



AREA FIRE & RESCUE SERVICES

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TO: Ben Martig, Northfield City Administrator
John McCarthy, Dundas City Administrator
Kevin Estrem, Rural Fire Representative

FROM: Gerry Franek, Northfield Fire Chief

DATE: May 23, 2018

RE: JPA Amendment; Resolution 2018-3

The Board of the Northfield Area Fire and Rescue Service is recommending a change to the Joint Powers Agreement as described in the attached Report and Resolution. Section 27e of the JPA specifies that the Parties shall act to approve, modify or deny a proposed amendment within 90 days after the Board issues its report concerning the proposed amendment. Please return your action, in the form of a resolution, to NAFRS by Monday, August 20, 2018.


Gerry Franek, Fire Chief

Encl: Resolution 2018-3
Report on Proposed Revision of JPA Cost Allocation Formula, Resolution 2018-3

Report to the JPA Parties on a Proposed Revision of the JPA Cost Allocation Formula
Resolution 2018-3
May 17, 2018

Origin of the Proposal

From time to time during 2017 several Board members and community members have suggested revising the allocation formula to include fire calls or to consider discounting the land values portion of the estimated market value to more closely align the allocation of expenses to the use of the fire service. During the same period the Rural Fire District Administrator was voicing concern over the ever increasing cost of the facility project and the ability of the RFD to manage its portion of a 15 year bond. The proposed changes would align NAFRS with the practice of other communities and the League of Minnesota Cities.

The formula currently used in the Joint Powers Agreement results in an imbalance between use of the fire service and cost allocation as shown below:

	Fire Calls 2016		Fire Calls 2017		Allocation percentage (2016-2017)
Northfield	213	80.4%	199	78.7%	72.22%
Rural Fire District	43	16.2%	41	16.2%	22.41%
Dundas	9	3.4%	13	5.1%	5.37%
	265		253		

In July 2017 the Board assigned to the Finance Committee the task of examining the Joint Powers Agreement (JPA) cost allocation formula and recommending changes as a 2018 project. The Finance Committee took up the issue in its August 2017 meeting. The effect of the proposed change in the formula on the financial viability of the Rural Fire District was discussed at this meeting. The Finance Committee continued to address the issue in its September and October meetings as reported to the Board.

The Rural Fire District Board, meeting on October 11, 2017 discussed the impact on the long-term financial health of the RFD of the combined effect of the projected facility cost of \$4,000,000 with a 15 year bond, the current CEP plan and the 2018-2019 cost allocation percentage of 22.88%. The RFD Board passed a motion in which they recommended limiting their payment on the facility to \$60,000 and their overall contribution percentage to less than 19.7%. They also discussed increasing RFD charges to the townships.

Motion to recommend to the NAFRS Board that the annual payment by the RFD on the facility bond be no more than \$60,000 and that the percentage of NAFRS expense allocated to the RFD be no more than 19.7% was moved by Odette and seconded by Penny. The vote in favor of the motion was unanimous.

Background of the Current Formula

The cost allocation formula in Exhibit D of the Joint Powers Agreement was developed in 2013 by the Fire Service Task Force. This group was formed in the fall of 2012 with the charge of examining three potential administrative structures for the fire department and recommending one. The Task Force engaged Emergency Services Consulting International to assess the condition of the department and to provide information on the administrative structures being considered. That report was received in June 2013. This type of procedure for cost allocation was discussed in that report.

In the course of examining the options the Task Force developed a model joint powers agreement which included a formula for cost allocation. The Task Force considered alternatives such as applying a 20% discount to estimated market value for townships, incorporating fire calls, and using estimated market value of improvements (EMVI) rather than estimated market value (EMV) and various weighting schemes were explored.

The Task Force settled on the current formula giving 20% weight to EMV and 80% to population for two reasons:

1. We viewed the fire department as an insurance program protecting people and property. The weights were meant to reflect the communities' priority between those. Applying the analogy with insurance to fire calls, one's home owners insurance is not reduced just because it hasn't been used. Following the analogy, a jurisdiction's relatively low number of fire calls should not result in a discount on the cost of insurance.
2. As a practical matter we were not able to get EMVI for the portions of the fire district in Dakota County. The Dakota County auditor's office was understaffed as a result of layoffs and they did not have the capacity to develop a special report for us. Hence we settled for EMV.

