

**Determination of an Equitable Fee Structure for Contract Areas  
Served by the Granville Township Fire Department**

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A research project submitted to the Ohio Fire Executive Program

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## CERTIFICATION STATEMENT

I hereby certify that the following statements are true:

1. This paper constitutes my own product, that where the language of others is set forth, quotation marks so indicate, and that appropriate credit is given where I have used the language, ideas, expressions, or writings of another.

2. I have affirmed the use of proper spelling and grammar in this document by using the spell and grammar check functions of a word processing software program and correcting the errors as suggested by the program.

Signed: \_\_\_\_\_

Printed Name: Jeff A. Hussey \_\_\_\_\_

## ABSTRACT

The problem faced was what constitutes a fair and equitable method for determining the cost of emergency services charged to a neighboring community?

The purpose of this study was to determine which methods of contract fee determination are commonly utilized and perceived to be equitable.

Descriptive research was utilized to answer the following four questions:

- What system is currently being used to determine contract fees for communities being served by the Granville Township Fire Department?
- What methods are commonly utilized to determine fees for service by other similar fire departments?
- What methods are perceived to be the most equitable to fire departments and contracting communities?
- What pricing method is the most appropriate for the G.T.F.D. contract service areas?

The literature review identified five commonly used methods for determining contract fees:

- Call Volume
- Population Based

- Subscription Fee
- Property Valuation
- Weighted Average Formula

The procedures involved a survey of fifteen Ohio fire departments that provide contractual services. The survey discovered that there are often perceived inequities on both sides of the negotiating table. Contracts are an important part of many departments' financial picture, yet many communities are not perceived to pay a fair share. Difficult contract negotiations are common in preparing service contracts.

Recommendations include early preparation, agreement on fee determination methodology, collection of accurate, relevant community data, and a full analysis of operational costs.

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## INTRODUCTION

### **Statement of the Problem**

Historically, Village of Granville, Granville Township, and several neighboring townships had been proudly served by the Granville Volunteer Fire Company for nearly 125 years. In 2006, the private fire company elected to cease operations, and turned over control of the Fire Department to the Granville Township Trustees. One of the first matters of business was to establish new service agreements with the surrounding areas which had been receiving service from the Granville Volunteer Fire Corporation. A review of these contracts immediately revealed that several different methods had been used to determine the cost of services which were being provided. Several observers became concerned that the cost being charged to the neighboring townships appeared to be out of balance. The problem this study addressed is what constitutes a fair and equitable method for determining the cost of fire protection charged to these neighboring township areas.

With little basis for determining the monetary costs for these new contracts, Granville Township was forced to enter in to new contracts with McKean Township and Union Township with little time to investigate this matter. With no analytical method readily available, the decision was made to enter into these contracts using essentially the old cost structure that had been employed in the past. The new Granville Township Fire Department, at that time, chose to limit these agreements to one year. This relatively short term agreement gave the Granville Township administration the opportunity to examine several key issues, before presenting proposed service agreements for the upcoming year.

### **Purpose of the Study**

The purpose of this study was to identify and describe methods which are commonly utilized to determine fees for contract fire and emergency services, and to determine what methods should be used as a basis for establishing future protection contracts with those townships served by the Granville Township Fire Department. These findings will be provided to the Granville Township Trustees to be employed in negotiating new agreements for future service agreements.

### **Research Questions**

This study utilized the descriptive research method to discover a number of issues relevant to the issue of determining the cost of providing fire and EMS protection to surrounding townships. Research questions include the following:

1. What system is currently being utilized to determine contract fees for townships being served by the Granville Township Fire Department?
2. What methods are commonly utilized to determine fees for contractual emergency services in other similar fire departments?
3. What methods of fee determination are perceived to be the most equitable for contracting entities?
4. What method of determining pricing is most appropriate for the Granville Township Fire Department contract service areas?

