



September 3, 2024

Pardeeville District Ambulance Service
Attn: Chairperson Kim Manley
501 Gillette St
Pardeeville, WI 54954

Dear Kim;

I am writing in response to a request to provide Technical Assistance that I received from the Pardeeville District Ambulance Commission due to an immediate concern of the reliability and ongoing sustainability of the ambulance service.

While I provide guidance on Emergency Medical Services service delivery, I do not know what specific solutions are best for Pardeeville. My role is to help local officials navigate the decision-making processes and lead to solutions that are right for Pardeeville. Strategies suggested in this document should be viewed as recommendations based upon my education, training and experience. All municipalities should consult their legal counsel and Wisconsin Department of Revenue before implementing any recommendations to ensure that the impact on their municipalities is what the governing body desires.

Pardeeville District Ambulance is formed with an intermunicipal agreement under Wisconsin Statute chapter 66 and is jointly owned by the Village of Pardeeville and Towns of Marcellon, Scott, Springvale, and Wyocena. All municipal partners are located in Columbia County.

Current Conditions Impacting all Ambulance Services

In Wisconsin, ambulance service is a function of local government. It is a mandated service for Town forms of government (shall provide). It is not required for cities or villages (may provide). There are no municipalities not currently providing for ambulance service in some manner.

Ambulance services are increasingly difficult to provide. This is a phenomenon being experienced throughout the United States. This has led to significant issues surrounding workforce related to lack of available personnel to staff ambulances, which is significantly more challenging in volunteer systems, and lack of funding to pay full time personnel coupled with high wage inflation in the public safety industry. Inflation in public safety personnel costs have been outpacing the consumer price index (CPI) for at least 10 years and in Wisconsin was increasing at a rate approximately 5% annually prior to the COVID pandemic. From my own observations since 2020 wage inflation appears to be two to three times CPI. It is common to see annual wage increases for public safety personnel of 10 to 20% in some communities since the pandemic.

Many communities are finding themselves faced with rapidly increasing costs to provide service. In some cases, municipalities contributed very little to the service and seemingly overnight began contributing hundreds of thousands and in some cases millions of dollars to ensure ongoing service.



Wisconsin has experienced instances where failure to provide sufficient financial support has resulted in sudden unexpected collapse of response systems requiring municipalities to obtain a new provider at significantly higher cost.

Review of Situation Involving Pardeeville District Ambulance

After attending multiple meetings of the commission, conversations with elected officials from some municipal partners, and numerous discussions with department staff there appears that to be a need to develop short term and long-term strategies to ensure continued operation of Pardeeville Ambulance. It needs to be understood that all assets and liabilities of the district are jointly held by the municipal partners. There is currently debt taken to serve the district needs that is the joint responsibility of the municipal partners. This means that each member partner has the liability of the jointly held debt.

The short-term strategy should focus on addressing immediate needs with cash flow in 2024 and development of a 2025 budget. This needs to be discussed, developed, and executed as soon as possible. A long-term strategy should be developed over the following several months would involve creating a long-term sustainability plan to ensure appropriate resources to meet community needs beginning in 2026 and into the future.

In 2024 Pardeeville Ambulance undertook an ambitious plan to provide two full time crews at the paramedic level. The financial contributions from the municipal partners were kept at a similar level to previous years (\$128,000) and the increased cost was anticipated to be filled by conducting large numbers of inter-facility transfers to generate revenue (over \$800,000). This plan became underfunded when there were delays in receiving revenue and the number of transfers was less than anticipated. This led to an acute funding shortage which immediately threatens district operations. The District Ambulance Commission has since set staffing at one crew to reduce expenditures and focus on the 9-1-1 response in the community.

A challenge that exists is that there is little opportunity to lean on your neighbors to assist with coverage if there is a lack of staffing. Pardeeville has been aiding some neighboring services that are sometimes not staffed by covering their calls when they lack staffing. A closure of Pardeeville District Ambulance will likely result in an ambulance desert in portions of eastern Columbia County. An ambulance desert is a geographical area that is at least a 25-minute response time for a responding ambulance. This desert will likely appear and be intermittent depending on the status of surrounding services. This may result in periods where there are extremely long response times and, in some cases, may result in no ambulance reaching a call. In other areas of Wisconsin where this occurs there have been instances of response times exceeding 90 minutes and times when response was delayed so long that critically ill people were loaded into law enforcement vehicles and transported to the hospital by law enforcement officers.

