Catalyst for Regional Progress

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South Hadley Fire Districts 1 &2
Shared Services Preliminary Report

December 10, 2024

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1 Introduction

A. Acknowledgements

Thank you to the elected and appointed officials of the South Hadley Fire Districts Shared Services Working Committee for their leadership, collaboration, and diligence in completing this report. Their input has been vital as the PVPC has endeavored to provide an accurate baseline assessment that will be useful in the districts' ongoing work to improve service and efficiency for their residents.

The Districts 1 & 2 Shared Services Working Committee

- Bruce Perron – former District 1 Prudential Committee Chair
- Kurt Schenker – current District 1 Prudential Committee Chair
- Kenneth Leblanc – District 2 Prudential Committee Chair
- Eden DuPerier – former District 1 Board of Water Commissioners Chair
- Pauline McClaflin – current District 1 Board of Water Commissioners Chair
- Daniel Luis – District 2 Board of Water Commissioners Chair
- Kari Scytkowski – District 1 Clerk Treasurer
- Barbara Miller – District 2 Clerk Treasurer
- Thomas Stark – District 1 Fire Chief
- Ryan Moore – District 2 Fire Chief
- Jeffrey Cyr – District 1 Water Superintendent
- Timothy Cauley - District 2 Water Superintendent

B. Project Overview

South Hadley Fire Districts 1 and 2 (The Districts) have engaged the Pioneer Valley Planning Commission (PVPC) to conduct research and make possible recommendations as to how the districts might improve the sharing of services and resources, thereby strengthening the operational efficiency and financial condition of the various departments, while maintaining or improving the current service level.

Beginning in February of this year, the two districts held a series of meetings to discuss opportunities for sharing. The Working Committee was comprised of five representatives from each district - the Chairs of each districts Prudential Committees and Board of Water Commissions, as well as the Fire Chiefs, Water Superintendents, and Clerk Treasurers. The meetings presented an opportunity for district leadership to share information about past and present operations in each district, and the potential future collaboration and improvement. We thank all members of the Working Committee (past and present) for their interest in this project and their diligence in always working toward what is in the best interests of the residents, taxpayers, ratepayers, and employees of the districts.

This preliminary report is intended as a guide for the benefit of the elected officials, administration, staff, and residents of both districts as all parties work to ensure the stability, reliability, and cost-effectiveness of the fire, ambulance, and water service in the community long into the future. This is by no means an exhaustive report, and further analysis and planning will certainly be necessary before implementing most of the recommendations contained herein.

C. Executive Summary

The Town of South Hadley is a predominantly residential community of approximately 18,000 residents and 6400 households, located on the eastern bank of the Connecticut River in Western Massachusetts. The Town is approximately 18.3 in land area with a diverse array of environments ranging from dense neighborhoods to forested conservation land, and low-lying riverside elevations in the southwest corner to Mount Hitchcock to the northeast.

In addition to its municipal government, South Hadley also contains two Fire Districts which provide fire, ambulance, and water service throughout town, as well as a small portion of the Towns of Granby and Ludlow. Fire Districts 1 & 2 are distinct governmental organizations that operate independently from the Town, although there is a good deal of coordination and cooperation that takes place between the various entities. Fire and ambulance service is funded by a combination of property taxes, ambulances receipts, grants, and fees. Water service is funded primarily by water receipts from businesses and residents.

As is the case throughout the western counties of Massachusetts, population growth has been relatively stagnant, with total growth since the past 25 years only about 5%. At the same time, the median age in South Hadley has grown progressively older, resulting in an increased need for emergency medical services. While the Town has long had a goal of growing its commercial tax base, and there is some evidence that these efforts are beginning to take hold, the business community remains a relatively small segment with less than 10% of total tax revenue derived from commercial taxes. This is the single-most significant factor contributing to a higher than average residential property tax burden.

For more than 40 years, elected officials and residents of both Districts have engaged in discussion and conducted studies to determine the best ways for the various departments to share resources and collaborate with the goal of reducing costs and improving service. Over the years, reports have been produced by consultants paid by the districts or the town, internally by elected or appointed officials, or independently by interested/concerned residents.

A report was produced in 1983 by the ad hoc Merger Study Committee comprised of representatives from each district and in 1990 the Fire District No. 2 Ad Hoc Advisory Committee produced a report. In 2001 engineering firm Tighe & Bond was hired by the districts to study a merger of the water departments. This was followed with a merger study by Financial Advisory Associates, and another in 2008 by a group of residents. Finally, Municipal Resources Inc (MRI) was hired in 2007 by the Town of South Hadley to make recommendations regarding the rapidly changing landscape to the Emergency Medical Service (EMS) that was being operated by the town in conjunction with both districts. More on this later.

The resulting conclusions and recommendations range from making little or no change to pursuing a merger of the districts. The 2003 Financial Advisory Associates Merger Study states (on page 17), "We believe that the merged fire departments will generate a synergy that will make the whole much greater than the parts. We agree with the 1976 management leaders of FD#1. It for this reason that we recommend a merger of the two fire departments." The report goes on to make a similar recommendation regarding the Water Departments. Conversely, the 1983 Merger Study Committee Report concludes (on page 10) – "….. we have not found benefits from merger that can be traced into significant cost savings ….. leaving improvement in the fire services as the single major benefit …..". The District 2 Prudential Committee Meeting Minutes of August 21, 2018 contain various comments suggesting an intermediate approach whereby certain services might be shared or regionalized between the districts as well as between adjacent municipalities.

This report does not attempt to "reinvent the wheel" by producing voluminous amounts of additional data, charts, tables, and the like. Rather, the goal is to review the previously written reports and history of the districts to provide some context for why the current operational and government structure exists. It is our hope that, through a better understanding of this history, more collaborative discussion will transpire, resulting in a clear and comprehensive roadmap for future decision-making.

Sharing services can encompass a range of choices and strategies, from agreements for joint purchasing of supplies and equipment, sharing of personnel on an occasional or more long-term basis, sharing or consolidating management, all the way to merging the districts. Although merger of the districts has long been a topic of heated and sometime contentious debate, the goal of this report is not to specifically recommend how or if such a merger might occur, but to present an array of choices that should result in cost savings, service improvements, or both.

In November 2020 the Prudential Committees and Water Commissions of each District signed a "Statement of Agreement" committing to look for ways to work together to maximize resources. Now in 2024, we believe that by taking a renewed and more proactive approach to the mission of sharing services, the districts can indeed realize the shared goal of more efficient and cost-effective government.

D. Governmental Structure

Both South Hadley fire districts operate as independent and distinct governmental entities. Chapter 48, Section 60 of Mass General Law authorizes the creation of fire districts, with subsequent sections and chapters of MGL defining how a district is formed, governed, and operated. In Massachusetts fire districts are considered "quasi municipal corporations" and hold many of the same authorities as cities and towns, including the ability to levy property taxes and fees to pay for fire protection and inspectional services, and water bills to pay for water service.

Each district is governed by a 3-member Prudential Committee and 3-member Board of Water Commissioners, elected by the registered voters of the districts each Spring in conjunction with the Town election. All meetings of the prudential committees and water commissions are public meetings under Mass General Law and subject to the Open Meeting Law.

The Prudential Committees are charged with overseeing the operations of their respective fire and ambulance departments and the water commissioners oversee their respective water departments. The Prudential Committee are also responsible for creating a warrant (agenda) for the Annual District Meeting each Spring, normally in May. The warrant is made up of various articles requesting the appropriation of funds that comprise the annual budget for each department. The warrant may also include requests for changes to the district's bylaws and other requests related to the general operation of the district. From time to time throughout the year, Special District Meetings may be called to deal with issues or requests that arise. All registered voters of the district are allowed to vote at any annual or special district meeting. The District Moderator is charged with running all district meetings.

Additional elected positions of the districts include the Clerk Treasurer of District 1 and District Moderators in both districts. Of note, District 2 made the decision in 2014 (effective in 2015) to change the Clerk Treasurer from an elected to an appointed position. This change was made just three years after the Town took the same action regarding its Clerk, Treasurer and Collector positions. District 1 has considered taking similar action, but has yet to do so.

As mentioned above, the districts levy taxes and charge fees for various services. Once the district department budgets are appropriated at the Annual District Meeting, and the fiscal year is closed out, the tax rate is determined for the following year – typically in early December at a joint meeting of the South Hadley Selectboard and both Prudential Committees. Leading up to that joint meeting, the Town's Associate Assessor assists the District Clerk Treasurers in completing the previous year filings with the State Department of Revenue, which is critical in establishing the tax rate. District taxes are subsequently billed and collected in coordination with the Town Collector Treasurer.

E. History

Fire District 1 was first organized within the Village of South Hadley Falls in 1858. The village, which roughly encompasses the southern two-thirds of the Town of South Hadley, struggled with providing a consistent water supply to all residents, particularly in the hillier portions of the district. In 1872, the district took action that resulted in authority being given by the State Legislature to establish a more robust and comprehensive system of waterworks. This special legislation, known as the Acts of 1872, Chapter 114, authorized the district "to supply itself and its inhabit with pure water to extinguish fires, generate steam and for domestic and other purposes; and may establish public fountains and hydrants, and regulate their use and may discontinue the same and may fix and collect rents for the use of such water." Further, this legislation gave the district the authority to establish centralized water sources, create damns, dig up roads, take property, and issue bonds. Several additional special legislative acts have been sought and approved over the years which have served to expand and/or clarify the authority of the district.

Following a major fire in 1896 at the seminary building at Mount Holyoke College, residents in the north section of town began to investigate the need for a separate water system and associated fire protection service, like that afforded its neighbors to the south. Following several years of study and planning, **Fire District 2** was ultimately established in April 1909 under the Acts of 1909, Sections 239 and 529 as a separate governmental entity with all the same authority and responsibility granted to Fire District 1 decades earlier. As has been the case in District 1, many additional legislative acts have been added over the years.