The Task Force wrote a draft joint powers agreement in November 2013 which served as the starting point for the agreement eventually developed. Exhibit C of that draft contained the formula the JPA currently uses. It was incorporated into the final joint powers agreement with no changes.

Proposed Revision to the Formula

The recommendation is to make the following changes to the JPA formula for allocating costs among Parties (Exhibit D of the JPA).

1. **Replace EMV (Estimated Market Value) with EMVI (Estimated Market Value of Improvements).**
EMVI is based only on the improvements to property, primarily structures, whereas EMV includes the value of the land itself along with the improvements. EMV and EMVI both include taxable and non-taxable structures. EMVI is more representative of the service provided by the fire department which is to protect people and structures and it is one of the three factors recommended by the League of Minnesota Cities for allocating cost of fire service. Dakota County can now provide the EMVI data for those township sections in the NAFRS service area.
2. **Include a three year average of fire calls in the formula.** Fire calls is one of the three factors recommended by the League of Minnesota Cities for allocating cost of fire service. A fire call is counted if:
 - a. It occurs in the NAFRS service area. Consequently it occurs in either a township, Dundas or Northfield. All calls in townships will be attributed to the Rural Fire District. Mutual aid calls would not be counted in the allocation process.
 - b. A report has been submitted to the National Fire Incident Reporting System.
3. **Define a procedure for including rescue calls with fire calls.** If Rescue Squad related costs paid by NAFRS exceed \$75,000 each year for two continuous years, then rescue calls will be added to fire calls in the next scheduled update of the Party allocation formula. A procedure for determining these costs is given later in this report.
4. **The three factors in the formula be weighted as follows:**
 - a. 33% Estimated Market Value of Improvement (EMVI)
 - b. 33% Fire Calls averaged over 3 years, omitting recalls
 - c. 34% Population
5. **The changes are to be implemented in 2019 for the 2020 budget.**

The League of Minnesota Cities developed a model fire service contract, available on the LMC website (www.lmc.org/media/document/1/citytownfireservice.docx), when one jurisdiction is providing fire service for another. The model contract published in May 2016 applies a payment formula which gives equal weight to each of EMVI, population and a three year average of fire calls. The new formula proposed for the JPA essentially adopts this practice recommended by the LMC.

Example Application of the LMC Categories to NAFRS

Recently the Dakota County Auditor's Office agreed to create a standard report which gives the estimated market value of improvements (EMVI) for each section covered by NAFRS in Greenvale, Sciota and Waterford townships and the portion of Northfield in Dakota County.

By way of example in showing how this formula would work and the likely effect it will have on the contributions of the Parties the following table uses current data (fire calls were estimated since this example was created in mid-2017). ***This would be updated in the summer of 2019 to arrive at the actual contribution percentages for 2020.***

	EMVI (payable 2018)	EMVI %	Population (2016)	Population %	Fire Calls	Call %
Northfield	\$1,035,768,030	67.6%	20,355	76.0%	213	82.2%
Dundas Rural Fire District	\$99,003,200	6.5%	1,490	5.6%	9	3.5%
	\$397,527,600	25.9%	4,936	18.4%	37	14.3%
	\$1,532,298,830	100.0%	26,781	100.0%	265	100.0%

Sources: EMVI – Rice and Dakota County Auditor's Offices; Population – Minnesota State Demographer; Fire Calls – NAFRS fire call reports

A sense of the difference between Estimated Market Value and Estimated Market Value of Improvements is given by the following examples. EMV includes both land and structures whereas EMVI counts only structures. Taxable Market Value (TMV) is shown for information only.

Site	Description	EMV 2017	EMVI 2017	TMV 2017
Skinner Chapel	Building + 2.0 acres	\$6,221,800	\$5,993,100	\$0
First National Bank	Building + 0.13 acres	\$571,000	\$516,000	\$571,500
Peterson farm field	77.7 acre field	\$512,800	\$0	\$512,800

Source: Rice County Beacon

The EMV of non-taxable properties is not always current. For example, the listed EMV for Skinner Chapel for 2016, 2015 and 2014 was \$714,500. The comparison of Estimated Market Value, Estimated Market Value of Improvements (i.e. buildings) and Taxable Market Value is shown below.