Pardeeville Ambulance should consider ending all coverage agreements with surrounding services that allow for response when those services are not staffed. These practices are essentially Pardeeville Ambulance District citizens subsidizing the cost of those EMS services to those communities and is allowing those communities to not address their needs. These agreements are



greatly expanding the response area of Pardeeville Ambulance with no compensation other than billing for services on calls taken but fails to take into consideration the cost of readiness. This is different than mutual aid when the other service is already on a call and has a second call for service. Pardeeville Ambulance should continue to participate in mutual aid.

Upcoming Action Needs

1. 2024 requires a commitment to ensure enough funding is available to continue service to year end. This is an immediate need
2. A realistic and sustainable 2025 budget should be produced with appropriate funding. This will be done with the municipal partner budget process.
3. Ongoing planning for 2026 and beyond. Begin process after 2025 budget is created. This requires community input and participation by the municipal partners.
4. Execution of 2026 Budget. This is execution of the first year of the plan developed during the planning process in Item #3.

2024 Budget Needs

The EMS Commission has been working on a variety of strategies to ensure ongoing operations. There has been a focus on maintaining cash flow through the end of the year due to a large amount of uncollected revenues. The staffing model has been restructured. The EMS commission has identified a few unanticipated liabilities that were created under previous management that will be addressed.

2025 Budget Needs

I have collaborated with the commission and department staff to review and prepare a potential budget. A copy of the proposed budget for staffing one full time crew is available for review.

Consideration was given to utilizing volunteers when creating the basic staffing model. There is a group of potential volunteers available. The challenge with utilizing volunteers within the staffing model is that it is difficult to ensure continuous staffing as required with volunteers. While volunteers may be available and can be considered to add additional capacity to the system such as staffing a second ambulance for concurrent calls, utilizing volunteers as part of the basic staffing model is challenging when considering the need to fill at least 17,520 hours of coverage to maintain minimal ambulance staffing. Lack of continuous coverage with volunteers was one of the reasons the district went to full time staffing. Wisconsin Office of Rural Health research suggests that a volunteers ambulances fail to meet their continuous staffing requirement at a rate nearly four times than services with paid staff. Volunteers are appropriate for use in providing additional staffing and supplementing the paid staff and for activities such as special events.

Review of Financial Needs



When considering municipal budgeting it is important to remember that municipal budgeting greatly differs from the way we finance our households. The rules and revenue sources are completely different.

A review of the financial needs of the district shows that there has historically been a low level of municipal contribution relative to the cost of district operations. There is also a significant amount of debt service relative to the operational costs of the EMS district. This involves debt taken on by partner municipalities to serve the district needs which is then paid back the municipalities that incurred the debt by the district.

Scheduled debt service for 2025 is approximately \$251,000 while the 2024 Municipal contribution is \$128,000. This will be impossible for the district to fund this through revenue from calls. The current focus on maintaining one crew will result in collections of approximately \$350,000 using historic call volumes (+/-700 calls).

Options for handling district debt

The partner municipalities should consider other options for handling the district debt. Under the current structure certain municipal partners have taken on debt and the debt payments are then paid by the district. This structure requires that the district is generating sufficient revenue to service this debt in addition to operational costs. This practice works when the debt service is low. The 2025 debt service adds approximately 25% to funding needs.

Some districts distribute debt among their municipal partners who then finance that debt in ways that are determined by each of their governing bodies.

Many communities are choosing to borrow due to the advantages with statutory levy limits. Debt payments are exempt from municipal levy limit until the total debt held by the municipality is 5% of equalized value. In other words, a community is allowed to levy a tax for debt service that is outside their debt limit. In many communities, particularly townships, this is a significant departure from historic practices where debt is avoided and a portion of funds from the general fund levy were saved year to year to be used for capital projects. Wisconsin Statute 66.0602 (3) discusses exemptions to the levy limit.