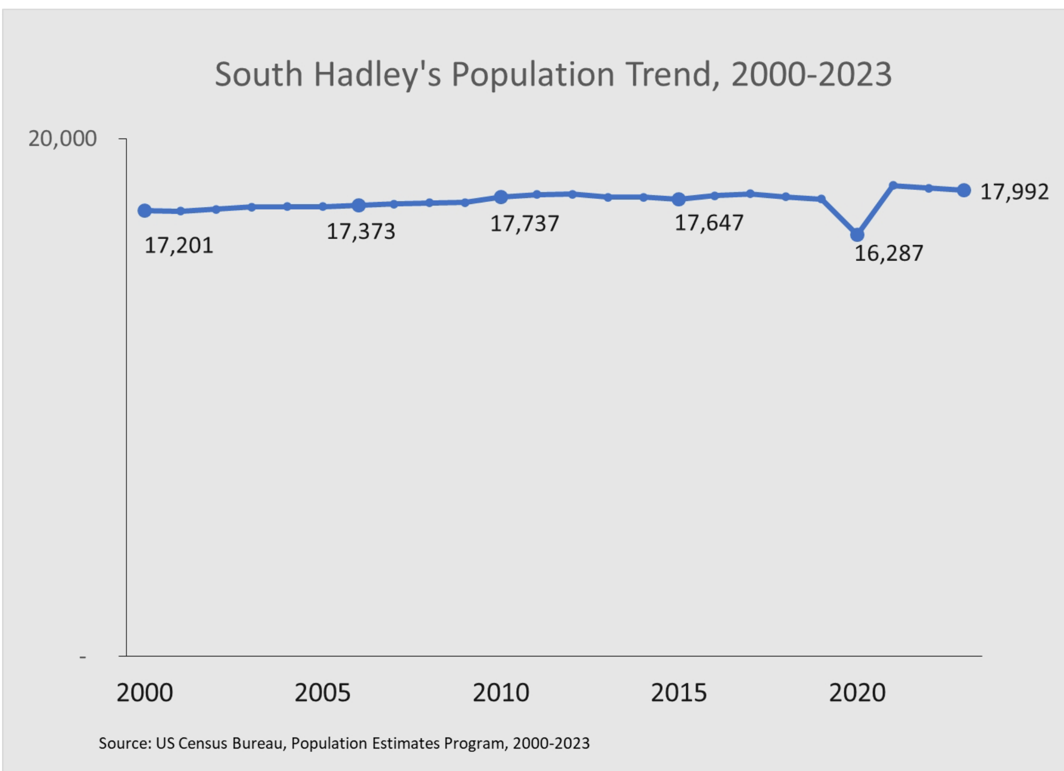
District 2 began with a very small water system, serving approximately 72 customers in 1911, and has grown exponentially over the years to serve more than 2,000 residences and businesses today. Importantly, included in that mix of water connections is Mount Holyoke College – the district's (and Town's) largest employer.

From their earliest days, both districts have sought to secure reliable and high-quality water supplies. District 1 began with a reservoir fed from Buttery Brook, followed by an additional reservoir constructed in 1891 at Leaping Wells Brook. The two water supplies served the district well until 1948 when the need for additional capacity became apparent. Following an unsuccessful search for new local water supplies, the district signed a contract in 1951 with the Metropolitan District Commission (MDC), subsequently assumed by the Mass Water Resources Authority (MWRA) in 1984, to purchase water from the Quabbin Reservoir on behalf of more than 2,300 residences and businesses at that time. Today the district has grown to 4900 service connections.

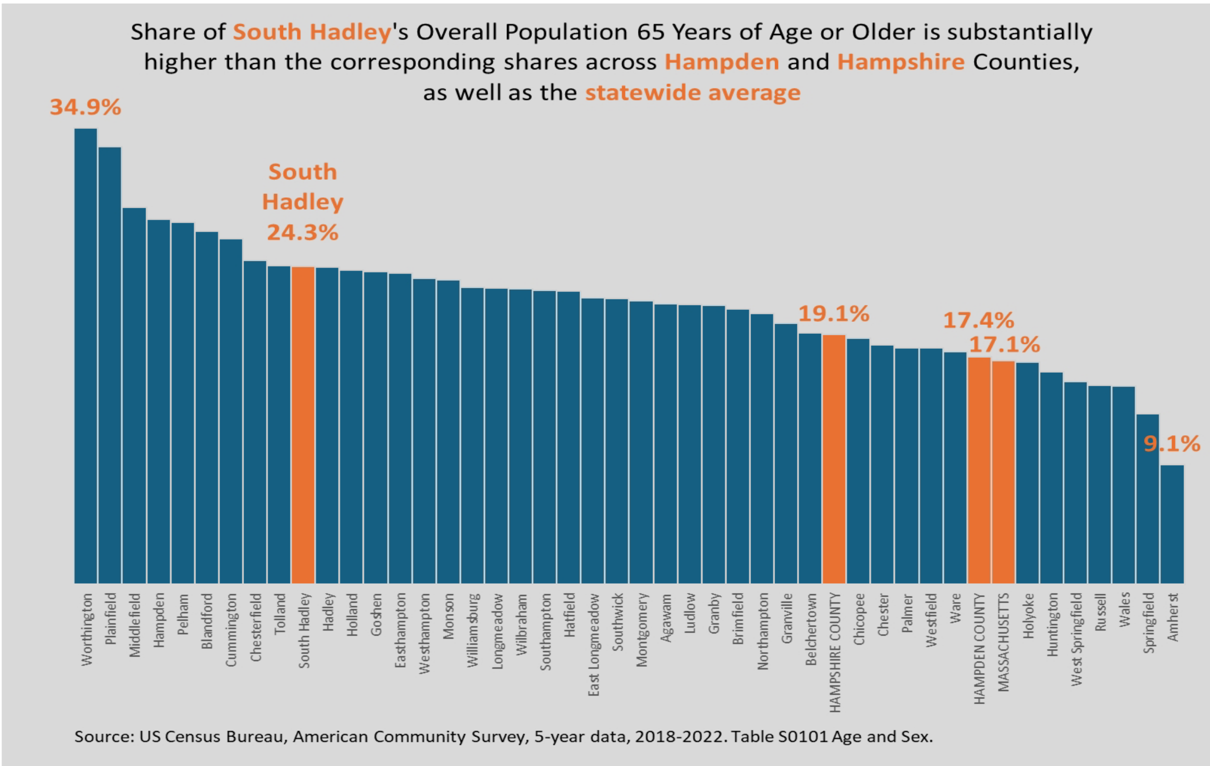
Unlike District 1, District 2 does not purchase water from the MWRA, and has maintained its own independent water source(s) for its entire history. Because District 1 purchases its water and District 2 maintains its own water supply, the operational and capital costs for the two departments are somewhat different with District 1 spending on the purchase of water and District 2 spending relatively more on infrastructure to maintain its water supply.

F. Demographic Trends

Like much of western Massachusetts, South Hadley has experienced only minor population growth for the past 23 years, particularly as compared with more populated areas in eastern Massachusetts. The following chart illustrates overall population change between 2000 and 2023. South Hadley's population over this time grew just 4.6%, or at an annual average rate of 0.2%. The population decline evident in 2020 resulted primarily from the COVID shutdown of Mount Holyoke College.



At the same time South Hadley's population has been relatively stagnant, the following chart shows the Town's over-65 population, which is a substantially larger share as compared with the shares of Hampden and Hampshire Counties, as well as the Massachusetts state average. This is important because older residents statistically require more emergency medical service and tend to live on fixed incomes.



The Age Dependency Ratio measures the working-age population to non-working age populations. This table illustrates that the ratio of under-18 and over-65 to working-age population in South Hadley as compared to regional and State averages.

Age Dependency Ratio

Town/County	Median age	Age dependency ratio[1]	Old-age dependency ratio[2]	Child dependency ratio[3]
South Hadley	44.6	65.3	**40.2**	25.1
Massachusetts	39.8	58	**27**	30.9
Hampden County	39.5	62.8	**28.3**	34.5
Hampshire County	39.3	52.2	**29.1**	23.1
		1. The "age dependency ratio" is the number of children and seniors for every 100 people ages 18-64	2. The "old-age dependency ratio" is the number of seniors (65+ years old) for every 100 people ages 18-64	3. The "child dependency ratio" is the number of children (0-17) for every 100 people ages 18-64

Because the 65-and-over cohort remains substantially above other areas of the State, both districts experience a higher than average level of ambulance calls, resulting in a larger burden on EMS services. At the same time, the amount of revenue per call is reduced as the proportion of calls paid by Medicare/Medicaid also increases. This is important because the reimbursement rate paid by Medicare/Medicaid is significantly lower than private insurance companies.

2 Fire and Ambulance Departments

A. Service and Operational Overview

The District 1 Fire and EMS Department, located at 144 Newton Street, provides fire protection and emergency medical service (EMS). The 16,404 square foot 3-story fire station was constructed in 1973 on a 0.86-acre lot, with improvements made in 1984 and 2018. The department has fulltime staffing, 24 hours per day, and is licensed as an Advanced Life Support (ALS/Paramedic) service. Its primary coverage area is the geographic boundaries of the district (roughly the southern half of the town). The department also has its own Dive/Water Rescue Team. The building's central location within the district, combined with fulltime staffing, ensures very quick response for all emergency calls.

The District 2 Fire and EMS Department, located at 20 Woodbridge Street on a 3.5-acre parcel, also provides 24-hour fire and ambulance service, but at the BLS level, with fewer fulltime staff and more reliance on Call staff. The 11,990 square foot 2-story building was constructed in 1963 with additions and substantial renovations following in 2007. The building also houses the district's Water Department.

In the past 20 years, as EMS demand has increased and the relationship between the Town and the Districts has changed, the departments have substantially increased the size of their staffs and scope of their services. Beginning in 1974, the Town of South Hadley, through its Police Department, held the EMS license for the town and operated a Basic Life Support EMT service with support from both districts. The districts housed the ambulances and District firefighters responded to calls in coordination with police officers, who responded to calls in their cruisers. In the late 1990's, District 1 began researching creating its own ambulance service and by the mid 2000's began preparing to operate its own ambulance service.

As of 2003, District 1 employed a staff of approximately 13 fulltime and 20 Call employees, with a minimum of 3 personnel per shift. That staffing increased to 4 personnel per shift in 2005 and 5 personnel per shift in 2009. Overall fulltime staffing during this timeframe increased to 22 employees by 2009. This increase coincided with the district's decision to operate its own ambulance service. In March 2007 the District began operating its own ambulance service, separate from the Town, at the Basic Life Support (BLS) level, quickly moving to the Advanced Life Support (ALS) level by October of the same year.