	EMV		EMVI		TMV	
Northfield	1,365,418,300	54.7%	1,040,474,100	68.2%	1,286,892,083	53.3%
Rural Fire District	990,297,600	39.7%	385,823,200	25.3%	997,667,248	41.3%
Dundas	139,747,400	5.6%	99,003,200	6.5%	129,742,000	5.4%
	2,495,463,300		1,525,300,500		2,414,301,331	

Using the data in the above tables, the comparison of the current with the proposed procedure is:

	WEIGHT				JURISDICTION		
	EMV	EMVI	Fire Calls	Population	Northfield	RFD	Dundas
Current	20%	Not used	Not used	80%	71.75%	22.68%	5.57%
Proposed	Not used	33%	33%	34%	75.29%	19.54%	5.17%

Because fire calls are included and land values are not included the resulting allocation percentages more closely reflect the actual use of the fire service by each Party.

Procedure for Determining the Contribution of NAFRS to Rescue Squad Expenses

SUMMARY-ANNUAL COSTS

See accompanying Footnotes for supporting documentation and notes indicated below.

	NAFRS COST	RESCUE SQUAD COST (or Donated)	NOTE
<i>CAPITAL:</i>			
Heavy Rescue (HR) Depreciation (cost recovery)	\$0	\$28,500	(1)
4 WD Ambulance (cost recovery)	\$0	\$8,550	(2)
[assumes 100% cash financing]			
	\$0	\$37,050	
Small equipment for rescue ops-HR		<u>\$5,000</u>	(3)
TOTAL CAPITAL	\$0	\$42,050	
<i>OPERATING:</i>			
Apparatus-			
Maintenance (fuel, insurance, r&m)	\$10,000	\$0	(4)
Facility:			
Space ("rent") [\$13,700 BUILDING IMPROV.]	\$1,600	\$0	(5)
Operations	<u>\$6,000</u>	<u>\$0</u>	(5)
	\$17,600	\$0	
Human Resources-			
Training			(6)
Personnel (payroll and benefits)	<u>\$1,900</u>	<u>\$31,500</u>	(7)
	<u>\$1,900</u>	<u>\$31,500</u>	
TOTAL OPERATING	<u>\$19,500</u>	<u>\$31,500</u>	
TOTAL ANNUAL COSTS	\$19,500	\$73,550	\$93,050

NORTHFIELD AREA FIRE & RESCUE (NAFRS)
FOOTNOTES TO
RESCUE SQUAD (separate entity from NAFRS)
COST/BENEFIT ANALYSIS
JANUARY 2018

The purpose of this accompanying “Cost/Benefit Review-Rescue Squad Operations” is to:

- a. Document the estimated share of costs to the NAFRS organization of providing rescue squad services to the NAFRS area community.
- b. Document the estimated costs incurred by the rescue squad in providing rescue squad services to the NAFRS area community.
- c. Accumulate and summarize such rescue squad related costs to allow the reader (NAFRS Board and NAFRS Parties in particular) to better understand the financial impact to NAFRS as well as the financial benefits received by NAFRS via direct and donated financial contributions of the rescue squad entity to such rescue operations.
- d. Provide an objective template and means to determine when the NAFRS cost of providing rescue services exceeds \$75,000 each year for two continuous years.

OVERALL NOTE: All information in these footnotes and in the accompanying “Cost/Benefit Review-Rescue Squad” report was derived from actual 2017 NAFRS (YTD through November 30, 2017) financial statements and the 2017 and 2018 NAFRS approved operating and capital budgets, respectively. Gerry Franek, NAFRS Fire Chief and Jeff Machacek, NAFRS First Assistant Fire Chief provided the remainder of the operating and facility information.

Notes:

1. The **Heavy Rescue (HR)** vehicle apparatus current, estimated replacement cost is \$600,000, twenty (20) year useful life, 5% residual value. Straight-line depreciation results in an annual cost of \$28,500, assuming no financing (all cash purchase). ***A HR apparatus is required by fire department operations, irrespective of future rescue squad operations serviced out of the NAFRS facility.*** HR is utilized on 100% of rural fire calls and approximately 70% of city fire calls. Historically, the HR has been financed via community donations and the rescue squad.
2. The **4WD ambulance (ambulance)** vehicle apparatus current, estimated replacement cost is \$180,000, twenty (20) year useful life, 5% residual value. Straight-line depreciation results in an annual cost of \$8,550, assuming no financing (all cash purchase). Historically, the ambulance has been financed via community donations and the rescue squad.
3. Substantial NAFRS owned/supplied and Rescue Squad owned/supplied equipment is utilized on the HR and ambulance including NAFRS owned turn-out gear. We believe it reasonable to assume that 50% of the cost of such equipment, related maintenance and supplies are borne by each. It is currently expected that \$100,000 will be expended to outfit the new (planned for 2020) HR with the majority funded with rescue squad funds. For purposes of this analysis, such will be depreciated over twenty (20) years on a straight-line basis, no salvage value assumed.

