

9 West Summit Street - 4 Wright Place
South Hadley, Massachusetts 01075
January 3, 1983

Prudential Committee--Fire District No. 1
Charles D. Scott (3)
Prudential Committee--Fire District No. 2
Wayne D. Gass (3)
South Hadley, Massachusetts 01075

Sirs:

We write to supplement our earlier letter of October 13, 1982 with our report and conclusions on merger of the two fire districts. It is enclosed with this letter.

It will probably be of no surprise to you that we have reached our conclusion that the question should be presented as a ballot issue before the voters of each district. (We believe it premature to inquire of the town until the sentiments are obtained first from the districts.)

In our examination of the several factors that might influence individual opinions on the subject we have given attention to the historical background of the two districts and we have endeavored to expand our inquiry to include all conceivable combinations of merger.

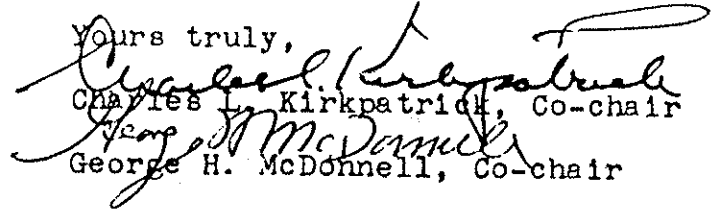
There follows a more detailed examination of the water and fire services under a merged condition and an exploration of the benefits, if any, that would flow therefrom. The report then looks at finances and tax rates before stating its conclusion.

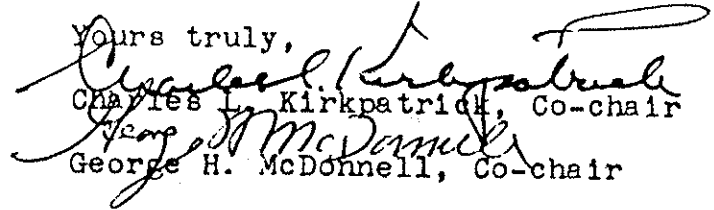
The report makes no mention of the town ambulance service, and this is by design. Admittedly, no matter what the future of the fire districts may be, the ambulance service will continue in some fashion to serve the needs of the town. Believing that, we feel concerns for the ambulance service and its future should not impact the district merger question.

This report is endorsed by all members of the committee you appointed. Each member has his own copy of it, and any member would be glad to respond to any question you may ask. We are not always of the same mind with respect to the details that underlay this report, but that has been one of the pleasures in working on the project. Thus you may find variations in some of our opinions expressed to you verbally.

Call on us if we can serve you further.

Yours truly,


Charles L. Kirkpatrick, Co-chair


George H. McDonnell, Co-chair

REPORT OF THE DISTRICT
MERGER STUDY COMMITTEE

Committee appointed by the District
Prudential Committees February 3, 1982

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January 3, 1983

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I. BACKGROUND

South Hadley is served by two Fire Districts, and one of them includes a small part of Granby. Each District supplies both fire and water services. Fire District No. 1 serves precincts A-1, A-2, B and C, and Fire District No. 2 serves precinct D (the northern portion of the town) and a small, contiguous area in Granby. The fire districts are independent municipal corporations created by the Massachusetts legislature. Although separate from each other in organization, there exists a long history of mutual aid and co-operation between them. Fire District No. 1 had its beginning in 1858 with the establishment of a fire department and the election of district officers. Fire District No. 2 had its start later with first legislative action in 1909.

Each District has its own elected Prudential Committee of three members with powers similar to those of town selectmen. Each Prudential Committee exercises overall authority over all district affairs apart from the water department. The water service in each district has its own elected board of three Water Commissioners. By statute there is also a Board of Engineers that consists of a Chief Engineer and two Assistant Engineers, and the function of this board is operation of the fire department, including control of the apparatus and fire fighters at a fire. After a long history of popular election of its Board of Engineers, Fire District No. 2 Prudential Committee now appoints its fire chief and his assistants. Fire District No. 1 is studying the elimination of popular election of its Board of Engineers and substituting an examination process.

District affairs are controlled by District voters. They

gather in meetings, called by formal notices and warrants and controlled by elected moderators. These meetings conduct district business and raise and appropriate money exactly like town meetings. Districts have taxing authority. All inhabitants duly registered to vote in any town election may vote in district elections for their territory and may attend and vote at their district meetings.

Each district has its own Treasurer and office support staff in addition to the fire and water department personnel.

Each water department, for the most part, is staffed by full time career employees.

District No. 1 includes 14 full time career personnel in its fire department, supported by call fire fighters. The District No. 2 fire department consists wholly of call fire fighters, including the Mount Holyoke College Fire Brigade. The District No. 2 Chief works full time between his duties as superintendent of the water department and chief of the fire department. These are all "public employees", eligible to join the Hampshire County Retirement System that is mandatory for full time personnel and optional for others such as call people.