This significant change in the District 1 service model caused the Town and District 2 to enter into a separate agreement to continue providing Basic Level EMS service to the northern third of the Town, along with a small portion of Granby. Eventually, District 2 made the decision to start its own BLS ambulance service beginning in 2009, resulting in the Town discontinuing its primary role in EMS and relinquishing its license to operate the service.

Unlike District 1, District 2 staffing heavily relied on Call Firefighters/EMTS, with less than a handful of fulltime staff. With the advent of a second independently operated EMS service within the Town, fulltime staffing in District 2 has increased, but not to the extent of District 1.

The planning that resulted in both districts taking full responsibility for emergency medical service took significant skill and planning to implement. Although the process was more prolonged and contentious than many had hoped and anticipated, the result has been improved emergency medical care and response times. Because District 2 is only certified as a Basic Life Support (BLS) or EMT service, District 1 provides intercept service to District 2 for most ambulance calls that require ALS support. The districts have an agreement in place whereby District 2 pays an “intercept fee” to District 1 for each such call. The current fee is $375.

Regarding fire protection, each department assists the other at no charge. The districts have an Automatic Aid agreement in place which details the specific action to be taken by each District in the event of a fire call in the other District. This is in addition to the standard Mutual Aid arrangement that is used throughout the State.

B. Staffing and Shift Coverage

While staffing in both districts is comprised of a mix of fulltime and Call Paramedics (ALS certified) and EMT’s (BLS certified), the staffing models in the two districts are quite different. District 1 relies on 26 fulltime staff supported by a current Call staff of 15, while District 2 employs 6 fulltime staff (currently 5) with a current Call staff of 26. The Call staff in both districts are employed elsewhere as fulltime or parttime firefighters, paramedics, or EMT’s, as well as in a variety of other fields.

The District 1 Fire and Ambulance Department includes 1 Fire Chief, 2 Captains, 3 Lieutenants, and 35 Firefighters. The department is divided into four working groups, or companies, with 6 fulltime and approximately 4 call employees assigned to each company. Included in the fulltime makeup of each company is one captain or lieutenant. All but two of the firefighters are certified to provide medical service, with 18 at the ALS level and 20 at the BLS level.

The supervisory duties of the captains and lieutenants include fire prevention and inspections, training, and equipment maintenance. In addition, one of these officers serves as the Ambulance Director with responsibility for tracking all revenue and expenses associated with the Ambulance (EMS) Department. This person works closely with the District Treasurer and third-party billing company to ensure that ambulance related revenues are properly received.

District 1 uses a scheduling model where each company works a 24-hour shift followed by two days (48 hours) off. The company then works a second 24-hour shift followed by four days (96 hours) off. The Chief and inspection officer typically work a weekday schedule from 7:00 AM – 3:30 PM.

Normal staffing in District 2 is comprised of 6 fulltime staff (5 currently), including 1 Fire Chief, 1 Captain, 4 fulltime Firefighter/EMT’s, and 26 Call staff. The District 2 Chief recently retired and the former Captain was subsequently promoted to be the new Chief. As of the date of this report, a new employee has not been appointed, leaving the fulltime staff one short of a full complement. District 2 utilizes a 24-hour scheduling model for its fulltime employees as well. Each employee works a 24-hour shift followed by 24 hours off. The employee then works a second 24-hour shift followed by five days off. Only one fulltime employee is on duty at a time and is backed up with one Call employee who is deployed in the event of a call. The Chief works a Monday to Friday schedule from 7:00 AM – 3:30 PM.

The current Call staff of 20 Firefighters/EMT’s and 6 Firefighters, includes 2 Assistant Chiefs who fill in for the fulltime Chief when needed. The Call staff also includes 1 Captain and 3 Lieutenants.

Both districts have seen a significant increase in staffing and training in the past 20 years. This is due to increased demand, changes in the service model following the transition from Town-operated ambulance service to control of that service by the districts, and advances in the field of emergency medical service.

The following charts illustrate the changes in staffing in each district in the past 20 years.

District 1 Fire and EMS Employee Count FY2003-FY2024

Fulltime Staff:	FY2003	FY2013	FY2018	FY2021	FY2022	FY2023	FY2024
Fire Chief	1	1	1	1	1	1	1
Assistant Chief	2	0	0	0	0	0	0
Captain	0	5	3	2	2	2	2
Lieutenant	2	0	2	3	3	3	3
Firefighter Paramedic/EMT*	8	16	16	16	18	20	20
On Call Staff	20	20	20	9	13	13	15

* All D1 firefighters, both fulltime and on call, are certified as paramedics (ALS) or EMT's (BLS).

District 2 Fire and EMS Employee Count FY2003-FY2024

Fulltime Staff:	FY2003	FY2013	FY2018	FY2021	FY2022	FY2023	FY2024
Fire Chief	1	**1**	**1**	1	1	1	1
Assistant Chief	0	**0**	**1**	0	0	0	0
Captain	0	**0**	**0**	1	1	1	0
Lieutenant	0	**1**	**1**	2	1	1	1
Firefighter EMT	1	**3**	**3**	2	3	3	3
Total On Call Staff: W/O FT who take Call shifts	33	**39**	**27**	29	21	21	23
Assistant Chief	2	**2**	**2**	2	2	2	2
Captain	0	**0**	**1**	1	1	1	1
Lieutenant	6	6	?	2	1	2	2
Firefighter EMT*	23	31	24	24	17	16	18
College Brigade (MHC)	4	0	0	0	0	0	0

* All D2 fulltime firefighters and most on call firefighters are certified as paramedics (ALS) or EMT's (BLS).

C. Fire/EMS Hourly Wages and Salaries

In FY2024 $4,004,176 of the District 1 Fire and EMS was budgeted for personnel services such as payroll, payroll taxes, retirement, and other employee benefits. This amount represented approximately 77.60% of the total budget and was an increase from 72.97% of the total budget in FY2022. This increase was the result of a planned increase in staffing from 22 to 26 fulltime employees. During the same timeframe, the District 2 Fire and EMS personnel expense increased from 65.99% of total budget in FY2022 to 68.80% of total budget in FY2024.

The biggest budget drivers that contribute to the higher personnel cost in District 1 (as a percentage of total budget) are the higher reliance on fulltime staffing and associated employee benefits, along with costs necessary to train and retain paramedics with Advanced Life Support (ALS) certification.

District 1 Salaries and Hourly Pay Rates
July 2021 to July 2023

Position	7/1/21-6/30/22	7/1/22-6/30/23	7/1/23-6/30/24
Firefighter EMT	$20.84-26.05	$21.78-26.83	$22.43-27.64
Firefighter Advanced EMT	$22.0-27.24	$22.99-28.06	$23.68-28.90
Firefighter Paramedic	$23.15-28.44	$24.20-29.29	$24.92-30.17
Lieutenant EMT/Paramedic	$32.39-33.84	$33.84-34.86	$34.86-35.90
Captain EMT/Paramedic	$34.03-33.84	$35.56-36.63	$36.63-37.72
Call Firefighter EMT/Paramedic	$20.00	$20.00	$20.00
Fire Chief	$104,565	$116,444	$119,938
EMS Coordinator	$4500.00	$4500.00	$4500.00

District 2 Salaries and Hourly Pay Rates
July 2021 to July 2023

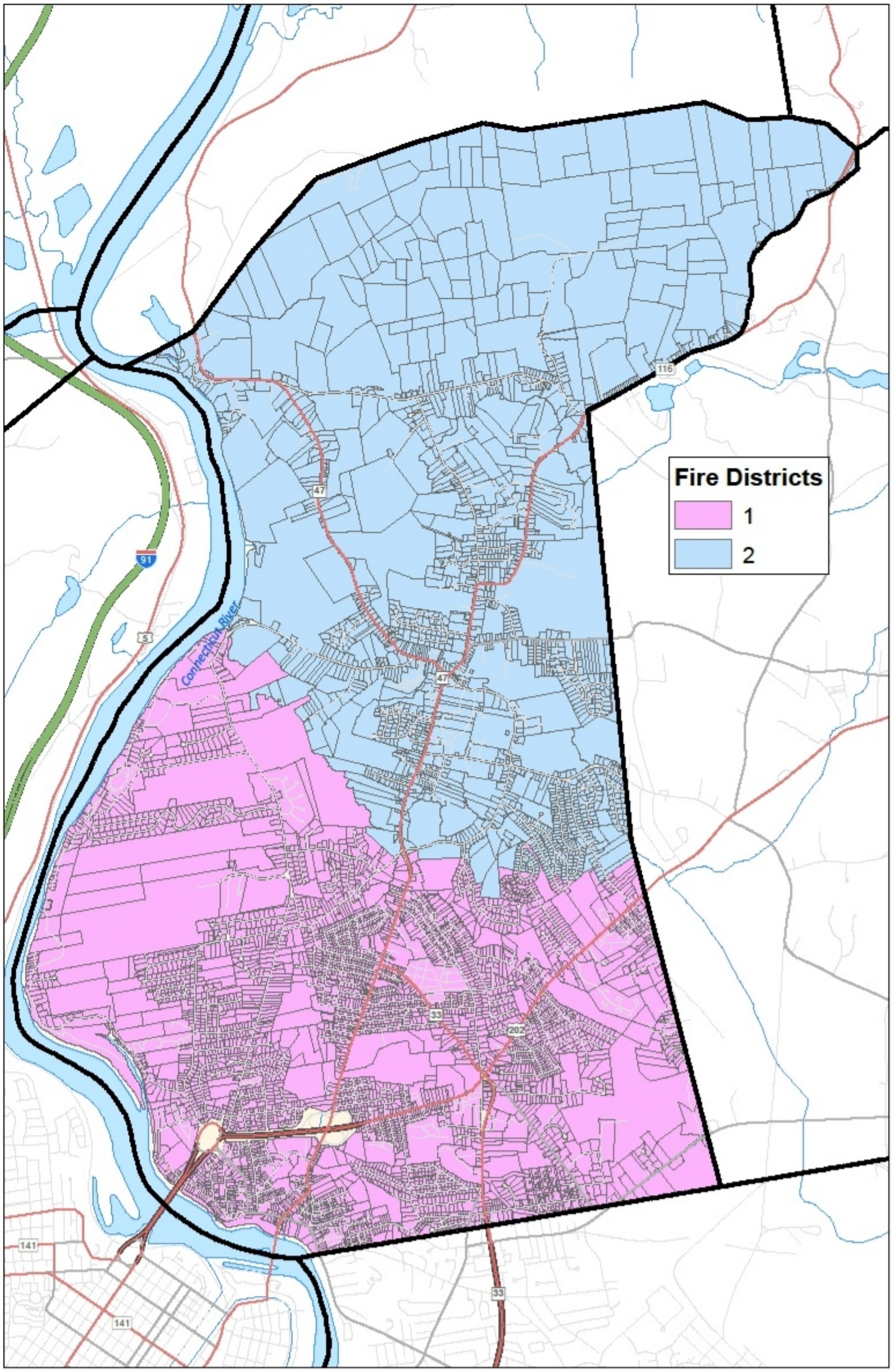
Position	7/1/21-6/30/22	7/1/22-6/30/23	7/1/23-6/30/24
FT Firefighter EMT	?	?	$26.95-28.38
FT Lieutenant EMT	?	?	$30.90
Call Firefighter EMT	?	?	$17.90-32.20
Fire Chief	?	$101,652	?

