

*Proposed  
Fire Department  
Funding Approach  
for the  
City of Oneonta,  
Fire Department*

**December 21, 2016**



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**PROPOSED FIRE DEPARTMENT FUNDING APPROACH FOR  
CITY OF ONEONTA, NEW YORK, FIRE DEPARTMENT**

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## **PROPOSED FIRE DEPARTMENT FUNDING APPROACH FOR CITY OF ONEONTA, (NY) FIRE DEPARTMENT**

### **Introduction**

Over a three month period, VFIS Education, Training and Consulting assisted the City of Oneonta (hereby referred to as the City) and the Town of Oneonta Fire District (TOFD hereby referred to as the District) in designing a methodology to determine the proportional funding for the City of Oneonta Fire Department.

There are many elements that can be considered in developing a financial model for funding allocation. To develop input from the funding sources involved, a five-step interactive group process was utilized to obtain input and potential group consensus.

1. Information was provided from the District and the City.
2. Several concept models were advanced for commentary to help determine an appropriate allocation.
3. Based upon the input of reviews and three work sessions, the Project Team determined any changes to the model that may be applicable.
4. The Project Team researched and provided considerations of an alternative approach to service delivery that may wish to be considered.
5. A final model for review was developed.

At the present time, the District has chosen to have the City provide fire department services to the District through a renewable contractual arrangement. The City and District were unable to agree on the amount to be paid by the District in 2016. The current contractual arrangement reflects amounts stipulated by the New York State Supreme Court.

The Oneonta FPSA enjoys an Insurance Services Office rating of Class 2/2Y. This is directly due to the personnel on duty and the equipment provided by the City to the District. Without this arrangement, the District would have to either procure the services from other fire departments or develop their own fire department. These alternative options to provide fire department services are summarized as follows:

1. Start-up, develop and implement a volunteer fire department inside the District limits
2. Contract with a response agency other than the City of Oneonta Fire Department

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3. Continue in an arrangement with the City of Oneonta Fire Department

As noted, at the present time, the City provides fire department services to the District.

### **Development of a Funding Formula**

The Project Team concluded that using the following factors involving risk and service delivery as components for consideration in a reasonable formula:

Assessed Value (RISK FACTOR) – The Assessed Value of all properties including government and non-profit building were considered. This is weighted as a full weight factor of 1.0 as a baseline.

Population (RISK FACTOR) – Population of the City/Fire District as reported in the 2010 federal census was used. The estimated number of students living on campus at the universities is included in the City's population. This is weighted as twice as important as a full weight factor of 2.0 as a baseline. This is due to the fact that demographic analyses in public safety suggest that people are the primary cause of calls for service. Thus it should be valued as more of a risk factor than a structure.

Square Mileage of the Response District (RISK FACTOR) – The entire area being protected not just the primary populated area was taken into consideration. There is inherent risk in all areas protected, however, areas with infrequent movement of people through that area lessens the risk. Thus it is weighted at one-half a full weight factor of 0.5.

Calls for service (SERVICE DELIVERY DEMAND) – This are a number of calls for fire/rescue/assistance (non-EMS) to each community. The baselines for calls were calculated for the City and the District over a multi-year period. Only fire department responses (non-EMS) for the District and the City were calculated in the model. The total of the City/District calls forms the total number of calls and the responses within each response area form the percentage factor. This is weighted as a full weight factor of 1.0.

The data used in estimate impacts was provided by the City of Oneonta and the Town of Oneonta Fire District. The fire department response data was provided by the Oneonta Fire Department.

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All raw data is converted into percentages of the total impact of the respective category. For each factor, the percentage of each party is multiplied by the weight of that factor and the resulting percentages are summed to determine the overall percentage cost sharing

Weighting of each factor is considered for the following purpose. In mathematical terms, a factor is any of the numbers multiplied together to form the product of a multiplication problem. Weighting numbers allows you to give more importance to one number over another number. In essence, one component may be worth more than another for some reason. Calculating weighted factors ensures the accurate amount of a particular score counts toward the final calculation.