## **BACKGROUND AND SIGNIFICANCE**

The Granville Township Fire Department is a new organization serving the community of the Village of Granville, Granville Township, and Denison University. The Fire Department also serves two neighboring townships by contract, including the majority of McKean Township, and approximately 25% of northern Union Township. This entire service area was previously served by the Granville Volunteer Fire Department, Incorporated (GVFD Inc.). This private fire company had a long history of protecting the Granville community since 1885, which was the year the Corporation was formed. The GVFD, Inc., had been struggling to handle many of the business affairs related to the operations of the Department, and its members voted to disband the Corporation at the end of 2006. With all parties working cooperatively, the Granville Township Trustees agreed to accept the assets of the Corporation, and took over operation of the department on January 1, 2007.

During the past year, the Granville Township Fire Department has continued the transformation to a municipal fire department. Until early 2006, the Department operated primarily with a very dedicated group of volunteers. Several career personnel were employed during weekday hours to provide adequate daytime staffing, but the organization operated with strictly volunteers at night and on weekends and holidays. As the private corporation moved to transition the Department to Granville Township, some twenty-four hour staffing was employed to provide better on-duty coverage. On January 1, 2007, as the Township assumed operations, a career fire chief was hired, and on-duty minimum staffing was raised to three firefighter/ paramedics. Call volume was 1050 incidents in 2007, with approximately 75% being emergency medical in

nature. Future plans call for additional career staffing to maintain on-duty resources for first due apparatus. The Department is also committed to maintaining its strong volunteer program, which provides a substantial depth of resources for the community. Emergency responses are also well supported through automatic mutual aid relationships with all neighboring communities.

The Granville community is one of diversity, consisting of the historical Village of Granville, Denison University, and three townships, which range from developing neighborhoods, to country estates, to large farm complexes. The Village of Granville was settled in 1805 by New England settlers, and is comprised of many historic, large homes. Numerous Village structures are on the Historic Register, and are over one hundred, fifty years old. The Village of Granville also contains many newer neighborhoods, comprised of large luxury homes ranging from \$500,000 to over \$1 million each. The Village of Granville's population is estimated currently at 6000 residents (U.S. Census), and is growing in a controlled, steady fashion.

Denison University, a medium-sized liberal arts college, is located at the center of the Village of Granville. During the school year, the University houses approximately 2800 students and staff. Denison University is the centerpiece of the local community, and its influence is felt throughout Granville. Many of the College's buildings are also historic, with some dating to the mid 1800s. Denison University is not subject to any property tax levies, but voluntarily contributes both monetarily and in-kind to the operation of the Fire Department. In 2007, Denison University made a monetary donation of \$35,000 to the Granville Township Fire Department. Fire safety issues,

especially dormitory safety, and emergency responses require a significant share of resources from the Fire Department.

Granville Township is a mostly rural area surrounding the Village of Granville. It is made up of many older homes, as well as some new neighborhoods and country estates. Granville Township is easily accessible from Columbus, and a limited access highway is currently under construction, which will certainly increase development pressures in the area. Granville Township is centrally located in Licking County, and is immediately west of the City of Newark, which is the largest city in the County. The Granville Township population is approximately 4000 persons in its' unincorporated sections. Fire Department operations are funded primarily through property tax levies paid by all Township residents, including property owners within the Village limits. Current tax millage is levied at 4.5 mils, and generates approximately \$1.2 million.

McKean Township is an adjacent township to the north of Granville Township. It is a very rural, mainly undeveloped area, with some scattered newer homes in estate settings. The population of this area is approximately 1500 residents. The McKean Township community has had a longstanding relationship with the Granville Township Volunteer Fire Department, and now Granville Township, for providing fire and EMS protection to its residents. Contracts for service have been in place since the 1960's between these entities. Historically, McKean Township residents have paid \$40,000 to \$50,000 annually for fire protection. In the past several years, McKean Township voters approved millage which is very similar to Granville Township's, and pay nearly all of these fire levies to Granville Township. In 2007, fire and EMS protection was provided

for \$125,000. Call volume in this region has remained constant at nearly one hundred calls per year, or 10% of Granville's responses.