D. Service area and Call Volume

Service Area

South Hadley is a Town of approximately 18,000 residents with total area of 18.3 square miles. The Town is bordered on the east by Granby, on the south by Chicopee, on the west and southwest by Holyoke, and on the north by Hadley and Amherst. As mentioned in the introduction of this report, the Town has diverse environments and topography ranging from an extended shoreline on the western border on the Connecticut River to hilly and forested areas to the east. In between lies a range of residential neighborhoods, businesses, churches, and schools (including Mount Holyoke College).

The following map delineates the overall service area of each District.



Call Volume

Both districts have seen an increase in call volume over the past six years, however not at the same rate. The table below shows the annual call volume in each District, including transports, for the calendar years 2018-2023. While District 1 saw an overall 8.1% increase in EMS and fire calls over this period, District 2 experienced a substantially greater increase on percentage basis. The overall call volume for the combined districts increased 14.3%, an average of 2.38% per year.

Historical Call & Transport Volume by District

Town	2018	2019	2020	2021	2022	2023	Average	% Increase 2018-23
District 1 EMS Calls	2289	2272	2171	2252	2498	2430	**2319**	6.1%
District 1 Fire Calls	537	543	543	522	555	624	**554**	16.2%
District 1 Total Calls	**2826**	**2815**	**2714**	**2774**	**3053**	**3054**	**2873**	**8.1%**
District 1 Transports	1672	1704	1613	1679	1862	1833	**1727**	9.6%
D1 % Transports to Calls	73%	75%	74.3%	74.6%	74.5%	75.1%	**74.4%**	
District 2 EMS Calls	320	363	359	412	560	541	**426**	69.1%
District 2 Fire Calls	372	371	335	237	271	337	**321**	-9.4%
District 2 Total Calls	**692**	**734**	**694**	**649**	**831**	**878**	**746**	**26.9%**
District 2 Transports	265	299	276	324	411	391	**328**	47.5%
D2 % Transports to Calls	82.8%	82.4%	76.9%	78.6%	73.4%	72.3%	**77.7%**	
Total Districts EMS Calls	2609	2635	2530	2664	3058	2971	**2745**	13.9%
Total Districts Fire Calls	909	914	878	759	826	961	**875**	5.7%
Total Districts Total Calls	**3518**	**3549**	**3408**	**3423**	**3884**	**3932**	**3619**	**11.8%**
Total Districts Transports	1937	2003	1889	2003	2273	2224	**2055**	14.8%
Total Districts % Transports to Calls	74.2%	76.0%	74.7%	75.2%	74.3%	74.9%	**74.9%**	

Roughly 75% of EMS calls resulted in a transport to a hospital, and is typical of the results generally experienced in other EMS organizations. This is important because, in most instances Medicare, Medicaid, and insurance companies only reimburse EMS organizations when patients are transported in the ambulance to a medical facility. The revenue “loss” for non-transports must be factored into the annual budgeting process for the districts.

E. Vehicles and Equipment

Both fire and EMS departments maintain a comprehensive fleet of emergency vehicles and apparatus. Generally, the districts endeavor to purchase new vehicles and maintain them in the fleet for as long as feasibly possibly. The cost of emergency vehicles has risen significantly in the past few years. For example, ambulances that could have been purchased for $250,000 just 4-5 years ago now cost $400,000 or more. Fire trucks have seen similar increases in cost. The following chart shows a complete list of vehicles, as well as certain other equipment. The useful life and estimated replacement cost of each item represents the opinion of the Fire Chief in each district.

District 1&2 Fire/EMS Vehicle & Equipment Inventory

Vehicles & Equipment	District	Year Acquired	Useful Life (years)	Est Replacement Cost
ALS Ambulance	District 1	2019	15	$400,000
ALS Ambulance	District 1	2012	15	$400,000
ALS Ambulance	District 1	2010	15	$400,000
BLS Ambulance	District 2	2011	10	$480,000
BLS Ambulance	District 2	2019	10	$480,000
Pumper Truck (Engine 1)	District 1	2009	30	$1,000,000
Combination Pumper Ladder Truck (Tower 3)	District 1	2016	30	$2,500,000
Combination Pumper Ladder Truck (Ladder 5)	District 1	1994	30	$2,500,000
Rescue Pumper Truck (E2)	District 2	2021	25	$1,100,000
Fire Engine (E4)	District 2	1997	25	$1,100,000
Brush Truck	Districts 1	1990	35	$180,000
Brush Truck	District 2	1993	35	$250,000
Rescue Truck	District 1	2006	35	$200,000
Boat	District 1	2024	35	$65,000
Boat	District 1	1994	35	$40,000
Quad with Trailer	District 2	2004	35	$12,000
Quad with Trailer	District 2	2005	35	$12,000
Car 2	District 1	2012	25	$50,000
Car 3	District 1	2015	25	$90,000
Rescue Vehicle (converted ambulance)	District 2	2009	?	?
Chief’s Car	District 1	2020	25	$65,000
Chief’s Car	District 2	2013	10	$75,000
Utility Truck	District 2	2023	15	$60,000
Cascade Air-Fill Station	District 1	1994	40	$95,000
Cascade Air-Fill Station	District 2	2023	40	$90,000
			Total Cost	$11,644,000

3. Water Departments

A. Service and Operational Overview

The water departments of the two districts are responsible for providing safe, potable water to the residents and businesses of the districts, in addition to providing water for fire protection. The expenses to operate and maintain each department are funded primarily through water receipts, service and connection fees, and grants, with little or no funding derived from property taxes.

Each district is overseen by an elected 3-member Board of Water Commissioners which is responsible for establishing policy, recommending budgets for approval at the Annual District Meeting, and setting rates. Each district employs a fulltime Water Superintendent who reports to the BOWC and is charged with managing all aspects of the district's water system, including personnel including maintenance and office personnel, maintenance and repair, system improvements, and water testing. The responsibilities of the staffs in each district are very similar, although there are certain details that differ.

Although the geographical size of the districts is similar, the District 1 water system is approximately double the size of District 2 with 4900 service connections as compared to District 2 with about 1600 connections. Both departments use a Supervisory Control and Data Acquisition (SCADA) system to remotely control and monitor their systems, and collect data. Because District 1 sources its water from the Quabbin Reservoir, with no local groundwater source, its SCADA system is located at its treatment facility in Ludlow. District 2 sources water from the Dry Brook Well.

As is the case in the fire and EMS departments, the water departments also share staff and equipment to assist each other in emergency and unexpected situations, most typically major water leaks. Both districts belong to Mass WARN (https://www.mawarn.org/), which facilitates a mutual aid program for public water and waste water systems in Massachusetts. This is a voluntary program and there is no cost to belong. Each district relies on the other as its backup source of supply with 9 connections between the two systems.

District 1 Water Department

The District 1 Water Department headquarters is located at 438 Granby Road. The complex includes a 2,794 square foot office building which is open to the public, a 5,716 square foot maintenance building for housing vehicles and equipment, and a small utility shed for storage of materials. The buildings are situated on approximately 4 acres of land which is part of a larger 33-acre parcel that includes 2 additional acres of developable land. The remainder of the parcel includes of the decommissioned Leaping Wells Reservoir and other wetlands. The office building was built in 1985 and the maintenance building was constructed 1872 with significant additions coming in 1968 and 1978. The materials shed was added in 2009. District 1 maintains two storage tanks with a storage capacity of 3 million gallons, a water treatment facility located in Ludlow, 81 miles of water mains, and 685 hydrants.

Since entering a contract with the Metropolitan District Commission in 1951, the district has purchased all of its water supply from the Quabbin Reservoir via the Chicopee Valley Aqueduct which also supplies water to the Town of Wilbraham and City of Chicopee. The contract transferred to the Mass Water Resources Authority (MWRA) upon its creation in 1984. The cost of water per million gallons has increased significantly over the years from $45 per million gallons (MGD) in the mid 1990's to $461 per MGD In 2023. The increase is attributable to substantial capital investments by the MWRA, increased safety and health regulations on the part of Federal and State government, and the effects of inflation. Over the same time, water usage has declined by about 33%, reflecting improved technology, increased conservation efforts, and a decline in commercial/industrial demand, resulting in an increase in water rates from $2.07 per 100 cubic feet in the mid 1990's to $4.23 in 2023. In addition, substantial local capital investment on District 1 infrastructure has been funded through a "family unit" fee which is added to each quarterly water bill. The fee was first assessed at $5 per quarter and was increased to $12 per quarter in 2016. All of this has resulted in average annual residential water bills increasing from $365.60 to $518.40 from 2011-2023.

At various times in the past, District 1 has endeavored to identify local secondary water sources to supplement increased costs from the MWRA, but without success. Because District 1 does not own a local secondary water source, it also relies on District 2 as a backup in the event of emergency.