Various cost models were discussed to obtain stakeholder reaction, thought and insight into perspectives and expectations of the participant communities. These comments were integrated into the Project Team thought process to make recommendations. All prior formulas proposed were “validation models” for thought process and should not be considered as final options, as not all input was available in their calculations.

After discussions with the representatives of the communities and the experience of the Project Team, the components for consideration and weight factors appropriate for this project were developed and are as follows.

### **Assumptions**

The Project Team, after reviewing the various documents provided for analysis, respectfully made the following assumptions in presenting options for funding consideration:

1. The current contribution for 2016 is:

Fire District = \$1,030,000

City of Oneonta = \$2,782,284

This is based upon a determined budget of \$3,817,284 - not including retirement benefits, insurance, depreciated apparatus costs, building costs; nor revenue from EMS Billing, etc.

The current contribution by percentage is

Town of Oneonta Fire District = 27%

City of Oneonta = 73%

2. The City provides fire protection only to the City and the District.

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3. The staffing model (consistent with the Insurance Service’s Office report) is six (6) firefighters available 24 hours per day for 365 days per year.

4. Income received from EMS billing is NOT considered as an offset or any expense incurred by the fire department to provide the expected staffing model, per budgeting guidelines.

**Proposed Model**

The proposed contribution percentage and model is as follows:

<b>Municipality</b>	<b>Annual Assessed Value</b>	<b>Fire Responses 1/1/2013 - 09/30/2016</b>	<b>Square Miles</b>	<b>Population</b>	<b>2016 Allocation (1)</b>	<b>VFIS Proposed Contribution (2)</b>	<b>CHG</b>
City of Oneonta	\$930,069,618	70%	4.33	13,901			
% of Total	64.2%	70%	15.8%	77.1%	73.0%	66%	-7.2%
Town of Oneonta Fire District	\$519,002,863	30%	23.1	4,129			
% of Total	35.8%	30%	84.2%	22.9%	27.0%	34%	+7.2%
<b>TOTAL</b>	<b>\$1,449,072,481</b>	<b>100%</b>	<b>27.43</b>	<b>18,030</b>			
Weight factor	1.0	1.0	.50	2.0	100.0%	100.0%	
Weight factor value	.22	.22	.11	.45			

(1) Current court stipulated share of City of Oneonta annual operating expense budget of \$3,817,284

(2) VFIS proposed share of City of Oneonta annual operating expense budget based on equally weighted average of Assessed Value, Fire Responses, and Square Miles; with Population weighted twice as much as people are the drivers of calls for service; and square miles are rated at a 50% factor .

The Project Team found that population should be weighted twice the base rating due to the impact people have on calls for service, while reducing the square mileage by ½ as there is significant unimproved (non-built upon) area in the fire district. Concern exists among the Project Team members that quantification of increased daytime population to the District commercial district and the senior facilities/nursing home demands is difficult and once determined may actually need to be included in either a modification of the population number or weight factor. This should be a calculation determined over the next three years and integrated into the funding process at that time.



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The Project Team understands that there is concern about the “amount being contributed for a small amount of calls” and this may be a reasonable assumption for a low amount of contribution. However, all areas of the response zone receive the same level of response coverage. The real cost to provide this level of protection is unfortunately substantial.

The Project Team believes that all costs of providing the service should be included in the calculation. This includes not only those expenses charged directly to the fire department’s portion of the City’s general fund budget, but also related expenses that may be charged to other areas of the budget including, but not limited to, building costs, insurance premiums, fire department property and liability insurance, firefighter post-employment health insurance, and apparatus costs either on a cash basis or depreciation/debt payment basis, and administration costs.

Further, to develop a true cost, the EMS revenue should be deducted from the fire department expenses and the additional costs added to the expense. While the Project Team has been advised that the budgeting of all operational revenues and expenses for the fire department in one area of the City’s budget is not officially permitted to be done per State budget guidelines, the Project Team suggests, that for ad-hoc calculations such as contribution for services, this be considered.

### **Conclusion**

Fire protection and the fire service have changed dramatically in the last twenty years, but it still takes water being applied to a fire to extinguish the fire. In addition, the fire department has come to be the agency called for any perceived public safety hazard that isn’t law enforcement. These services require people, apparatus, equipment, training and related resources. The cost of the service has increased dramatically as a result. As time goes on, the calls for service will rise and the costs associated with delivering those services rise also.