The remaining contract area for the Granville Township Fire Department is a portion of Union Township. The northern 25% of Union Township is within the Granville School District, and is contiguous with the southern border of Granville Township. This contract area has a resident population of approximately 2000 people, and is again, a primarily rural area, with numerous newer residential developments. The steady growth in this area consists of primarily large residences located in subdivision settings, with large county lots. In the past several years, this portion of the Granville Township service area has experienced the most housing growth. The contract to provide fire and EMS protection for this area has been based on a flat fee of \$18,000 for many years. On review of historical records, there is no clear basis for determining the cost of this agreement. This fee has remained stable for the last ten years. There has been substantial growth and development throughout this area. Incident activity in this region has been approximately 50 calls per year, which equates to 5% of Granville's call volume. See chart #1 below.

| 2007<br>Demographics              | Granville<br>Township | Union<br>Township | McKean<br>Township | Granville<br>Village  | Denison<br>University | Total       |
|-----------------------------------|-----------------------|-------------------|--------------------|-----------------------|-----------------------|-------------|
| Population                        | 4000                  | 2000              | 1500               | 3500                  | 2500                  | 13,500      |
| Calls for Service<br>(Percentage) | 35%                   | 5%                | 10%                | 33%                   | 18%                   | 100%        |
| Operating Funds<br>or Fees        | \$1,200,000           | \$18,000          | \$125,000          | Granville<br>Township | \$35,000<br>Donation  | \$1,378,000 |

As previously mentioned, contract fees for service vary widely between contract townships. The Fire Department administration and Township leaders determined, through preliminary calculations, that some residents of the contract service areas may not have been paying equal contribution rates for fire and EMS coverage. It is the author's intention to examine the basis for the cost of service provided to these entities, and to research various methods with which to utilize in establishing future contracts and fees. With the anticipation of major growth in some of the service area, the Granville Township Fire Department will need to carefully evaluate revenue sources. As residents become increasingly weary of high taxes, it will be critical for the Fire Department to have sound processes in place when determining contract fees. All residents served by Granville Township will certainly expect to pay a fair and equitable amount towards their community fire protection. By establishing sound costing models, Granville Township Fire can better meet demands for service in the future, while demonstrating sound fiscal management practices.

## **LITERATURE REVIEW**

Contracting for fire service is one of the most common methods of providing cooperative fire service (Snook and Johnson 1997). When a community operates a fire department which possesses excess capacity, it is often in the best interest of two communities to enter into a contractual agreement to sell excess capacity to the neighboring community. These contractual arrangements offer a functional consolidation, highlighted by specific performance criteria and defined financial responsibilities in most cases. Many communities find a contractual agreement to be

advantageous since the agreement is typically for a defined period of five years or less. This gives the contracting entity the opportunity to reevaluate its situations periodically and make changes as needed (Snook and Johnson, 1997).

Oftentimes, the process of negotiating fire protection contracts is plagued by difficult negotiations, which leads to strained relations between political entities and communities. Further breakdowns in discussions can result in financial hardship, reduction in services, or even termination of agreements, which may leave a segment of a community scrambling to secure protection services (Mastandrea, 1995). The most common challenge for negotiators is often based on finances. The question of fairness in determining contract costs is frequently the core issue related to strained negotiations.

As one other author noted, the negotiation of the fees for these contracts can often be a point of conflict. Local governments oftentimes disagree on the methods that should be utilized to determine the cost of fire protection (Merrill, 1993). In fact, one recent study of fire service contracts found that negotiations of cost were often a major point of conflict. A survey of twenty metropolitan Chicago fire departments focused on departments who provide contractual service to at least one neighboring community. This survey found that 90% of these fire departments felt that the agreed upon fee structure was not fair and equitable to their community. These respondents stated unanimously that they felt a more equitable means of determining contract fees was needed (Mastandrea, 1995).