4. All apparatus maintenance (fuel, oil, insurance and repairs and maintenance) are NAFRS costs. Total annual costs for such items approximates \$40,000 for ALL apparatus. While not all specific cost line items are tracked on a per apparatus basis, it is reasonable to assume that most of such costs (say 75%) are incurred by the six (6) major, more heavily used apparatus [two pumpers, aerial ladder, aerial platform, the HR and ambulance]. Thus, allocate one—third of 75% of total annual expenditures to maintain HR and ambulance: \$10,000. Assume that the boat(s) and track vehicle(s) operating costs are shared (and immaterial) and such apparatus are utilized by both parties roughly equally. But for purposes of this analysis, 100% of such costs are the responsibility of (and owned) by NAFRS as the boats and tracked apparatus vehicles are assumed necessary for fire operations, irrespective of rescue operation needs.
5. Facility costs allocated to rescue squad apparatus and operations are as follows: office-170 square feet and ambulance and heavy rescue garage-1,474 square feet, 1,644 total rescue squad apparatus and office square feet; total current space: 20,647 square feet or 8% of total occupancy without regard for office/apparatus space utilization (purpose) differences. Current rent of \$20,000 plus facility operating budget (utilities, insurance, supplies, repairs, outside services (cleaning, lawn, snow, etc.)) is approximately \$75,000, \$95,000 total or \$4.60 per square foot (\$3.60 operating plus \$1.00 facility). Allocate 8% to rescue squad results in “rent” of \$1,600 and facility operating costs of \$6,000. With financing of the NAFRS building addition and improvements, such cost could result in an overall cost per square foot of \$12.00 (\$3.60 operating plus \$8.40 facility) which would total approximately \$19,700, an increase of \$12,100 annually. NAFRS planned building addition is required irrespective of future ambulance space requirements.
6. Human Resources-Training. Certain initial and on-going (annual) training/continuing education costs are paid for by either NAFRS or the rescue squad. For purposes of this analysis, the assumption is that such costs are borne equally between the two entities and related benefits are shared equally between the two operations. Given the inter-play and interaction of operations, this is believed to be a reasonable assumption.
7. From a personnel cost perspective, both NAFRS and the rescue squad bear a portion of the costs of operations. NAFRS pays the monthly rescue squad captain a monthly administrative stipend of \$146.67, \$1,894.68 annually including employer share of FICA/Medicare tax. Conversely, the paid on-call fire fighters are not compensated for rescue squad calls, rescue related training and meetings. Based upon discussions with the rescue squad captain and review of recent, historical activity logs, the average annual hours worked for rescue squad operations is sixteen (16) hours. Meetings and training hours for rescue squad activities average thirty-five (35) hours annually. Using the fire suppression hourly call rate of \$21.63 and the meeting/training hourly rate of \$16.17 per hour, respectively, plus employer share of FICA/Medicare tax, total rescue squad pro-forma compensation would approximate \$31,500 annually, assuming a thirty-two (32) paid on-call personnel head count.

General note regarding NAFRS facility and maintenance costs allocated to rescue squad operations:

For purposes of the accompanying “Cost/Benefit Review-Rescue Squad Operations”, 100% of the facility (space) cost relating to housing the HR and ambulance have been designated as NAFRS costs of housing such apparatus, recognized that such apparatus has not historically been purchased by NAFRS, or predecessor parties (acquisition costs financed via other methods as discussed above). Under this method, the assumption is made that such HR and ambulance are not utilized for fire calls. As discussed above, this is not the case. Again, the HR is used extensively on fire calls. And further, it is likely that a smaller emergency type vehicle be required as well to properly address fire call situations and risks, whether or not the 4WD ambulance is needed for rescue squad operations. Thus, for purposes of determining the “significance” of overall rescue squad operations in the accompanying “Cost/Benefit Review-Rescue Squad Operations”, the costs assigned to the HR and ambulance apparatus maintenance and facility costs is conservative, erroring on the side of allocating such fixed and variable costs to rescue squad operations when in reality, such apparatus and related maintenance and facility space costs are required by fire operations irrespective of rescue squad operation needs.