In 2017, delivering fire protection is a social process and funded by the amount the public is willing to pay for, as determined by their political leadership. In today’s world, the costs continue to rise and for those who do not have the need for service, the value for the dollar invested is sometimes challenged. The City of Oneonta Fire Department has worked hard to provide a valuable service and there is a cost associated with that. This assessment has attempted to provide a structure to determining how the sharing of these services might be funded.

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### **Project Team**

#### **William F. Jenaway, Ph.D., CFO, CFPS, Principal Consultant, Project Manager.**

Dr. William F. Jenaway, CFO, CFPS will serve as Project Manager for this engagement. Dr. Jenaway is the CEO of VFIS-ETC responsible for training, education and consulting services provided to client of VFIS and VFIS-ETC. His organization provides training to over 20,000 fire/EMS personnel annually and provides technical guidance and consultation to over 200 agencies annually. He has served as Chief and Fire Marshal of the East Bethlehem Township, Pennsylvania Volunteer Fire Department; and as Chief and President of the King of Prussia, Pennsylvania; Volunteer Fire Company, as well as being Chairman of the municipality's Fire and Rescue Services Board. Under Chief Jenaway's leadership, the department became the first all volunteer Accredited Fire Service Agency in the US. Fire Chief Magazine named him the "Volunteer Fire Chief of the Year" in 2001. Bill's background includes 30-plus years of volunteer fire and EMS experience. In 2004 he was named to Chair the Pennsylvania Senate Resolution 60 Commission to evaluate and provide recommendations to the Pennsylvania legislature and fire service on strategic approaches to the state's fire and EMS delivery system. Over the years, Bill has authored over 200 articles, seven texts and provided over 100 speeches on fire and life safety issues. He holds Certified Fire Protection Specialist and Certified Fire Officer designations as well. In 1999 he was named to the Presidential/Congressional Commission known as the "Advisory Panel to Assess Preparedness for Terroristic Acts Involving Weapons of Mass Destruction" (a/k/a Gilmore Commission). Dr. Jenaway also serves as President of the Congressional Fire Services Institute and is Past President of the Pennsylvania Fire Services Institute. He serves on the National Fire Protection Association Committees of Emergency Services Risk Management; Providing Emergency Services to the Public; Fire Department Apparatus, and Fire Service Training. Dr. Jenaway is in his second, three-year term as a Commissioner on the Commission on Fire Department Accreditation. Bill serves as an adjunct faculty member in the Graduate School of Public Safety at St. Joseph's University in Philadelphia (Risk Analysis, Strategic Planning & Disaster Preparedness) and the Graduate School of Legal Studies at California University of Pennsylvania (Terrorism Threat Assessment). Bill is an elected official – Township Supervisor – in Upper Merion Township, Montgomery County, Pennsylvania.

#### **Tim Boel – Project Member**

Tim is an Education Specialist for VFIS Education and Training, a subsidiary of Glatfelter Insurance Group. His responsibilities include: Coordination and delivery of education and training programs, curriculum development and information analysis in the state of New York. Tim is a member of many emergency service organizations including NYSAFC, FASNY, Rensselaer County Association of Fire Chiefs, and NFPA to name a few. He also served as Chairman, Vice Chairman and committee member of the NYS Association of Fire Chief's Public Education Committee. Tim recently retired from a long career as a 911 Supervisor for East Greenbush Police Department, having served for 35 years. He is also a 40 year veteran of East Greenbush Fire Department in upstate New York, having held the offices of Past Chief, President and Commissioner. Tim has instructed, throughout the Northeast, a number of emergency



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command, management live fire and risk interdiction programs at various levels for police, fire and EMS.