Governmental units must ultimately agree to an acceptable method for costing emergency services. While some simpler methods may have been commonly utilized,

many governmental leaders have recognized that more simplistic approaches may not be an accurate measure of cost sharing. A common example of a more simplistic method is the utilization of call volume statistics to determine costs. While such a method is fairly simple and commonly utilized, this formula tends to vary from year to year, and may be somewhat difficult to predict. Many managers have started to realize that more complex methods may yield better results in determining contractual fees. An example of this might be a hybrid formula based on total property valuation in a service area, combined with calls for service. This type of method may provide more consistent results, and more accurately reflect community risk and service usage (Harvey 1995).

Comito and Holmes (1998) performed a comprehensive review of township fire protection contracts in the State of Iowa. They observed that for an emergency services organization to be assured of an adequate operating budget, it needed to establish a clearly written contract for services. These agreements need to have a clear delineation of the financial responsibilities of both entities, as well as provisions for periodic review and revision of the factors which are used to determine costs associated with the agreements.

Traditionally, many communities have established the cost of fire protection with little or no sound reasoning. In many cases, a community established a set fee decades ago, and simply added incremental increases from time to time. Unfortunately, this method usually fails to take into account current demand for service, community growth, and increased organizational operating costs. According to one study completed at The Michigan State University, fees can be determined in several recognized methods; (1) incident quantity; (2) annual subscription fee; (3) subscription

fee plus incident charge; (4) percentage share based on usage; (5) property valuation share; and (6) weighted formula. (Harvey, 1995) While all of these methods are commonly used to some degree, the author makes a valid argument for the weighted formula method, which takes into account a portion of some of the other methods. The use of the weighted or hybrid method provides a more stable

Another important step in negotiations is determining a complete picture of the cost of operations for the selling entity. It is important to identify not only operating budget items, but also capital improvement and facility replacement costs through proper depreciation methods. Most fire executives have little difficulty in calculating operating costs such as salaries, benefits, supplies, training, utilities and other obvious operating expenses. Some, however, have failed to calculate an appropriate amount of funding for station depreciation and fleet purchases. Some attention should be given to a total fleet replacement schedule, as well as an agreed upon facility depreciation cost. These are oftentimes large financial obligations which are overlooked when determining the cost of providing emergency services. This complete financial picture should be the basis for calculating each entities fair share or contract fee (Steele, 2002).

As fire protection providers, we must rethink the way we establish these contractual costs. In the past, many fire administrators have focused on the amount of money which has historically been agreed upon, or the amount of funds available based on tax levies which are in place. The more modern and defensible position is to realize that fire departments are a service provider, and are in the business of selling excess capacity to these contract service areas. That service has a cost which can be determined through careful analysis of numerous components of our operations. With a

sound basis for determining this cost, fire administrators can provide a true fair share basis for the costs of the service which they are offering to neighboring communities. By reexamining these fee structures, many fire chiefs have been able to justify a substantial change in fees (Merrill, 1993). The end result for the entire protection area is optimized service, with each property owner paying a more fair and equitable share of the cost of fire and emergency services.

The common theme that all of the authors have noted is that fire service administrators have a duty to use a sound analytical approach to costing of fire protection. This literature review clearly points out the limitations of traditional simplified costing models, and strongly encourages the use of hybrid formulas, which account for multiple aspects of an organization's costs. The use of a hybrid approach provides a logical, systematic and stable approach to determining fees. This type of calculation fully accounts for not only incident activity, but a measure of protected risk and a full determination of the cost of operations. The reviewed literature also shows the importance of the negotiation process, and how numerous contracting entities have perceived their agreements to be unfair. This ultimately leads to some inequity in fee structure and certainly may end in strained relations between the negotiating entities.