Each district maintains its own fire station with two Class A pumpers in each station. Each station has a brush truck. One of the departments has a utility vehicle, and the other has a third pumper no longer rated Class A that is fully serviceable. Each has an adequate modern alarm and communication system, but not all areas have call boxes that are wire connected to a central station. Telephone alarms that are originated in both districts are handled by the full time staff at the District No. 1 station, and there is full and immediate cooperation between the two fire services and their equipment in meeting all emergencies as may be required.

There are five valve controlled emergency interconnections between the two district water systems, but they must not be viewed as directly interconnected with free flow in the usual sense of the term. They could be so interconnected only after substantial expenditure to overcome the difference in operating pressure level between the two systems, probably costing from low to moderate six figures.

District No. 1 gets its water from Quabbin (Metropolitan District Commission) Reservoir under a contract expiring in 1997 with backup from Chicopee and District No. 2. Fire District No. 2 has a large capacity driven well, nearly 20 years old and a reservoir that collects spring water and runoff from the south slopes of the Mount Holyoke Range. Backup for District No. 2 is the group of emergency water main connections to District No. 1 mentioned earlier.

Each water department has its own maintenance equipment with District No. 1. the more fully equipped with a back hoe loader and a dump truck. A size comparison of the two water systems is of interest in this regard. District No. 1. averaged just over 2 million gallons delivered per day in 1981, and the comparable figure (first 6 months 1981) for District No. 2 was just about 500,000 gallons per day or about one-fourth the quantity of District No. 1.

The subject of district "merger" is not new. Members of the present study committee have been aware of interest in and also opposition to the proposal that runs back many years. Straw votes have been held and earlier groups have pondered it. Voters a few years ago voted against district merger. The most recent

study commissioned by the 1981 town meeting, and conducted by an independent consultant, might be interpreted as showing a ratio of close to 2 to 1 of those surveyed by him either in favor of, or at least not opposed to, a merger. However, the town meeting that funded the study did so by a margin of but 2 votes (48 to 46).

II SCOPE

Because the charge to this ad hoc committee was to consider the "feasibility of merging all or any part of the services provided by Fire Districts No. 1 and No. 2" we first drafted a list of the options available to the two districts.

1. Do nothing. Let everything stay the way it is now.
2. Put the fire services together.
3. Put the water services together.
4. Put both fire and water services together.

For each of the last three options listed it was recognized that the objective could be reached in either of two ways. Any joinder of services could come about under a district organization or it could be effected under the town. We saw no reason to conclude there would be any legal or other impediment to following whatever course or route voters might approve. There is no ethical or public policy issue observed in joining either or both of these municipal services. Whatever the voters want can, in our opinion, be achieved through legislative channels.

We were charged to examine the legal and financial consequences of a merger. No significant time has been spent on legal consequences. It is probably enough to say that with adequate votes supporting some style of "merger", the legal consequences would be minimal beyond recognizing that a new legal entity would succeed to all the rights and liabilities of the two present districts.

More important to finding a valid conclusion on this question of joinder is the financial effect of it. In seeking answers here we reached several preliminary conclusions we consider vital to what follows. Each of these conclusions can be debated and none is possible of precise answer in advance. To reject them, however, is to require endless debate on issues that should not control the final result.

First - In any joinder there will be cost savings in such items as election expense, fees to elected officials, meeting expense and the like. We do not believe, however, that the magnitude of such cost savings is sufficiently great in any one plan over any other or in comparison with the present to control the final outcome. There are other considerations far more significant in any merger that overshadow the perceived modest savings to be generated by the kinds of items introduced here.

Second - We believe it would be an exercise in futility to conclude that merger of any district services could come about short of making the highest level or standard of service in either district available throughout the combined area. For example, there could never be a merger of fire services without providing permanent full time fire fighters throughout the whole town. In this example, the voters in District No. 2 would not vote to merge if the result was to be a tax on them (as well as on the rest of the town) to support the present full time fire service or the District No. 1 station on lower Newton Street while the District No. 2 station on Woodbridge street continued to rely on call fire fighters only.

Third - We have not made a detailed examination of water department finances under different models. Presently, each water department is clearly aiming at having its fees for services support all de-

partmental costs. That is good. As the idea continues of making the water services self supporting, it will be policy no matter what the future brings, be it a continuation of the two districts, be it a joinder of the two water departments or a merger of them both into a public works department of the town.