The primary duties of the maintenance staff include:

- Monitoring the Ludlow treatment facility
- Monitoring the two water storage tanks
- Flushing of hydrants and mains
- Meter reading and installation
- Vehicle maintenance and repair
- Water main repairs
- Service calls to residents
- Investigation of water bill complaints
- Overseeing the cross-connection control program

The office staff is responsible for:

- Quarterly bill preparation and mailing
- Receipt and management of payments
- Customer service
- Budget administration
- Accounts payable

District 2 Water Department

The District 2 Water and Fire Departments share the 2-story 11,990 square foot building at 20 Woodbridge St. The Water Department occupies roughly one third of the building, with administrative offices on the upper street level and space for vehicles, equipment, and supplies (shared with the Fire Department) on the basement level. District 2 maintains two storage tanks with a total capacity of 1.75 million gallons, a water treatment facility, 40 miles of water mains, and 321 hydrants.

The primary duties of the maintenance staff include:

- Monitoring and maintenance of the groundwater well
- Monitoring the two water storage tanks
- Flushing of hydrants and mains
- Meter reading and installation
- Vehicle maintenance and repair
- Water main repairs
- Service calls to residents
- Investigation of water bill complaints
- Overseeing the cross-connection control program

The office staff is responsible for:

- Quarterly bill preparation and mailing
- Receipt and management of payments
- Budget administration
- Customer service
- Accounts payable

B. Staffing and Shift Coverage

Water department staffing in the two districts is quite similar and has been relatively stable for many years. District 1 staffing has actually decreased by two fulltime employees over the past several years. Each district employs a fulltime Water Superintendent who supervises a crew of Water Operators and office staff. The total fulltime equivalents (FTE) employed in District 1 is seven FTE's which includes one foreman, three water operators, one office manager, and one billing clerk. District 2 has five FTE's, which include three water operators and one administrative assistant.

While there are slight variations between the districts as to the exact work schedules, all employees work a fulltime schedule. The Water Operators also rotate weekend and on-call overnight responsibilities regarding emergency situations and water testing.

C. Hourly Wages and Salaries

District 1 Water Dept Salaries & Hourly Pay Rates
July 2021 to June 2024

Position	7/1/21-6/30/22	7/1/22-6/30/23	7/1/23-6/30/24
Water Superintendent	$98,301	$100,277	$103,293
Foreman	$36.23	$36.96	$38.07
Water Operators	$31.51	$32.14	$33.10
Office Manager	$67,704	$67,753	$68,905
Billing Clerk*	$53,930	$46,153	$56,742

*Variation in salary for the Billing Clerk due to change in personnel in 2023.

District 2 Water Dept Salaries & Hourly Pay Rates
July 2021 to July 2024

Position	7/1/21-6/30/22	7/1/22-6/30/23	7/1/23-6/30/24
Water Superintendent*	$90,742	$85,331	$87,486
Foreman	$28.68	$30.50	$33.31
Water Operator	$26.63	$28.81	$30.86
Laborer	$20.25	$21.69	$23.23
Administrative Assistant	$24.32	$26.01	$27.86

*Variation in salary for the Superintendent due to change in personnel in 2023 & 53 pay periods in 2022.

C. Vehicles and Equipment

Both water departments maintain a comprehensive fleet of vehicles and equipment. The water departments do an excellent job of maintaining their vehicles and equipment and endeavor to keep them in the inventory for as long as feasibly possibly. The departments share equipment when needed. Replacement cost in the following chart is based on current cost.

District 1&2 Water Department Capital Asset & Equipment Inventory

Vehicles & Equipment	District	Year Acquired	Expected Life (years)	Est Replacement Cost
John Deere 410 G Backhoe	District 1	2019	30	$120,000
Mack ten-wheel dump truck	District 1	2004	30	$150,000
Bobcat A-300 skid steer loader	District 1	2006	20	$95,000
Ford F-550 Utility vehicle w/ hydraulic lift gate	District 1	2012	15	$90,000
Ford F-550 Utility vehicle w/ hydraulic lift gate	District 1	2016	15	$105,000
Shoring Box	District 1	2002	50	?$4,500
10' X 12' Road Plate	District 1	2008	100	$3,500
Gas powered Pressure/Chlorination pump	District 1	2004	40	$2,000
Sthil Rock Boss Concrete Chainsaw for cutting AC pipe	District 1	2020	10	$1,100
Wacker double drum roller	District 1	2004	30	$15,000
8 hp Gasoline powered 4" trash pump	District 1	2003	40	$2,000
5 hp Gasoline powered diaphragm pump	District 1	2000	30	$2,500
18" gasoline powered road saw	District 1	2018	10	$4,500
Sullair tag-along portable air compressor	District 1	2006	30	$10,000
Portable cut-off saws (2)	District 1	2016	10	$800 each
Portable generators (2)	District 1	2012	30	$3,500 each
Volvo EW60 rubber-tired excavator	District 2	2021	Leased	$105,000
Ultra shore adjustable aluminum trench box	District 2	2015	30	$6,500
Hydraulic jack shoring w/ 8 jacks & 4 – 4x8 panels	District 2	2019	30	$10,000
Atlas Copco xas90 185 cfm compressor	District 2	1995	30	$15,000
Ford F-350 pickup w/ 8' Boss plow & tailgate sander	District 2	2016	10	$90,000
Ford F-550 dump truck	District 2	2016	15-20	$95,000
Ford F-350 Utility work truck w/ parts & tools	District 2	2018	10	$90,000
Bow Mag BT65 Jumping Jack (compactor)	District 2	2018	10-15	$5,000
Husqvarna FS100W road saw w/18" asphalt blade	District 2	2020	20	$5,500
Ariens 36" power road broom	District 2	2016	20	$4,500

4. Finance and Administration

A. Service and Operational Overview

Both districts employ a fulltime Clerk Treasurer, whose responsibilities are quite broad. District 1 also employs a parttime Assistant Clerk Treasurer. The District 1 Clerk Treasurer is elected by the voters of the district with a term of 3 years. The District 2 Clerk Treasurer was also an elected position until 2015 when the district took action to change the position to be appointed. Regardless of how the C/T is placed in the position, their job responsibilities are virtually identical and almost entirely dictated by State law. The Clerk responsibilities include maintenance, disposition and preservation of archival records and materials, administration of District Elections and Meetings, and compliance with public records requests. The Treasurer responsibilities include general financial oversight of all district enterprises, ensuring the deposit, investment, and disbursement of district funds. These officials maintain the accounting system, manage payroll services, establish and maintain banking relationships, work with the district's financial advisor, and oversee the issuance of debt. The Clerk Treasurers in each district also serve as the Human Resources administrator for their district.

District 1 & 2 Clerk Treasurer Salaries
July 2021 to June 2024

Position	7/1/21-6/30/22	7/1/22-6/30/23	7/1/23-6/30/24
District 1 Clerk Treasurer	$69,794	$71,217	$73,197
District 1 Asst Clerk Treasurer*	$9,829	$24,081	$16,550
District 2 Clerk Treasurer	$83,558	$85,852	$89,286

*Variation in salary for the Assistant Clerk Treasurer due to changes in personnel and policy.

B. Expenditure Summaries

The following charts show the actual or budgeted expenditures for the Water, Fire, and EMS Departments of each district over the past four years. FY22 and FY23 amounts have been audited by an outside auditing firm. FY24 amounts are complete, but have not yet been audited. The FY25 columns are the budgeted amounts for the current fiscal year. The charts include both operating and capital expenses.

Fire District 1 Fire/EMS Expenditure Report - FY 22-25				
Description	**FY22 Exp**	**FY23 Exp**	**FY24 Exp**	**FY25 Appr**
COUNTY RETIREMENT	535,075	617,474	670,341	663,050
HEALTH AND LIFE INSURANCE	570,776	547,703	572,134	640,000
MEDICARE	37,057	35,472	42,177	46,000
GENERAL INSURANCE	87,548	100,089	109,432	126,000
CLERK TREASURER & ASST PAYROLL	62,898	78,344	81,257	85,000
ADMIN - EDUCATION & TRAINING	95	530	1,169	2,000
ADMIN - PRINTING	552	1,596	4,400	3,000
ADMIN - TELEPHONE EXP	1,464	1,396	1,662	1,800
ADMIN - LEGAL	19,025	28,965	25,216	35,000
ADMIN - TRAVEL	2,952	96	386	500
ADMIN - MISC	123	10	100	500
ADMIN - AUDIT	-	-	17,000	5,000
ADMIN - OFFICE EXP	24,162	32,007	24,661	33,000
ELECTIONS EQUIPMENT AND EXPENSES	4,280	4,815	4,845	14,500
DISTRICT WEB SITE/IT	4,416	8,228	6,481	-
ACTUARY REPORT	-	4,150	-	-
PRUDENTIAL COMMITTEE SALARY	5,408	5,408	4,714	5,571
PRUDENTIAL COMMITTEE EXPENSES	291	503	177	600
LEGAL FEES UNION NEGOTIATIONS	9,200	-	2,438	5,000
ASSESSORS SALARY	5,789	5,711	5,711	5,883
TAX COLLECTOR SALARY	5,132	5,132	5,132	5,287
TOWN CLERK SALARY	209	-	-	-
FIRE CHIEF SALARY	110,026	115,939	122,454	120,000
FIRE DEPARTMENT SALARIES	1,133,340	1,270,342	1,335,606	1,511,080
FIRE DEPARTMENT OT	124,941	134,890	93,362	182,750
FIRE - UTILITIES	28,474	28,167	26,383	35,000
FIRE - SUPPLIES	7,738	5,929	11,532	15,000
FIRE - UPKEEP AND REPAIRS	7,604	5,520	11,409	15,000
FIRE - OFFICE EXP	6,107	6,940	18,193	23,000
FIRE - UNIFORMS	17,280	17,139	19,000	19,000
FIRE - PHYSICALS/NEW HIRE	2,042	349	4,267	8,000
FIRE - GAS & OIL	11,172	14,213	9,330	20,000
FIRE - RADIO MAINT	1,900	531	3,379	6,000
FIRE - EQUIPMENT	19,071	17,675	900	24,000
FIRE - TRAINING	6,702	4,551	7,000	11,000
FIRE - MISC	116	-	-	-
FIRE - RESERVE FUND	13,700	-	-	20,000
FIRE PREVENTION	3,703	2,271	4,899	5,000