## PROCEDURES

Research information for this project was collected through the use of a survey, in conjunction with a literature review and interviews. The questionnaire was distributed to Ohio fire departments which serve another governmental entity by contract. The survey consisted of nine multiple choice questions, which were designed to identify the methods which are utilized by each entity to determine the fees they charge for contractual services. The next few questions were designed to gauge the perceived fairness of these contract fees, both within the selling fire department, as well as within the municipality which is receiving services. An additional question was designed to extract the respondent's feelings as to whether the method used for cost determination is acceptable to them. Further questions were intended to compare the contract fees, on an equalized basis, to the home jurisdiction of the contracting fire department. In other words, are the residents of the contract area paying a similar rate for fire protection as are the "home" residents?

The final part of the survey was meant to extract some measurement of attitudes towards fee negotiations. First, an attempt to measure the overall importance of this process to the respondent was presented. Then, the respondent was asked to measure the amount of difficulty that typically accompanies these types of negotiations. The last two questions sought to determine the percentage of operating funds that come from current contracts, and what the respondent feels the contract should generate.

This survey was completed by fire departments administrators whose organizations are currently engaged in a contract to provide service to one or more

adjoining communities. The survey was distributed to eighty Ohio fire service administrative officers, with fifteen individuals responding, or a 20% response rate.

Completed surveys were analyzed and evaluated by the author to establish trends and attitudes as they relate to fire service contract issues.

## RESULTS

The following information has been compiled to evaluate the questions posed in the survey.

*1. What is the mathematical basis for the fees you charge to serve the contracted area?*

| Call Volume | Property Valuation | Population | Max of A – C | Unknown |
|-------------|--------------------|------------|--------------|---------|
| 5           | 8                  | 1          | 1            | 0       |
| 33.33%      | 53.33%             | 6.67%      | 6.67%        | 0.00%   |

The responses to question # 1 indicated that the “property valuation” method was the most commonly used method at 53%, followed by the “call volume method” at 33%.

Questions # 2 and # 3 were closely related; in that they measured the perception of fairness from the fire department administration and the governing body of the contract area.

*2. Does your fire department administration feel that contract fees are:*

| Fair   | Too Low | Too High | Don't Know |
|--------|---------|----------|------------|
| 8      | 6       | 0        | 1          |
| 53.33% | 40.00%  | 0.00%    | 6.67%      |

3. Does the contracted service area governing body feel that fees services are:

| Fair   | Too Low | Too High | Don't Know |
|--------|---------|----------|------------|
| 6      | 0       | 7        | 2          |
| 40.00% | 0.00%   | 46.67%   | 13.33%     |

Questions 2 and 3 indicate that slightly more than 50% of fire department leaders felt that their contract receipts were fair, with only 40% of the contract communities expressing fairness about their contract pricing. Furthermore, 40% of fire administrators felt the fees were low, while 46% of contract entity leaders felt the fees were too high.

Question # 4 indicates the following level of satisfaction with the respondent's pricing model.

3. Does your fire department administration feel that the current method for determining fees is adequate?

| Yes    | No     |
|--------|--------|
| 9      | 6      |
| 60.00% | 40.00% |

This question revealed that a small majority of respondents were satisfied with the current fee determination method.

The next survey response compares tax or collection rates in a department's home community compared to the contract service area.

4. *When compared to your home community (properties of equal value), the fees charged to the contracted area are:*

| Same   | Higher | Lower  |
|--------|--------|--------|
| 5      | 2      | 8      |
| 33.33% | 13.33% | 53.33% |

While one third of the respondents indicated that tax rates were equal, over one half indicated that the contract recipients were receiving service for a lower rate when evaluating tax receipts.

Question # 6 gauged the overall importance that the fire department administration placed on the concept of equality pricing of the protection contracts.

6. *Your fire department administration feels that equitable contract fees are:*

| Not Important | Important | Very Important | Neutral |
|---------------|-----------|----------------|---------|
| 1             | 4         | 9              | 2       |
| 6.67%         | 26.67%    | 60.00%         | 13.33%  |

In this response, 87% indicated that fair pricing is important or very important.

Question # 7 explored the difficulty with which the contract negotiation process is typically accomplished.