### **Daniel B.C. Gardiner, M.S., CFPS, Consultant.**

Daniel B.C. Gardiner retired as the Chief of the Department of Fire-Rescue Services, in Fairfield, Connecticut, serving there for 31 years. Fairfield is a combination (career and volunteer) fire/EMS department. Prior to his appointment as Chief, he was the department's Budget Control Officer, in charge of a budget of over eight million dollars. Chief Gardiner holds a Bachelor's Degree in Fire Science and holds two Masters Degrees, one in Public Administration and one in Fire Science Technology, from the University of New Haven, Connecticut. He served on the NFPA 1021 Committee (Fire Officer Standard) for twenty years. Chief Gardiner has been extensively involved in fire department consulting projects as well as managing and conducting assessment center activities for various positions throughout the Northeast. He has also provided testimony before numerous fire commissions, boards of inquiry and study panels, in addition to serving on a number of review boards as well. An author of a number of fire service texts and articles, Chief Gardiner edited the book, *Managing Fire Department Operations*, and co-authored the best selling text, *Fire Protection in the 21<sup>st</sup> Century*. Now serving his fifth term as a Director of the Certified Fire Protection Specialist Board, Chief Gardiner speaks nationally on fire protection, and fire service finance. He is a past president of the International Society of Fire Service Instructors and a past president of the Fire Department Safety Officers Association.

### **Dennis Rubin**

Chief Dennis L. Rubin's experience in fire and rescue service spans more than 35 years. He has served as a firefighter, company officer, command level officer, and fire chief in several major cities including Dothan, Alabama, Norfolk, Virginia, Atlanta, Georgia and Washington, DC. In 1994, Rubin served as the President of the State Fire Chiefs Association of Virginia. Rubin was the host Fire Chief for the 1999 Southeastern Fire Chiefs Association conference held in Dothan, Alabama. He served on several committees with the International Association of Fire Chiefs, including a two-year term as the Health and Safety Committee Chair. Chief Rubin was the host Fire Chief for the "Wingspread IV and V" conferences held in 1996 and 2006. Chief Rubin's educational accomplishments include a Bachelor of Science Degree in Fire Administration from the University of Maryland and Associates in Applied Science Degree in Fire Science Management from the Northern Virginia Community College. Chief Rubin served for several years as the City Manager in Dothan Alabama. Chief Rubin is a graduate of the National Fire Academy's Executive Fire Officers Program (EFOP). Rubin is a Certified Emergency Manager (CEM); and a certified Incident Safety Officer as well has obtained the Chief Fire Officer Designation (CFOD) and Chief Medical Officer Designation (CMO) presented by the Center for Public Safety Excellence. Rubin's teaching credentials are significant. They include a field instructorship with the University of Maryland Fire & Rescue Institute and Associate Instructorships with the Virginia Commonwealth University in Richmond, Virginia and Rio Salado Community College in Mesa, Arizona. Rubin has been an adjunct faculty member of the National Fire Academy since 1983. At the National Fire Academy he instructed, as well as developed, many courses. Rubin is a popular speaker and

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lecturer at the local, state, national and international levels. Rubin is the author of several non-fiction books, Rube's Rules for Survival, Rube's Rules for Leadership and DC Fire. Rubin contributes to several fire-rescue service publications and has written more than 160 technical articles related to fire department operations, administration, training, and safety.

### **Linda T. Gardiner, M.S.**

Linda T. Gardiner is the Budget Director for the Town of Fairfield, Connecticut. She is responsible for a \$288 million dollar budget, which includes \$34 million for public safety. The combination fire department alone has a \$14 million budget. Mrs. Gardiner graduated from the University of Rhode Island with a Bachelors Degree in Economics, and obtained her Master of Science Degree in Financial Management from Fairfield University. She has authored a variety of articles on municipal finance and public safety budgeting, and has authored chapters in several financial management texts.

### **Joseph Giorgi, B.S.**

Joe Giorgi has over 20 years of experience in fire service operations, including 15 years as an elected Fire Commissioner in Moorestown, New Jersey. During that time he was Chairman of the Commission for a number of years when strategic planning and financial planning/budgetary revisions were implemented. Joe is a Regional Vice President with VFIS where he works with fire and EMS agencies in the Mid-Atlantic and Southern states on a daily basis. He has extensive knowledge of administrative and financial planning and related program implementation with fire and EMS agencies. Mr. Giorgi is a graduate of Rutgers University.

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Plus:

Various documents provided by participating committee representatives of the Town of Oneonta Fire District (TOFD) and the City of Oneonta Fire Department.