III WATER SERVICE

The Committee gave attention to an organization structure to support a combined water department operation. Present District No.1 staff is equivalent to $9\frac{1}{2}$ full time persons and at District No. 2 the equivalent of $3\frac{1}{2}$ or a combined total of 13. A combined operation would require the following:

Superintendent	1
Working Foreman	1
Office personnel	3
Field personnel	8
	13

The possibility of a reduction in field personnel of one in the future by attrition is observed, but there is no area where immediate or significant savings are observed from a service consolidation. (The two distribution systems would continue. The cost fully to integrate them would be wholly unnecessary.)

A combined water department should have a single yard or central service area as well as a central, single business office. The Leaping Well area on Granby Road suggests itself for the first function, and we leave open the location of a business office.

The rates for water are not the same in each district today. If equality of treatment with identical water rates is to be standard we can forecast that the rates in one of the districts will have to increase greater in one, compared with the other, if they are to achieve equality or parity. And we can forecast that the opinion will be expressed that the inhabitants of one service area, if

rates are to be made identical in both service areas, will therefore be paying for system replacements or improvements in the other area. That may well be so but it is an inevitable result in the buying of any municipal service and capital improvement. Most inhabitants will realize quickly, as an example, that when a new school is built and its cost appears in the tax rate, the cost is shared by all without regard to whether they have children attending that new school. Accordingly, the Committee has recognized the probability of change and standardization in the cost of water to the homeowner following a water service merger. With a continuation of the standard of supervision that has been evident in the past, no change in water rate is anticipated that would sway votes one way or the other on the merger question unless one is absolutely opposed to having his water costs affected by what happens somewhere else in his service district. This is not a logical stance for a voter to take as he pays now for improvements elsewhere in his present district.

IV FIRE SERVICE

To accommodate the premise that equivalent fire service must be provided throughout a combined service area, a budget was developed to provide 24 hour coverage of two fire stations with staff as follows:

Chief	1
Deputy Chief	1
Shift Officers	4
Fire Fighters	16
Call personnel	30

Training, fire alarm and radio and maintenance of apparatus services would be drawn from the permanent staff with outside help, all as required.

V BENEFITS

The expressions received as part of the most recent survey commissioned by the town reflected a strong overall sentiment approving the present levels of fire services and the cost of both fire and water services as low or about right. It is deemed significant that a considerable number (but not a majority) of replies from District No. 1, where all replies endorsed the level of fire service, thought the cost of those services were "high".

That same survey produced the result that all but a unanimous opinion was held that a reduction in costs that might result from a joinder of the fire services would not adversely affect the quality of fire prevention and fire protection in either district or throughout the town as a whole. The Committee views this opinion and the question that prompted it as not germane to a careful examination of the "merger question". This is, in part, due to our earlier conclusion that the merger would not be accepted with two levels of fire station support in the merged fire department, and there is considerable expense anticipated (see Sec. VI below) in raising the service level of the No. 2 station to that of No. 1.

Three areas were examined for potential benefit or improvement to support a change in the present organization: administration, water service and fire service.

a. Administration - The Committee is not able to point with certainty or even with probability to any gain or improvement in district administrative functions from a merger, either into a single district or into the town. Present administrative responsibilities are divided between two prudential committees, two boards

of water commissioners and two boards of engineers. In event of merger into a single district we do not forecast continuing the present number of individuals serving on the governing boards yet the total area served (and its problems) will remain unchanged.

To meld the district services (fire, water or both fire and water) into the town would require most careful study and probably some rearrangement of the then new total of administrative responsibilities in town government. Any attempt at a detailed discussion of this seems premature now. For the present, it suffices to emphasize to all that any such move would bring substantial increased functions to the town hall, and these would have to be dealt with effectively. Massive dissatisfaction will emerge promptly if the present standards of service would not be maintained.

b. Water Service - Because reasons of economy and practicality appear to support continuation of the two existing water distribution systems, the Committee finds a lack of measurable benefit or improvement in service from any of the configurations of merger examined.

This may be the appropriate spot to emphasize the legitimate future concern of both water departments that the Committee views as more important than merger, unless it be that merger in some form would promote a better solution than either district can achieve on its own. A successful answer to the long range supply concerns of each district is a far more formidable challenge, we believe, than is the matter of merger itself.

c. Fire Service - Our presumption of providing the highest present standard of service throughout the entire area to be served will result in the manning of the No. 2 fire station with full time fire fighters supplemented by call fire fighters. This is the significant improvement that merger will bring, along with improved inspection

and fire prevention services. We understand that fire insurance rates will not be lowered as a result of merger.

As has been stated earlier, we have not found benefits from merger that can be traced into significant cost savings from such peripheral items as election expense, fees and meeting expense, leaving improvement in the fire services as the single major benefit, and that, however, will be achieved only at additional cost. We see no cost saving to compensate for it.