Fire District 1 Fire/EMS Expenditure Report - FY 22-25 (continued)

Description	FY22 Exp	FY23 Exp	FY24 Exp	FY25 Appr
CHIEF'S ACCT	3,000	968	1,686	3,000
FIRE FLEET MAINTENANCE	28,043	31,134	35,034	45,000
AIR COMPRESSOR ACCT	857	3,099	1,671	10,000
BUILDING IMPROVEMENT	21,303	22,113	2,269	25,000
MAJOR EQUIPMENT REPAIR	16,382	11,756	12,778	20,000
FIRE GEAR REPLACEMENT	21,098	7,044	13,563	20,000
JAWS OF LIFE	-	1,901	-	3,000
ALARM RADIO CONSOLE	3,317	1,645	8,918	10,000
SCBA	9,705	13,631	17,207	5,000
PROMOTIONAL EXAMS	-	-	-	2,700
NEW FIRE STATION	-	-	-	20,000
NEW BOAT ACCOUNT	-	-	58,771	-
2018 FIRE TRUCK	-	-	2,380	-
AMBULANCE - SALARY	455,925	453,432	442,986	438,347
AMBULANCE - OT	110,356	104,681	120,487	182,750
AMBULANCE - STIPENDS	145,500	150,950	185,490	231,960
AMBULANCE - FUEL	10,000	14,400	14,349	22,000
AMBULANCE - UPKEEP & REPAIR	9,542	22,449	26,976	24,000
AMBULANCE - MEDICAL SUPPLIES	65,446	68,479	76,792	76,000
AMBULANCE - LICENSES & FEES	19,782	27,483	37,465	40,000
AMBULANCE - OUTSIDE SERVICES	43,848	49,497	51,854	60,000
AMBULANCE - TRAINING	(6,626)	17,958	14,783	25,000
AMBULANCE - OFFICE	4,828	4,885	2,341	5,500
AMBULANCE - COMPUTER EQUIPMENT	4,190	310	829	7,000
AMBULANCE - MISC	-	-	-	500
AMBULANCE COMPUTER EQUIPMENT	2,050	1,561	488	500
NEW AMBULANCE ACCT	-	-	*410,000*	
AMBULANCE INFUSION PUMPS	-	-	-	5,000
DEBT PRINCIPAL	120,000	120,000	120,000	120,000
DEBT INTEREST	28,350	22,350	18,450	14,550
TO VEHICLE STABILIZATION	60,000	60,000	60,000	
TO AMBULANCE STABILIZATION	85,000	7,290	90,000	
TO OPEB STABILIZATION	300,000	168,000	100,000	-
TRANSFER OUT - FIRE STABILIZATION	-	33,440	-	-
TRANSFER OUT - VEHICLE STABILIZATION	60,000	60,000	65,000	-
TRANSFER OUT - AMBULANCE STABILIZATION	-	-	410,000	-
TOTAL	4,432,263	4,489,101	5,174,714	5,109,328

Fire District 2 Fire/EMS Expenditure Report - FY 22-25				
Description	**FY22 Exp**	**FY23 Exp**	**FY24 Exp**	**FY25 Approp**
TREASURER/CLERK_SALARY_PC_PORTION	41,778	42,632	44,338	45,669
PC-EDUC STIPEND	0	0	0	4,599
ELECTED OFFICIALS STIPEND	3,250	3,300	3,250	3,500
ADMINISTRATIVE PAYROLL	0	0	0	0
ASSESSORS SALARY	3,111	3,235	3,364	3,470
TAX COLLECTOR SALARY	2,776	2,887	3,003	3,109
PC - ELECTION WORKER / TOWN CLERK	830	645	417	1,000
ADMIN - OFF EXP & ED	5,299	3,675	4,818	5,000
ADMIN-ADV/ASSOC/CONTR	8,321	8,428	7,940	9,000
ADMIN - ELECTIONS&ADM	621	1,621	2,228	7,000
ADMIN - LEGAL+PROF	555	1,608	5,184	5,000
ADMIN - TRAVEL	30	51	31	300
ADMIN - MISC	669	783	1,228	1,500
ADMIN - AUDIT	7,500	3,750	0	5,750
PC - ELECTRIC	3,846	4,663	4,381	4,600
PC - HEATING	3,009	3,275	2,475	3,200
PC - MAINT & MISC	10,705	5,548	13,488	16,850
PC - TELEPHONES-INTERNET	3,972	4,328	4,176	4,400
PC - TRASH & SEWER	2,135	2,511	2,932	3,000
PC - RESERVE FUND	0	0	0	15,000
PC/WD-A#13ADM_23-5-1	0	0	4,044	0
GENERAL INSURANCE	59,499	60,671	65,179	69,000
HEALTH & WELLNESS	100	0	0	100
COUNTY RETIREMENT	169,660	176,948	175,637	193,743
HEALTH, LIFE AND DENTAL INSURANCE	124,654	126,227	119,228	141,100
MEDICARE	11,821	12,105	11,991	14,000
PC - FUEL	2,571	2,730	2,955	4,000
PC -FF ASSOC	700	700	700	700
PC - OPEB CONTRIB	35,720	36,500	35,000	36,000
PC-WD_DEMO-ELMERBROOK	30,000	0	0	0
FIRE - CHIEF SALARY	96,941	98,896	113,352	100,000
FIRE - WAGES/SALARIES	330,494	319,690	332,459	353,285
FIRE OT & SHIFT COVERAGE	56,360	82,147	58,518	85,000
T CALL, DRILL, DET, STA COV, DUTY O	99,266	108,115	91,001	125,000
FIRE - PER-DIEM PAY	0	7,500	10,000	10,350
FIRE PREVENTION PAY	4,030	6,258	9,600	5,000
FIRE - VEH/EQUIP REPAIR/MAINT	12,638	18,237	19,219	20,000

Fire District 2 Fire/EMS Expenditure Report - FY 22-25 (continued)

Description	FY22 Exp	FY23 Exp	FY24 Exp	FY25 Approp
FIRE - CHIEF EXPENSE	1,279	1,315	1,750	2,000
FIRE - EQUIPMENT	7,660	11,529	10,535	12,500
FIRE - DUES & PROF EXPENSE	4,030	5,269	6,876	7,500
FIRE - UNIFORMS	4,769	5,499	5,936	7,500
FIRE - EDUCATION & CERT	411	654	429	1,000
FIRE - DIESEL	1,919	2,781	1,608	3,000
FIRE - COMPUTER	5,250	7,922	7,440	8,000
FIRE - TRAVEL	393	861	0	0
FIRE - CELL PHONES & TABLETS	4,425	5,160	3,825	5,000
FIRE-PHYSICALS/HEALTH & WELLNESS	2,132	2,578	3,054	4,000
FIRE - TRAINING	637	1,721	3,275	3,000
FIRE - MISC/OFFICE	2,631	2,171	3,564	4,000
FIRE PREVENTION	0	0	175	0
FIRE - COMMUNICATIONS	6,913	9,657	8,500	10,000
FIRE - GRANT SUBSIDY	5,781	0	14,041	0
FIRE-DISPATCH SERVICES	25,000	25,000	25,000	27,500
FIRE - CAPITAL	23,224	0	0	0
FIRE - VEH PURCH CAPITAL	0	49,595	0	0
AMBULANCE - EMT ON CALL	112,644	101,061	107,978	105,000
AMBULANCE - EMT PAY PER CALL	13,916	13,328	13,608	16,500
AMB - EDUC_STIPEND	16,854	16,536	16,708	19,968
AMBULANCE - PER-DIEM PAY	0	16,044	19,958	31,050
AMB - EDUCATION & CERT	0	0	425	2,000
AMBULANCE - FUEL	5,067	7,344	4,865	7,500
AMBULANCE - VEH/EQUIP REPAIR & MAIN	3,674	20,323	9,458	15,000
AMB-DISPOSABLE_SUPPLIES	6,613	7,035	6,506	8,000
AMB - OUTSIDE_SERVICES	0	628	729	2,000
AMBULANCE - TRAINING	497	595	1,737	3,000
AMBULANCE - LIC & FEES	450	1,435	607	1,500
AMBULANCE - ALS INTERCEPTS	59,707	54,667	56,547	65,000
AMBULANCE - BILLING AGENT	10,696	13,810	12,595	17,000
AMBULANCE - MISC	35	15	254	0
AMB-EQUIPMENT	3,720	8,444	2,788	8,500
AMBULANCE - SOFTWARE & FED REPORT	3,355	4,508	8,331	10,000
AMB-DISPATCH SERVICES	25,000	25,000	25,000	27,500
DEBT PRINCIPAL- PC BLDG	32,500	32,500	32,500	32,500
DEBT PRINCIPAL - AMB	20,000	20,000	20,000	20,000
LEASE_PRINCIPAL-RESCUE PUMPER	17,039	17,708	18,404	19,127
DEBT INTEREST- PC BLDG	6,825	7,560	4,095	2,730
DEBT INTEREST - AMB	5,912	5,172	4,454	3,700
LEASE INTEREST-RESCUE PUMPER	7,294	6,625	5,929	5,207
Total	1,581,111	1,661,713	1,621,618	1,817,007