Northfield Area Fire and Rescue Service
RESOLUTION 2018 –3
Recommending an Amendment to the Joint Powers Agreement
May 17, 2018

WHEREAS the City of Northfield ("Northfield"), the City of Dundas ("Dundas"), and the Northfield Rural Fire Protection District ("Rural Fire"), (collectively the "Parties"), pursuant to Minnesota Statutes, section 471.59, entered into a Joint Powers Agreement dated April 1, 2014 (the "JPA"), to operate and provide fire protection and rescue services to their respective residents through a joint fire department called the "Northfield Area Fire And Rescue Service" ("NAFRS"); and

WHEREAS NAFRS is operated and managed by a joint powers board ("NAFRS Board" or "Board"); and

WHEREAS the NAFRS Board believes it is in the best interests of NAFRS and the Parties to amend the JPA cost allocation procedure as described in Exhibits A and B; and

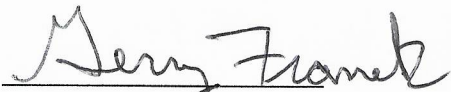
WHEREAS the Board wishes to recommend the changes contained in this Amendment to the Joint Powers Agreement attached hereto and incorporated herein by reference as Exhibits A and B; and

WHEREAS Section 27.e. of the JPA requires the Board to present any proposed JPA amendment to the Parties by resolution, and to issue a report explaining the amendment and the process for consideration and adoption, which report will be prepared forthwith; and

WHEREAS the JPA requires that the Parties must act to approve, modify or deny a proposed amendment within 90 days after the Board issues its report concerning the proposed amendment.

THEREFORE, BE IT RESOLVED by the NAFRS Board as follows:

1. The Board approves and recommends to the Parties the adoption of the Amendment to Joint Powers Agreement attached hereto as Exhibit A.
2. The Board approves and recommends to the Parties the adoption of the Amendment to Joint Powers Agreement attached hereto as Exhibit B.
3. The Parties are requested to pass a resolution approving the First Amendment to Joint Powers Agreement within 90 days of the date of issuance of the report on concerning the proposed amendment.


Gerry Franek, Fire Chief


Anne Haddad, Board Chair

	Yes	No	Abstain	Absent
Glen Castore	x			
Dana Graham		x		
Anne Haddad	x			
Paul Liebenstein	x			
Jessica Peterson-White	x			
Lee Runzheimer	x			
Bron Scherer	x			
Glenn Switzer	x			

EXHIBIT A

The changes proposed to the language currently in the Joint Powers Agreement:

7b. Adjustment Process. The ~~above~~ Party Contributions shall be updated every two years starting with the year 2019 for the 2020 budget in accordance with the procedure described in Exhibit D, which is attached hereto and incorporated herein by reference. Annual Party Contributions will be determined by the process described in Exhibit D. The population numbers used to calculate annual Party Contributions will be those most recently certified by the Minnesota State Demographer. The Estimated Market Values of Improvements will be those most recently certified by the relevant County Auditors for the Members' respective jurisdictions. Fire Calls will be those reported to the National Fire Incident Reporting System by the Northfield Area Fire and Rescue Service (NAFRS) and occurring in the NAFRS service area.

The language as it would read if the proposal is adopted:

7b. Adjustment Process. The Party Contributions shall be updated every two years starting with the year 2019 for the 2020 budget in accordance with the procedure described in Exhibit D, which is attached hereto and incorporated herein by reference. Annual Party Contributions will be determined by the process described in Exhibit D. The population numbers used to calculate annual Party Contributions will be those most recently certified by the Minnesota State Demographer. The Estimated Market Values of Improvements will be those most recently certified by the relevant County Auditors for the Members' respective jurisdictions. Fire Calls will be those reported to the National Fire Incident Reporting System by the Northfield Area Fire and Rescue Service (NAFRS) and occurring in the NAFRS service area.

