1.31

In all cases, less than one McDonalds Big Mac per month.

Estimated maximum cost per \$100k of equalized value in 2025:

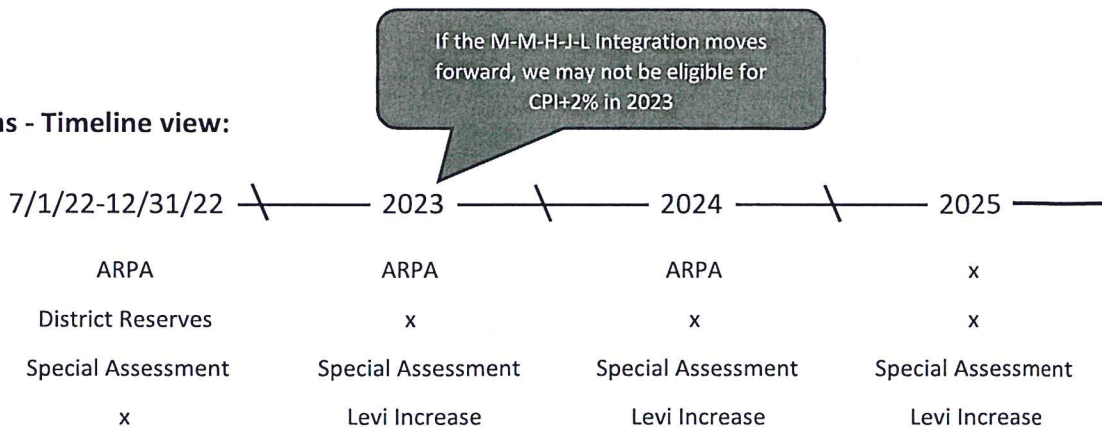
	<u>2022 EV</u>	<u>Annual Cost per \$100k</u>
Albion	\$268.5m	\$20.57
Edgerton	\$460.0m	\$20.56
Fulton	\$528.3m	\$20.56
Porter	\$130.0m	\$ 7.90
Sumner	\$147.4m	\$ 9.03

Options / Path Forward:

The list of options is somewhat limited, but basically fall into three categories:

- Do nothing
- Do something to make it look like we did something, but the problem still exists
- Actually fix the problem

Options - Timeline view:





Edgerton Fire Department

PROUDLY SERVING OUR COMMUNITY SINCE 1883

To: City of Edgerton City Council
Town of Albion Town Board
Town of Fulton Town Board
Town of Porter Town Board
Town of Sumner Town Board
From: Edgerton Fire Protection District Board
Date: May 12, 2022
Subject: EFPD Paramedic Salary Comparison – Request for Municipality Funding Support

The high demand for paramedic level personnel coupled with a nationwide shortage of available resources has reached the point where critical decisions need to be made.

While the EFPD has been effective at holding-our-ground up to this point, the regional demand for paramedic resources is extremely high and we are losing personnel to neighboring communities at a rate faster than we can backfill them. The problem is compounded by the fact the available pool of people looking for paramedic-level jobs is almost non-existent, so backfilling open positions has become very competitive.

The root cause of the District’s challenge is very simple, salary disparity.

The attached staff report to the EFPD District Board outlines the issues and challenges in great detail, with the bottom line being, we need to address this issue quickly to maintain the high level of service being provided to our municipalities.

While the numbers you will see detailed in the report are significant, to put it in perspective, the ultimate solution will cost *“less than one McDonalds Big Mac per month”* per capita.

This issue cannot wait until the 2023 Budget cycle. We are asking that each of our municipalities work with the District to fund short-term efforts through the balance of 2022 to stop the exodus before we need to drop down to non-paramedic service levels, and then longer-term solutions to stabilize our workforce.

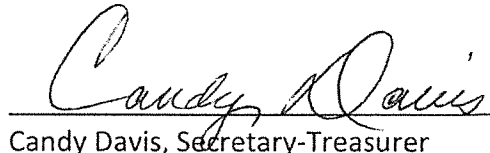
The short-term and long-term funding solutions may be different by municipality, so each of us individually with support from District Staff will make ourselves available to work with each municipality to identify incremental funding to carry us through 2022, and to provide permanent solutions for 2023 and beyond.

We fully understand incremental mid-budget funding presents a significant challenge, but ask that you work with us to discuss options to ensure the District’s ability to continue delivering the high quality of fire and emergency medical services all our citizens, businesses and visitors expect.

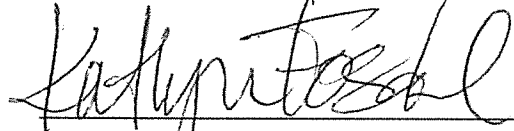
Respectfully,



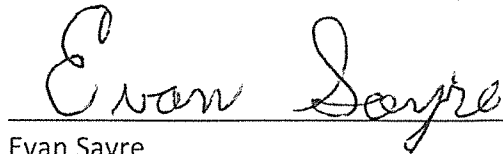
John Sherman, Chairperson
Trustee representing the City of Edgerton



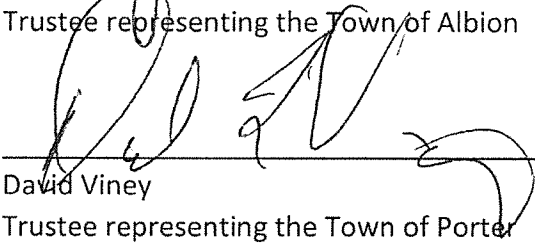
Candy Davis, Secretary-Treasurer
Trustee representing the City of Edgerton



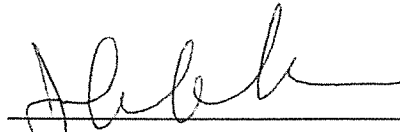
Kathryn Fosdal
Trustee representing the Town of Albion



Evan Sayre
Trustee representing the Town of Fulton



David Viney
Trustee representing the Town of Porter



John Dohner
Trustee representing the Town of Sumner

Summary of incremental funding by municipality by year:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2025 per capita/month</u>	<u>2025 per \$100k</u>
Albion	\$ 6,417	\$20,635	\$43,456	\$ 55,220	\$2.33	\$20.57
Edgerton	\$10,993	\$35,347	\$74,439	\$ 94,590	\$1.36	\$20.56
Fulton	\$12,625	\$40,595	\$85,492	\$108,635	\$2.53	\$20.56
Porter	\$ 1,193	\$ 3,836	\$ 8,079	\$ 10,266	\$.88	\$ 7.90
Sumner	\$ 1,547	\$ 4,974	\$10,476	\$ 13,311	\$1.31	\$ 9.03