Fire District 1 Water Department Expenditure Report - FY 22-25				
Description	**FY22 Exp**	**FY23 Exp**	**FY24 Exp**	**FY25 Approp**
WATER OT	22,003	25,445	23,207	30,000
WATER SALARIES & WAGES	502,334	497,414	500,869	595,647
WATER OFFICE OF CLERK/TREASURER SAL	16,621	16,954	17,500	17,500
WATER - TRAVEL	-	-	-	3,000
WATER - MISC	33,481	24,513	29,133	45,000
WATER - AUDIT	-	-	10,500	5,000
WATER - RESERVE FUND	-	-	-	10,000
WATER - COUNTY RETIREMENT	145,104	165,129	170,977	171,000
WATER - HEALTH DENTAL LIFE	186,961	180,730	164,170	240,000
WATER - OFFICE	30,680	30,692	36,029	43,000
WATER - COMMUNICATION	5,565	5,865	3,618	8,000
WATER - INSURANCE	35,207	38,388	38,015	40,000
WATER - MATERIALS	51,300	50,060	34,078	85,000
WATER - VEHICLE EXP	31,858	30,987	31,342	45,000
WATER - HEAT & LIGHT EXP	11,693	12,596	12,295	17,000
WATER - PURCHASE OF WATER	797,235	805,465	779,537	810,000
WATER - PURIFICATION EXP	9,853	9,314	17,144	62,000
WATER - CORROSION	24,736	24,282	22,788	40,000
WATER - COMPENSATION ACCT	-	-	-	5,000
WATER - BOND & ISSUANCE FEE	419	329	237	144
WATER - LEGAL EXPENSES	-	-	3,550	10,000
NEW LAWNMOWER	-	-	11,054	-
NEW ROOF	-	-	25,848	-
NEW SKID STEER LOADER	-	-	-	90,000
COMPUTER EQUIPMENT & SOFTWARE	-	99	1,450	2,000
MAPS WATER SYSTEM	2,000	-	-	-
METER REPLACEMENT	10,397	11,230	6,723	25,000
REPLACEMENT & INSTALLATION OF NEW M	14,047	20,515	84,698	100,000
SHOP REPAIR & IMPROVEMENTS	166	432	2,737	3,000
COMPUTER METER READING EQUIP	-	-	-	2,000
WATER TANK UPKEEP & REPAIR	14,978	15,866	13,148	15,000
WATER MAIN LEAK DETECTION	4,100	4,500	4,500	2,000
SCADA SYSTEM EQUIP & MAINT	3,952	15,013	6,374	8,000
LEAPING WELL WATERSHED ACCT	-	6,666	609	3,000
WATER TANK PAINTING	-	1,159	3,800	-
NEW PICK UP TRUCK	-	611	65,711	-
NEWTON ST WATER MAIN IMPROV	124,460	112,707	39,250	-
TRANSFER FROM SURPLUS TO WATER TANK STABILIZATION	100,000	100,000	60,000	
TRANSFER FROM SURPLUS TO OPEB STABILIZATION	50,000	50,000	90,000	
TRANSFER FROM SURPLUS TO CRITICAL INFRASTRUCTURE STABIL	20,000	40,000	100,000	-
LUDLOW FACILITY PRINCIPAL	59,393	60,592	61,817	64,436
MWRA NEWTON ST PRINCIPAL	203,800	203,800	203,800	203,800
LUDLOW FACILITY INTEREST	5,590	4,390	3,166	1,919
TOTAL	**2,517,933**	**2,565,746**	**2,679,675**	**2,802,446**

Fire District 2 Water Department Expenditure Report - FY 22-25				
Description	**FY22 Exp**	**FY23 Exp**	**FY24 Exp**	**FY25 Approp**
WATER SALARIES & WAGES	369,457	364,133	370,583	392,700
WATER OT	8,519	10,840	9,832	10,500
ELECTED OFFICIALS STIPENDS	3,000	3,058	3,000	3,000
WATER - ELECTION WORKER WAGES	579	23	451	700
WATER - OFFICE MNTHLYAGR ADVERT	20,737	24,575	24,465	23,500
WATER - TRAVEL	0	50	40	200
WATER - BUILDING_MAINT+UTIL	15,143	12,559	11,627	22,454
WATER - AUDIT	7,500	3,750	282	3,750
WATER-HEALTH&WELLNESS	100	0	0	100
WATER - COUNTY RETIREMENT	108,470	122,456	130,297	120,316
WATER - HLTH, LIFE & DNTL INS	87,257	89,299	105,990	125,021
WATER - MEDICARE	4,552	4,432	4,516	6,000
WATER - GENERAL INSURANCE	32,096	35,460	38,871	41,350
WATER - FUEL	6,340	6,275	6,882	6,000
WATER - ELECTRIC_Water	38,307	46,044	42,699	45,000
WATER - SYSTEM MAPPING	0	0	0	1,000
WATER - UNIFORMS	1,541	2,662	1,907	3,000
WATER - VEHILCE MAINT	1,445	2,661	6,009	4,000
WATER-PART/MISC	16,982	15,370	21,398	25,000
WATER-COMMUNICATIONS	6,582	6,785	6,603	8,000
WATER - CONTRACTORS EXCAVATION	3,346	5,070	6,695	20,000
WATER - WATER SAMPLING	9,285	6,125	11,425	11,500
WATER - LIC, SCHOOL & DUES	3,143	3,664	3,921	4,000
WATER - SAFE DRINKING WATER ACT	1,527	1,613	0	1,800
WATER - CONSULTING	0	2,240	1,778	5,000
WATER - OPEB yrly contrib.	14,280	13,500	15,000	14,000
WATER-TANK-INSPECTIONS	3,980	0	0	4,500
WATER - CAPITAL IMPROVEMENTS	45,568	161,932	246,769	0
WATER - & BLDG PRINCIPAL	82,500	82,500	82,500	82,500
WATER-EXCAVATOR LEASE PRINCIPAL	16,142	12,712	13,210	0
WATER - & BLDG INTEREST	17,325	11,760	10,395	6,930
WATER - EXCAVATOR LEASE INTEREST	0	3,430	2,932	0
Total	925,704	1,054,978	1,180,075	991,821

C. Capital Costs & Planning

Both districts do an excellent job of maintaining its buildings, vehicles, and equipment. As costs continue to increase, the districts continue to identify its diverse capital needs and plan for the future.

On the Fire/EMS side, the greatest need is generally vehicles and equipment. Emergency vehicle costs have increased dramatically in the past five years. New fire trucks, with costs ranging from $600,000 to $1,200,000 in 2019, have increased by 40% or more in 2024. Similarly, ambulances which sold for $250,000 are now selling for $350,000 or more.

Both districts' buildings are in very good condition, however challenges exist regarding future growth. In particular, District 1 has had preliminary conversations regarding the limitations of its fire station. As it adds staff, the district will need to identify solutions to provide improved living quarters, particularly for its female members. The fire station is located on a small lot (less than one acre) with limited parking and no apparent room for expansion. The 4-story building does not have an elevator. District 2, with significantly fewer fulltime employees and overnight staffing, does not face quite the same challenge in the short term.

Given their significant difference in population and the associated property tax revenue, District 1 is in a better financial position than District 2 to maintain its fleet of fire engines, ambulances, and other emergency vehicles. While District 1 is able to more fully and consistently set aside funds for future needs, District 2 has had a bit more difficulty, particularly in recent years. By way of example, the most recent rescue pumper purchased by District 2 in 2021 required almost entire depletion of its vehicle reserve account, as well as the need to finance a portion of the purchase. The other fire engine (E4) was purchased in 1997 with a useful life of 25 years, and a replacement cost of approximately $1,100,000. The district does not currently have the funds to replace this aging vehicle.

While the water departments also have capital equipment needs, a much more significant portion of their capital budget is devoted to maintenance of the extensive water distribution systems throughout the service area. As is the case in all communities, aging pipes result in frequent water main breaks. The districts do the best they can to maintain and upgrade this subterranean infrastructure, however unanticipated emergency repairs are becoming more and more frequent.

5 Preliminary Conclusions

The meetings of the Working Committee that have led to these preliminary conclusions were an opportunity for the leadership of both districts to learn from each other, compile a list of resources and services that are currently being shared between the districts, and consider suggestions for additional collaboration designed to save money and/or improve service. As the demand and cost for district services continues to increase, the need for future sharing and consolidation of services will become more and more important. This dynamic is not unique to the South Hadley Fire Districts. Throughout the Commonwealth, municipalities and other local governmental entities continue to search for ways to save money, while providing more consistent service delivery.

A. Current Examples of Shared Services and Resources

The districts have long demonstrated the desire and ability to share certain services and resources across all departments.

Fire/EMS Departments

The Fire and EMS Departments support each other through an automatic aid agreement and mutual aid. The departments regularly collaborate in fire prevention and fall prevention activities, joint training exercise, and community service activities. As members of the Western Mass Regional Homeland Security Advisory Council and the Western Mass Tech Rescue Team, the departments participate in training that results in teams that excel in conducting specialized rescue activities. The District 1 ladder truck, purchased in 2018, is used in District 2 when needed as part of the automatic aid agreement.

The most prevalent example where the districts currently share service is Emergency Medical Service (EMS). As explained earlier, District 1 EMS is licensed at the Advanced Life Support (ALS) level and regularly supports District 2 EMS, which is licensed as a Basic Life Support (BLS) organization. Each time that District 1 responds to an EMS call in District 2, resulting in transport to a hospital, a $375 intercept fee is charged to District 2. Without this arrangement in place, District 2 would need to contract with a private ambulance company, likely at a greater cost, or increase its service to the ALS level to continue providing the same level of service to its residents.

Water Departments

The Water Departments assist each other in special or emergency situations by sharing personnel, vehicles, equipment and opening of interconnections. Both departments are members of MassWARN, which is a mutual aid system widely employed throughout the Commonwealth. District 1 has assisted District 2 in adding large connections and hydrants to existing water mains. District 2 has shared its trench box with District 1 to ensure safety of personnel. Because meters in District 2 are read entirely by a radio (wireless) system, it has shared its knowledge and experience with this connectivity as District 1 has slowly expanded its use of the technology.

Clerk Treasurers

The Clerk Treasurers of each district operate independently of each other; however, they do collaborate at election time by sharing a polling location and with the purchase of a backup electronic tabulator. They also share information and best practices regarding fiscal management. Both districts use the same accounting software and have a similar (but not identical) chart of accounts.

B. Recommendations for Additional Shared Resources and Services

Opportunities for future shared service arrangements range from agreements for joint purchasing of supplies and equipment, regionalized third-party outsourcing of services such as information technology and financial services, sharing of management, and sharing of personnel on an occasional or more long-term basis. While a complete merging of the districts is not the focus of this report, a merger of the districts should not be disregarded and should be acknowledged as one of several long-term potential outcomes. The intent of this report is to propose achievable opportunities for the short-term that have the potential to save money or improve service, as well as to identify areas requiring further investigation.