EXHIBIT B

The changes proposed to the language of Exhibit D currently in the Joint Powers Agreement (the current language would be deleted in its entirety):

EXHIBIT D

Procedure for determining the allocation of costs among the Parties

~~Step 1: Get Estimated Market Values (EMV) and Populations for each of the members. The Auditors for Rice County and Dakota County provide the EMVs. The EMVs for a given year are finalized in the first week of February of each year. The population figures are available from the State Demographer.~~

~~The values used for determining the cost allocation for 2014, 2015, 2016 and 2017 are shown below:~~

	Estimated Market Value	EMV %	Population	Pop %
Northfield	\$1,129,244,200	54.9%	20,373	76.5%
Dundas	\$117,547,100	5.7%	1,407	5.3%
Bridgewater	\$270,341,600	13.1%	1,791	6.7%
Forest	\$119,961,600	5.8%	680	2.6%
Greenvale	\$182,029,900	8.8%	811	3.0%
Northfield (twp)	\$192,709,000	9.4%	843	3.2%
Sciota	\$4,253,800	0.2%	111	0.4%
Waterford	\$7,295,500	0.4%	332	1.2%
Webster	\$33,579,200	1.6%	268	1.0%
TOTAL	\$2,056,961,900	100.0%	26,616	100.0%

~~Step 2: Consolidate the above data for the Rural Fire District members.~~

	Estimated Market Value	EMV %	Population	Pop %
Northfield	\$1,129,244,200	54.9%	20,373	76.5%
Dundas	\$117,547,100	5.7%	1,407	5.3%
Rural Fire District	\$810,170,600	39.4%	4,836	18.2%
TOTAL	\$2,056,961,900	100.0%	26,616	100.0%

Step 3: Apply the agreed upon weight factors to EMV and Population to determine each Party's percentage contribution:

Characteristic	Weights
EMV	20%
Population	80%
	100%

Party Contribution Percentage Formula = (EMV Weight x EMV %) + (Pop Weight x Pop %).

For example, the Party Contribution Percentage allocated to Northfield based on the above data is calculated as follows:

$$\text{Northfield percentage} = 20\% \times 54.9\% + 80\% \times 76.5\%$$

The respective Party Contribution allocation percentages for 2014, 2015, 2016 and 2017 based on the above formula and data are shown below:

Party Contribution Percentages	
Northfield	72.22%
Dundas	5.37%
Rural Fire District	22.41%
	100.00%

Therefore, if the total 2014 budget for NAFRS operations is \$475,000, the amount allocated to each party is:

	Party Contribution %	Party Contribution \$
Northfield	72.22%	\$343,022
Dundas	5.37%	\$25,517
Rural Fire District	22.41%	\$106,462

The language of Exhibit D of the JPA as it would read if the proposal is adopted:

EXHIBIT D

Procedure for determining the allocation of costs among the Parties

Step 1: Get the Estimated Market Value of Improvements (EMVI) and Populations for each of the members. Get the fire call history for the previous three years. The EMVI is to be obtained from the Rice and Dakota County Auditors. The Population is to be obtained from the State Demographer. The fire call history is to be obtained from NAFRS.

Step 2: Consolidate the EMVI, Population and Fire Call data for the townships in the Rural Fire District.

Step 3: Determine whether Rescue Squad related costs paid by NAFRS exceed \$75,000 for each year of a two year continuous period. If so then rescue calls will be added to fire calls.

Step 4: Calculate the three-year average of fire calls (or fire calls plus rescue calls if so determined in Step 3) for each of the Parties. A fire call is counted if:

- a. It occurs in the NAFRS service area. Consequently it occurs in either a township, Dundas or Northfield. All calls in townships will be attributed to the Rural Fire District.
- b. A report has been submitted to the National Fire Incident Reporting System.

Step 5: Apply the following weighting factors for EMVI, Population and Average Fire Calls to determine each Party's' obligation.