VI FINANCIAL CONSIDERATIONS

Although the two water departments appear to be aimed at covering department cost by charges, that result has not yet been achieved. Stated conversely, it appears to some degree that each district real estate tax produces more than enough revenue to pay for fire services with some modest amount also available for the water departments. If we assume the water commissioners will be aggressive in tailoring charges to cost over the long run, this partial subsidy to the water services by the tax rate will disappear.

The Committee estimates the incremental annual cost to effect a merger of the two districts as follows:

Administration	Not significant
Fire service	\$ 139,200. per year
Water service	31,390. " "
Total annual incremental cost	\$ 170,590. per year

The costs estimated as above are operating costs only. Debt service costs would continue as at present but spread over the entire combined district with future debt service increments to await future borrowings that the Committee can in no way forecast.

Now consider only the increased fire service cost of \$139,200.
 (To omit from these later calculations the projected water service increased cost of \$31,390 both supports the fee for service concept and produces the most lenient cost increase result possible for a merger under the reasoning so far advanced in this report.)

Budgeted fire service costs (both districts) - 1982	\$ 659,047. *
Annual incremental operating costs, estimated	<u>139,200.</u>
Total projected annual operating cost	\$ 798,247.

*Extracted and summarized from fiscal year
 1982 fire service budgets.

Casting this projected operating cost against the taxable property total produces a tax rate of \$4.33 per \$1,000., and that may be compared with the fiscal year 1982 rates as follows:

	<u>Projected Rate</u>	<u>Former Rate</u>	<u>Change</u>
District No. 1	\$4.33	\$4.08	\$.25 incr.
District No. 2	4.33	2.60	1.73 incr.

VII A RELATED CONSIDERATION

South Hadley has had for generations more people interested in local government than there are posts available for them on the town roster. The district organizations find some of them there. A merger of two districts into one could eliminate up to 11 public offices and melding the two districts into the town could increase that number to as many as 22. We pose the question: is it in the best interest of the town and its districts to reduce opportunity for public service? To what extent is it desirable to maintain this reservoir of people knowledgeable in municipal affairs?

VIII CONCLUSION

Lack of any clear direction dictated by our examination of the merger issue prevents any definitive recommendation on the best course to follow unless it be to exercise caution.

The merger question will not go away until it is a ballot item in both districts, and perhaps not even then. We suggest this report be printed and circulated and that both districts include identical questions in a ballot presented to the voters of both districts at the same time. The questions might be somewhat as follows:

- Question 1. Recognizing the probability of an increased tax rate and the resultant addition of full time fire fighters to man the No. 2 station, would you vote in favor of a merger of the two fire services into a single district department?
- Question 2. If you vote "no" on Question 1, do you wish your "no" vote to be considered as favoring a merger of the two fire services into the town?
- Question 3. Recognizing that identical water rates throughout the entire service area would probably be established at a level adequate to pay all costs, would you vote in favor of a merger of the two water services into a single district department?
- Question 4. If you vote "no" on Question 3, do you wish your "no" vote to be considered as favoring a merger of the two water services into the town?

Such a course would, we submit, provide a guide for future investigation or interment of the subject, at least until new influences arise.

T. of O. - Single District

Administrative

- A. Prudential Committee - 5 Members 1 ea. Precinct
Granby would be included in "D"
- B. Board of Water Commissioners - Same as above
- C. Treasurer - 1 Full Time }
D. Clerk - 1 Part Time } - Could be same person
- E. Moderator - 1 Part Time
- F. Auditor - 1 Part Time
- G. Attorney - 1 Part Time on Retainer

OFFICE FACILITIES - STORAGE -

Facilities available at District 1 AREA

FIRE DEPARTMENT

A. Chief	1		
B. Dep. Chief	1		
C. Shift Officers	4	}	Five permanent firefighters on duty each shift. Three at Station 1 & two at Sta. 2
D. Firefighters	16		
E. Callmen	30		
F. Training Officer	1	—	<u>From within</u>
G. Fire Alarm & Radio		—	From within plus Elec. Light 0 - Tree Dept. & Consultant
H. Fire Apparatus Maintenance		—	From within 1st Echelon & outside Consultant

Equipment

Chief's Car	1
Dep. Chief Wagon	1
Class A Pumps	4
Brush Trucks	2
Utility Vehicle	1

WATER DEPARTMENT

A. Superintendent - 1

B. Foreman - working & adm.- 1

C. Office Personnel - 3

D. Field Personnel - 8
(Drop to 7 by attrition)

E. *Emergency & overtime:*

Equipment

Backhoe - Loader - 1

Utility Service - 1

Dump Truck w/ Plow - 1

Pick-up Truck - 1/4 wheel drive w/ Plow - 1

Meter Service Van - 1

Superintendent Wagon - 1