It is imperative that any sharing agreement be encompassed in an Intermunicipal Agreement (IMA) that clearly details the financial and operational responsibilities and expectations of each party. The IMA should ensure that each district is appropriately funding the joint venture in line with the services being shared. The IMA should also be for a specific timeframe and include language that allows for the agreement to be extended or canceled based on the outcome(s) of the partnership. An IMA should provide the flexibility to implement alternate ways of doing business without indefinitely committing to a different approach.

We recommend that the following opportunities for shared services and resources be considered by district leadership and believe that these proposals are achievable in the next 1-2 years. We view these recommendations as a starting point for further consideration, refinement, and change by district leadership and other stakeholders.

Fire/EMS Departments

- **Shared inspection services**. District 1 has an officer who has fulltime responsibility for all inspections. District 2 also has a member of its staff responsible for inspections, but only on a parttime basis. The District 1 officer could lead a shared inspection services team, with parttime assistance from either or both districts. This arrangement would result in more uniformity across the town, while creating desired redundancy to assist with scheduled time off and unanticipated staffing shortages.
- **Joint grant applications**. When applying for grants, the districts should consider the value of joint applications to strengthen certain grant applications.
- Pursue **joint procurement of equipment and supplies**, when possible, to maximize savings and help to standardize inventory between the districts.

Water Departments

- **Metering upgrades**. Both departments should continue using the Sensus meter reading system and radios for now, but continue to explore alternate systems for the future. The transition to Kamstrup meters should be investigated for both systems, potentially through a joint purchasing agreement. While District 1 will continue to install radios on certain routes to eliminate long distance reading, the goal should be to achieve full radio reading in the future. At the same time, District 2 is facing outdated radios that will need to be replaced with current radios in order to eliminate two reading systems currently in use.
- Pursue **joint procurement of equipment and supplies**, when possible, to maximize savings and help to standardize inventory between the districts.
- **Standardization of mailing and billing systems**. Review each districts mailing and billing systems and standardize on the system(s) that provides the most savings and efficiency. Currently District 1

uses a bulk mail system through Pitney Bowes and District 2 uses preprinted envelopes that include postage.

- **Shared Water Superintendent and Water Department staff.** This could be accomplished in a process which could accommodate the needs of both departments through continued communication and prioritization of needs. While this arrangement would not result in immediate staff savings, it could result in:
  - more efficient deployment of staff to perform a wide range of regular duties including water mains, backflow, meter reading, general maintenance including painting fire hydrants, grass cutting, and sampling.
  - more efficient response during emergency situations such as water main breaks.
  - more consistency regarding capital projects across the two districts, subject to available funds and the wishes of each districts' Board of Water Commissioners.
  - more consistency regarding budgeting practices.
  - more consistency and simplification of procurement procedures.
  - more efficient use of office staff.

<u>Administration and Finance</u>

- **District 1 Clerk Treasurer change from elected to appointed.** Each district's current appointment process for the position of Clerk Treasurer is very different. The District 1 C/T remains an elected 3-year position, while the District 2 C/T changed to an appointed position more than nine years ago. For any meaningful or sustained sharing of C/T services and resources to occur, District 1 should amend its bylaws to allow for an appointed Clerk Treasurer. Aligning the districts in this way This could be in keeping with previous changes made by the Town and in District 2. It would also comport with similar action taken throughout the Commonwealth in the past 20 or more years.

C. Areas for Future Consideration

As mentioned in the introduction, this report is intended as a starting point for discussion for sharing resources and services, and is not an exhaustive study of all potential suggestions or solutions. As exemplified by the following list of topics, more research, analysis, and discussion will be necessary as part of the next phase of the process. We recommend he two departments meet quarterly to continue to discuss resource sharing and that the following topics be taken under consideration by district leadership in a reasonable and timely manner.

1. <u>Fire/EMS Departments</u>
   - **Analysis of EMS Intercept agreement.** Look further into how the EMS intercept agreement meets the needs of both departments and how the process could be improved for both departments. This review should also confirm if the current $375 intercept fee is sufficient to cover D1's costs going forward.
   - **Shared Vehicles**. In total, districts have 2 engines, 1 pumper, and 2 quints (combo ladder/pumper). The District 2 pumper is nearing end of its useful life. As part of the capital planning process, the departments should evaluate how to best optimize and potentially share certain vehicles to avoid redundancy and reduce costs. By doing this, the departments can work towards optimizing the number of vehicles needed for South Hadley as a whole.
   - **Shared Fire Chief.** The idea of sharing services and eventually having one fire chief for the Town overall makes sense. Recognizing that maintaining two departments, over the long term, may not

be in the residents' best interest, the question becomes how sharing the services and staff can be best accomplished. There are many questions to be evaluated including:

- Would a Shared Chief require other changes in staffing in either district, such as the addition of an assistant chief?
- Would the current array of personnel in each district be sufficient to support a Shared Chief?
- Given that the staffing and scheduling models of each department are quite different, would that restrict the creation of such a position?
- What changes would be necessary to move forward with implementation?
- What changes to existing bylaws or contracts would be necessary?
- Should the District 1 labor union be a part of this process?

- **Shared Staffing.** Sharing of other staff also represents an opportunity for improved collaboration, efficiency, and communication, but not without some significant hurdles to overcome.
    - The districts have different staffing and scheduling models. In order to consider sharing staff, a change in the District 2 staffing model would likely be examined to accommodate the District 1 model.
    - District 1 has seen an increase in staffing in the past 2 years. Will more staffing be needed in the foreseeable future?
    - District 2 Chief Calkins (now retired) did not anticipate a need for additional staffing in D2 for the foreseeable future.
    - Is there an opportunity for District 2 Call staff to supplement the District 1 staff?
    - Call staff in the 2 districts are not currently encouraged to work in both districts. Should anyone who would like to serve on the call force in the other district be able to do so?
    - The District 1 labor union has expressed concerns about the sharing of any staff and should rightfully be engaged in any discussions regarding this topic.
    - Should/could all staff be shared or perhaps only certain positions?

<u>Water Departments</u>

- **Investigate the benefits of combining department headquarters.** If staff are shared between the two districts, and the results prove to be successful, it would make sense to consolidate headquarters and all equipment to one location. The District 1 Granby Road location has adequate space and is well located to serve both districts with little to no startup expense.

<u>Administration and Finance</u>

- **Shared staffing.** We recommend that the districts investigate sharing some or all aspects of the Clerk Treasurer position. This could result in more consistency in internal practices and public reporting between the districts. As explained earlier, the Clerk Treasurers in both districts have a wide range of responsibilities, including:
    - financial oversight of all District enterprises
    - ensuring the deposit, investment, and disbursement of district funds
    - maintaining the district accounting system
    - managing payroll services
    - establishing and maintaining banking relationships
    - working with financial advisors to ensure proper investment of district funds
    - overseeing the issuance of debt

- serving as the Human Resources administrator
    - administering district elections
    - monitoring compliance with the Open Meeting Law
    - responding to all public records requests under the Freedom of Information Act.
    - Preparation of the District Annual Report
- Currently, all the above responsibilities fall to one person in each district. By sharing staff, dividing primary responsibilities, and cross-training, both districts would have the backup needed to ensure that business continues to be conducted when one or the other staff member is out of the office.
- Specific division of responsibilities would be determined based on further review.
- **Review payroll practices.** Currently, District 1 prepares payroll in-house, but uses a payroll service to issue checks and handle all government reporting and payment of payroll taxes. District 2 processes all payroll in-house, including reporting and tax payments.
- **Consider standardization of the Chart of Accounts.** If the Clerk Treasurers were to share services, it might make sense to align the Chart of Accounts for both districts. Even if services are not shared, a standardized Chart of Accounts would make comparison of the districts' operations easier from a financial perspective.
- **Information Technology.** The districts' IT needs are identical. It may be worthwhile to consider using the same IT firm for both districts.
- **Outsourcing other financial services.** The districts already outsource some financial services, including collection of ambulance revenue, payroll service (District 1), and assistance from the Towns Assessor, Collector/Treasurer, and Clerk. Consideration of outsourcing additional services may be warranted. An internal review of each department and a review and conversation with Town officials to review the current scope of service provided, and any potential adjustments, would be beneficial.

5 Next Steps

Once this report has been reviewed by the Working Committee, it should be sent to the Prudential Committees and Water Commissions in each district. We recommend that a joint meeting be scheduled where all four boards, along with members of the Working Committee, attend a presentation by PVPC. The goal would be for the highlights of the report to be presented and discussed. Following this meeting, we recommend that the combined districts, if they choose, schedule an open forum where members of the public be invited to attend. PVPC will be happy to facilitate this meeting if district leadership would like.

If the districts wish to pursue implementation of any of the recommendations in this report, the Commonwealth offers two grant programs that could be of benefit.

1. The Community Compact Cabinet
   The Efficiency and Regionalization grant program is designed to help efforts like this. The PVPC would welcome assisting the districts with a grant application of this type in September 2025. This grant could help address the shared services needs in greater detail and provide support for the alignment of resources. Work would be performed by a neutral third-party consultant and the PVPC could assist with the overall coordination and facilitation.
   ***********.mass.gov/efficiency-regionalization-grant-program.m

2. The Information Technology grant program will open on January 6, 2025, and close on February 6. If awarded a grant from either of these programs, funds would need to be expended within 18 months of the award. PVPC will be happy to help with either of these applications if the districts choose to apply.
   ***********.mass.gov/community-compact-it-grant-program

6. Simplified Top Ten Recommendation Summary

1. Have the districts set up a quarterly joint meeting schedule?
2. Continue examining the expansion of shared services.
3. Create a shared service model and plan.
4. Continue to compare and contrast the needs of the two districts.
5. Continue to examine both districts capital expenditure needs.
6. Determine if there are areas where capital costs can be shared.
7. Compare staffing needs in both districts.
8. Examine where staffing can be shared.
9. Review potential for consolidating positions where possible.
10. Commit to increased long-term collaboration.

7. Final Note

Recognizing that maintaining two departments is challenging, the question becomes how sharing the services and staff can best be accomplished in the long term. Increased sharing of resources in an equitable and efficient manner makes sense, and will require diligent efforts of all to achieve the desired goal of sustainability and growth for the residents and staff of both districts.