<u>EMVI</u>	<u>33%</u>
<u>Population</u>	<u>33%</u>
<u>Fire Calls</u>	<u>34%</u>

EXAMPLE:

Step 1: Current data for Estimated Market Value of Improvements and Population:

<u>Member</u>	<u>EMVI</u>	<u>Population</u>
<u>Northfield</u>	<u>\$1,035,768,030</u>	<u>20,355</u>
<u>Dundas</u>	<u>\$99,003,200</u>	<u>1,490</u>
<u>Bridgewater</u>	<u>128,172,500</u>	<u>1,837</u>
<u>Forest</u>	<u>60,085,700</u>	<u>682</u>
<u>Greenvale</u>	<u>76,394,800</u>	<u>823</u>
<u>Northfield</u>	<u>62,582,200</u>	<u>869</u>
<u>Sciota</u>	<u>11,894,400</u>	<u>114</u>

<u>Waterford</u>	<u>39,708,100</u>	<u>333</u>
<u>Webster</u>	<u>18,689,900</u>	<u>278</u>

Step 2: Consolidate the data for the townships in the Rural Fire District.

<u>Rural Fire District</u>	<u>EMVI</u>	<u>Population</u>
<u>Bridgewater</u>	<u>128,172,500</u>	<u>1,837</u>
<u>Forest</u>	<u>60,085,700</u>	<u>682</u>
<u>Greenvale</u>	<u>76,394,800</u>	<u>823</u>
<u>Northfield</u>	<u>62,582,200</u>	<u>869</u>
<u>Sciota</u>	<u>11,894,400</u>	<u>114</u>
<u>Waterford</u>	<u>39,708,100</u>	<u>333</u>
<u>Webster</u>	<u>18,689,900</u>	<u>278</u>
	<u>397,527,600</u>	<u>4,936</u>

Step 3: Calculate the rescue squad related costs paid by NAFRS and the percentage of these costs compared to NAFRS operating and capital budget for the year. These costs are determined as follows, using 2017 costs in the example:

<u>Capital equipment</u>	<u>\$0</u>	
<u>Small equipment</u>	<u>\$0</u>	
<u>Maintenance</u>	<u>\$10,000</u>	<u>equipment maintenance, fuel, insurance</u>
<u>Rent</u>	<u>\$1,600</u>	<u>use \$5.00 /sq ft for the upgraded facility</u>
<u>Operations</u>	<u>\$6,000</u>	<u>8% of NAFRS facility budget</u>
<u>Personnel</u>	<u>\$1,900</u>	<u>Captain's pay + employers contribution to FICA, Medicare</u>
<u>Total</u>	<u>\$19,500</u>	

The total NAFRS contribution to the Rescue Squad for this year was \$19,500.

Step 4: Calculate the average of fire calls for the previous 3 years:

<u>JPA Party</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Average</u>
<u>Northfield</u>	<u>208</u>	<u>221</u>	<u>211</u>	<u>213</u>
<u>Dundas</u>	<u>7</u>	<u>10</u>	<u>11</u>	<u>9</u>
<u>Rural Fire District</u>	<u>41</u>	<u>37</u>	<u>34</u>	<u>37</u>

Step 5: Apply the weighting factors to determine the percentage contribution for each Party

	<u>EMVI</u> <u>(payable 2018)</u>	<u>EMVI %</u>	<u>Population</u> <u>(2016)</u>	<u>Population %</u>	<u>Fire Calls</u> <u>Average</u>	<u>Call %</u>
<u>Northfield</u>	<u>\$1,035,768,030</u>	<u>67.6%</u>	<u>20,355</u>	<u>76.0%</u>	<u>213</u>	<u>82.2%</u>
<u>Dundas</u>	<u>\$99,003,200</u>	<u>6.5%</u>	<u>1,490</u>	<u>5.6%</u>	<u>9</u>	<u>3.5%</u>
<u>Rural Fire District</u>	<u>\$397,527,600</u>	<u>25.9%</u>	<u>4,936</u>	<u>18.4%</u>	<u>37</u>	<u>14.3%</u>
	<u>\$1,532,298,830</u>	<u>100.0%</u>	<u>26,781</u>	<u>100.0%</u>	<u>259</u>	<u>100.0%</u>

<u>Party</u>	<u>Formula</u>	<u>JPA Percentage</u>
<u>Northfield</u>	<u>$67.6\% \times 33\% + 76.0\% \times 33\% + 82.2\% \times 34\% =$</u>	<u>75.29%</u>
<u>Dundas</u>	<u>$6.5\% \times 33\% + 5.6\% \times 33\% + 3.5\% \times 34\% =$</u>	<u>5.17%</u>
<u>Rural Fire District</u>	<u>$25.9\% \times 33\% + 18.4\% \times 33\% + 14.3\% \times 34\% =$</u>	<u>19.54%</u>