



BERWYN FIRE COMPANY

Chester County Station 2 | Established 1894

August 13, 2019

T-E ESP Task Force

2020 & Short-Term Goals

Temporary EMS Substation – Tredyffrin Township

BFC is seeking support to continue the Old Forge Crossing (OFX) Temporary EMS Substation through 2020. Costs are split between Facility & Personnel.

For Facility costs, the monthly rent at OFX is \$1200 per month. We have a 12-month lease, with a 60-day termination clause. We pay minimal utilities, estimate of \$150 per month. This is a total annual cost of \$16,200. It is worth noting that we are continuing to look at better options – namely a site that would allow fire apparatus and a volunteer component as well. We anticipate a higher cost for such a facility – up to \$3000 per month in rent.

We are proposing 4 options for 1 year of staffing, and have attached to this document a spreadsheet showing the options.

- Option 1 is to keep OFX Monday > Friday 8am to 4pm. Cost is \$72,800 for staffing
- Option 2 is to expand OFX Monday > Sunday 8am to 4pm. Cost is \$131,040 for staffing
- Option 3 is to expand OFX Monday > Friday 7am to 7pm. Cost is \$145,600 for staffing
- Option 4 is OFX Monday > Friday 7am to 7pm + 8-4 on weekends. Cost is \$203,840 for staffing

These options are based on prioritization tied to call volume history. Hours can be expanded to 24x7 coverage if requested.

Overall Staffing Increases - Tredyffrin Township & Easttown Township

We have previously recommended a total staffing level of 6(days) / 4(nights) during the week and 4(days) / 4(nights) on weekends. On the one-page funding document we provided in January, we included a dollar amount of \$720,000 to achieve this level based on all shifts being full-time employees (FT). As we build towards that goal, we can utilize part-time personnel (PT) at a lower hourly cost. We hire FF/EMTs at \$24/hr, and FF/Medics at \$27/hr. Including a blended rate plus payroll taxes, that gives us a budgetary number of \$30/hour.

When a PT person is not available, or a shift becomes available due to an absence, we utilize FT personnel to fill that shift. This overtime rate (OT) is significantly higher. We obviously attempt to keep a robust PT Candidate pool to avoid FT coverages. Since absences do occur with some frequency, we have built out the proposed staffing model @ \$35.00 per hour to account for OT. Below is the priority of adding the positions over the course of time, as well as additional costs:

- Step 1: Add a 6th person during the day, during the week. Added cost: \$72,800 (if not covered in substation support)
- Step 2: Extend weekday day shifts from 8-4 to 7-7.
 - Incremental cost: \$72,800; Total cost: \$145,600
- Step 3: Expand the 12-hour day shifts to weekends.
 - Incremental cost: \$29,120; Total cost: \$174,720
- Step 4: Add 1 person overnight during the week (3 total).
 - Incremental cost: \$109,200; Total cost: \$283,920
- Step 5: Expand the 1 additional overnight to weekends (3 total).
 - Incremental cost: \$43,680; Total cost: \$327,600
- Step 6: Add 1 person overnight during the week (4 total).
 - Incremental cost: \$109,200; Total cost: \$436,800
- Step 7: Expand the 1 additional overnight to weekends (4 total).
 - Incremental cost: \$43,680; Total cost: \$480,480

As previously has been discussed, BFC has applied for a Staffing for Adequate Fire & Emergency Response (SAFER) Grant. We anticipate preliminary information on the status of our application sometime in late 3Q/early 4Q of 2019. If there is a commitment to any increased staffing levels, we may be able to utilize this resource to reduce out of pocket expenses dramatically over the next 3 years.

Operational Loss

BFC has been outperforming our budget significantly in 2019. In fact, BFC is net positive through July 2019. We still anticipate a loss for the year – however it most likely will remain well below what we expected back in January. The primary drivers of the outperformance can be linked to the following factors:

1. EMS Billing Revenue saw significant increased as a result of “catch-up” billing from 2018.
2. RCA has been running at roughly a 50% collection rate in 2019, compared to 30% in 2018.
3. We delayed hire of 9th FT employee and have not filled the 10th FT position, utilizing part time employee hours, resulting in being under budget on personnel costs.

4. We have seen a significant increase in fund raising and donations. We suspect this is as a result of our increased public outreach through town halls, website, social media, and improved fund drive messaging.

Operating losses have ranged from a -\$69,085 in 2015 to -\$194,965 in 2018. This is concerning and limits our ability save money for the future. These losses exclude net income from rental properties, township capital contributions, apparatus financing costs and depreciation; includes cell tower income and related taxes. Our revised estimated loss for 2019 is -\$150,000.

Funding Equity

Townships continue to work together to ensure municipal funding is allocated in an equitable fashion based on call volume, area protected, population, etc. for its' fire/EMS providers.

Long Term Goals & Objectives

Capital Funding / Apparatus Replacement

We recognize from a budget prioritization standpoint that addressing staffing needs is the #1 focus for 2020.

We are in the process of updating our capital apparatus schedule. This will take into account further fleet consolidation, a substation, and serious consideration of sharing of a reserve unit with the Radnor Fire Company.

Cash Reserves (Operating)

We would like input from the Task Force on minimum BFC Cash Reserves (Operating). As of 7/31/19 BFC holds \$433K in unrestricted investments and \$220K in checking, for a total reserve balance of \$654,000.

An ideal situation is where the Townships and the Fire Company agree upon a reserve amount. If we are below the agreed upon threshold, would need to discuss the timeframe to get up to the desired level. We are seeking feedback from the Task Force.

Infrastructure

We look forward to continuing this dialogue in 2020.

Fire Commission / Accountability

Formally establish the Tredyffrin and Easttown Townships Fire/Rescue/EMS Commission to provide for structured oversight of municipal funds, budget review, and a forum to discuss/analyze operations.

Commission to be comprised of representatives of each governing body and each service provider. Also, should consider a resident and business owner from each Township to be selected through a formal review/vetting process to participate.

Commit to a quarterly meeting schedule during annual organizational meetings.

Standard of Cover

We continue to recommend that Tredyffrin & Easttown Townships formally adopt a Standard of Cover for their respective municipalities. This will provide a benchmark that can be easily be utilized to gauge system effectiveness of the entire system and all providers. An agreed standard will also assist greatly in identifying future staffing and apparatus needs.