7. *Contract fee negotiations are typically:*

| Easily Accomplished | Somewhat Difficult | Very Difficult | Extremely Difficult |
|---------------------|--------------------|----------------|---------------------|
| 6                   | 5                  | 3              | 1                   |
| 40.00%              | 33.33%             | 20.00%         | 6.67%               |

In this answer, the fire administrators expressed that 60% of the contract price negotiations are somewhat to extremely difficult to accomplish.

Questions # 8 and # 9 examined the financial impact of these fire service contracts on the responding agency. The data indicated that, on average, 18% of the respondents' funds were currently generated by the fire service contract, while 20% would be the desired amount.

## DISCUSSION

In studying this subject, it became apparent that the subject of fire service contracts is very important to many department administrators. While many departments' financial stability is dependent on these contracts, numerous authors and survey respondents pointed out the challenges and inequities that often arise in the contract development process.

Snook and Johnson (1997) stressed that emergency service contracts are often in the best interest of two cooperating communities. With the cost of providing effective emergency response on the increase, the financial benefits of contractual agreements have been well documented. These functional consolidations are almost always cost effective for both communities. There appears to be little question that most contracts provide service in a fiscally responsible way to many communities.

Unfortunately, the pricing of these agreements can oftentimes be challenging. Mastandrea (1995) discussed the difficulties that were discovered in one Chicago area study. In that analysis, 90% of the departments surveyed indicated dissatisfaction with the pricing of their protection contract. In the survey conducted for this study, it was clear that many respondents had experienced difficulty with their contract negotiations. 40% of the surveyed departments felt the fees were too low, while an equal number of contract recipients felt the fees were too high. This certainly indicated a disparity between the parties at each side of the negotiating table. With these differences in opinion being clearly stated in the survey, it is no wonder that these negotiations are often difficult, as further indicated by the survey. As the questionnaire indicated, 60% of

the administrators disclosed some degree of difficulty in developing their protection agreements.

In regards to the type of costing methods most utilized, the survey indicated that the call volume method was quite commonly used (33%), and that the property valuation method was even more commonly utilized (53%). Harvey (1995) identified six methods for determining fees. While many organizations gravitate towards the call volume or subscription fee methods, Harvey describes the complex method termed the hybrid method, also referred to as the weighted method. The hybrid method takes into account incident volume as well as property valuation, and blends them into a more stable method to determine fees.

Interestingly, in this author's survey, seven respondents expressed overall satisfaction with their fire contracts and the negotiation process. Six of those departments were using a method based on the property values of their service area. There was a strong correlation between this method and overall contract satisfaction both on the fire department and contract recipient side of the negotiation table.

In the case of the Granville Township Fire Department, it appears that the hybrid method of cost determination will be the most appropriate for the purpose of pricing future fire protection contracts. This pricing strategy will take into account the following:

- 40% property valuation
- 30% calls for service
- 30% population

Based on survey results and literature review, this weighted formula will accommodate all parties' interests, and will most likely be considered fair by both

negotiating parties. The following calculations demonstrate the potential pricing of future agreements:

|                            | <u>Union<br/>Twp.</u> | <u>Total Area</u> | <u>Union<br/>Twp.<br/>Share</u> | <u>Weight</u> | <u>Weighted<br/>Share</u> |
|----------------------------|-----------------------|-------------------|---------------------------------|---------------|---------------------------|
| Property Valuation         | 104,000,000           | 1,056,000,000     | 9.85%                           | 40.00%        | 3.94%                     |
| Call Volume                | 35                    | 1,050             | 3.33%                           | 30.00%        | 1.00%                     |
| Population                 | 2,000                 | 13,700            | 14.60%                          | 30.00%        | 4.38%                     |
|                            |                       |                   | TOTAL WEIGHTED<br>SHARE         |               | 9.32%                     |
| Total F.D. Operating Costs | 1,385,000             |                   |                                 |               |                           |
| Union Twp. Share           | x                     | 9.32%             |                                 |               |                           |
| Union Twp. Cost            | <u>\$129,068</u>      |                   |                                 |               |                           |

This calculation of the hybrid or weighted pricing method demonstrates that in Granville Township's situation, the past fee of \$18,000 was substantially inadequate. Based on the hybrid method, the current cost of service should be \$129,068. This costing model provides a logical, sound method for fee determination. This should result in financial stability for the Fire Department, and can be well justified in the contract community. The end result will be a fair share for all residents served by this Fire Department.