Consolidation of debt and moving the debt service to the partner municipalities to apply to their debt levy is one tool that can help create long term sustainability.

Use of Supplemental Shared Revenue

Beginning in 2024, all municipalities began receiving funds from a program called “Supplemental Shared Revenue.” This is an additional payment in addition to the original shared revenue program. Supplemental Shared Revenue funds are restricted to be spent on public safety, public works, or transportation. There is maintenance of effort requirements related to ongoing expenses on public safety with penalties for failing to meet these requirements. In the first year of this program many municipalities, particularly Towns, have applied this to road expenses rather than investment in



public safety. It should be noted that roads construction/repairs are an appropriate item for long term capital borrowing and can be placed on the unlimited debt levy.

The municipal partners should review the use of these supplemental funds and consider applying them to their contribution to district operations. The municipal partners are collectively receiving \$263,891 in supplemental shared revenue in 2025. These funds could be applied to reduce the impact upon general fund levy.

Use of General Fund Levy

The General Fund Levy is the most common way that municipalities assess property taxes.

Some Joint EMS Districts qualify for a Levy Exception that allows municipalities to increase the portion of the levy servicing the district by 2% plus CPI. This could be explored further and potentially implemented. Wisconsin DOR can provide guidance on using this.

Other general fund levy tools include votes of the electors, which are allowed in towns under 3,000 population, and referendums.

Planning for 2026 and beyond

Once a sustainable funding plan for 2025 is adopted, attention should be turned towards planning for 2026 and beyond. This planning requires involvement by the governing bodies of the municipal partners and the public.

Determination of Community Expectation

The first step of planning is determining what the community expectation is for its EMS response. Frequently the only thought is that there's ambulances with EMT's and someone calls 9-1-1 and they go do EMS things. This discussion should go much deeper than that. There is a considerable difference in cost and structure between a service with two full time staffed paramedic ambulances and an all-volunteer ambulance that is only staffed half the time. Determining the community's expectation will help design a program that is right sized for Pardeeville.

This conversation should also include surrounding communities and Columbia County government with a look towards greater collaboration and cost sharing. Some counties are using their Countywide EMS levy authority to fund EMS Countywide. Counties can levy an unrestricted amount for EMS. In 2024 there are 14 counties using this tool. There are numerous other counties looking at future implementation of a countywide levy.

Creating Adequate Accountability and Governance

The municipal partners should review and reconsider portions of the intermunicipal agreement that formed the district. One area of focus should be to ensure the commission is providing adequate ongoing oversight of the department operations while ensuring that there is communication with the



municipal partners. Future changes that involve significant operational changes like those that occurred in 2024 should involve a more thorough vetting process.

Determination of Long-term Sustainable Funding

Once there is identification of the desired level of service, then planning needs to focus on the long-term sustainable funding of that plan with a 5-year funding plan for operating costs and capital expenses. The funding plan should not focus on being exactly accurate except for 2026, but provide a road map to ongoing needs

This funding needs to include some type of fund balance or contingency fund maintained by the district to ensure adequate funding in the event of reduced or delayed revenues.

Determination of Administrative Needs

A priority needs to be given to hiring a service director with the formal administrative training and leadership experience. There is no correlation between someone being a good field practitioner and becoming an effective administrator. These are entirely different skill sets and many EMS agencies suffer when there is not appropriate reverence given to the administrative skill set. Running a multi-jurisdictional municipal ambulance is complex and requires significant formal training and education to build the necessary skill set. An investment in hiring the right person for this role will pay dividends in the future and likely reduce the unanticipated considerable expenses that come with dysfunctional operations. This position should be expected to be paid appropriately.

Overall, Pardeeville District Ambulance has some significant challenges to overcome to ensure ongoing reliable and sustainable response and is presently at high risk of system collapse. Every possible solution has a challenge as there are no painless options available. Situations like those being experienced here can be corrected through the collaboration and courage of the partner communities elected officials.

I am happy to continue to help the Pardeeville Community ensure reliable and sustainable EMS.

Sincerely,

James Small
Rural EMS Outreach Program Manager
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