## RECOMMENDATIONS

Through this research, it has become clear that many fire departments and communities have struggled with establishing service contracts. Granville has historically been like many other communities, where pricing may have been determined with little research or analysis, and then not monitored, while operating costs escalated, with the contract fees becoming more and more inadequate. Granville has been utilizing two different methods of pricing; one based on property valuation, and the other on a flat fee. These two methods yielded both positive and negative results respectively. The property value method in McKean Township has been successful in keeping pace with community changes, while providing a sense of fairness to both parties and ultimately both communities.

In Union Township, the flat fee of \$18,000 certainly needed to be renegotiated using a more modern and appropriate fee structure. This research has clearly indicated the need to implement the following changes:

1. Meet with all involved parties at least six months prior to the end of the current fire service contract.
2. Attempt to agree on a method which is acceptable to all parties. The hybrid or weighted method, while most complex, contains elements that are likely desirable to each party. Property valuation based methods have been demonstrated to produce fair fee calculations as perceived by both fire departments and contract recipients.

3. Come to the negotiation table with a complete financial analysis of department operating expenses. This must include depreciation of facilities and funding of fleet replacement along with other major expected capital projects. This will be the basis to which any agreed formula will be applied in most cases.
4. Prepare current relevant data, including total call volume, contract area call volume, population data and property valuation. All of this information will be needed to calculate fees, based upon the chosen method of fee determination.

While all of this work requires a great deal of preparation, these steps should lead to improved negotiations and relations between contract communities and their fire protection provider. The end result will be greater financial stability and health of the fire service provider, better planning for the contract community, and a fair and equitable fee structure for all residents served by the fire department.

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**APPENDIX 1 –**  
**Survey for Ohio Fire Executive Applied Research Project**  
**Contract Fire Services**

Thank you for taking time to complete this survey. Please return by February 8, 2008. When you are finished with the survey, please return by fax to (740) 587-0624 or e-mail to [jhussey@granvilletownship.org](mailto:jhussey@granvilletownship.org).

This survey is intended to be completed by fire departments who serve another governmental unit by contractual agreement. Please complete one survey for each contractual area that you serve.

1. What is the mathematical basis for the fees you charge to serve the contracted area?
  - a. Call volume
  - b. Property valuation
  - c. Population
  - d. Mix of A – C
  - e. Unknown
  - f. Other \_\_\_\_\_(list)
  
2. Does your fire department administration feel that the contract fees are
  - a. Fair
  - b. Too low
  - c. Too high
  - d. Don't know
  
3. Does the contracted service area governing body feel that service fees are (in your opinion)
  - a. Fair
  - b. Too low
  - c. Too high
  - d. Don't know
  
4. Does your fire department administration feel that the current method for determining fees is adequate?

- a. Yes
  - b. No
5. When compared with your home community (properties of equal tax value), the fees charged to the contracted area are the
- a. Same
  - b. Higher
  - c. Lower
6. Your fire department administration feels that equitable contract fees are:
- a. Not important
  - b. Important
  - c. Very important
  - d. Neutral
7. Contract fee negotiations are typically:
- a. Easily accomplished
  - b. Somewhat difficult to accomplish
  - c. Very difficult to accomplish
  - d. Extremely difficult to accomplish
8. What percentage of your budget is generated from this contract?
9. In your opinion, what percentage of your budget should be generated from this contract area (estimated)?

Name of Department \_\_\_\_\_

Name of Contract Area \_\_\_\_\_