



Legislation Text

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Fiscal Note

This resolution adopts a fire protection and prevention services, emergency medical services and building inspection services agreement with the Town of Madison. Effective November 1, 2020, the City would provide these services to the Town. In return, the Town would pay the City \$166,122 on December 1, 2020 for the services provided in 2020, \$996,732 on August 20, 2021 for services provided in 2021, and \$830,610 on August 20, 2022 for services provided in 2022 (through final attachment of the Town of Madison on October 31, 2022). Ambulance conveyance fees currently levied by the City would also be charged for conveyances in the Town. Fire insurance dues payments currently paid to the town would instead be paid to the City. These "pass-through" revenues are anticipated to total approximately \$288,400 annually. The cost of providing building inspection services will be recovered through City issued permits, as well as municipal prosecution in Madison Municipal Court. All of these revenues will be deposited in the City's general fund.

As part of the agreement with the Town, and consistent with the terms of the Cooperative Plan with the Town, the City will be making severance payments to three Town firefighters who will not be seeking continued City employment following the transfer of services. These initial severance payments will be paid in two lump sums of \$160,072.50—one in November, 2020 and the other in January, 2021, both of which will be funded by the revenue received from the Town. The ultimate cost of these three severance payments will be directly recovered from the Town through the annual service payments, which payments have been increased to account for these costs. Three Town firefighters are expected to be hired by the City as firefighters within the Department's existing budgetary authority. If any of these Town firefighters are not hired, or if after hiring they are terminated other than for cause, these employees will also be entitled to severance pay, less a credit for any wage or salary payments made by the City. The costs of any such future severance payments, if made, will be charged to the Fire Department's budget.

These revenues and severance payments are not reflected in the City's 2020 budget. Revenue impacts will be incorporated into 2020 and 2021 projections. Adjustments to operating appropriations will be made in separate resolutions to address appropriation needs in all departments to reflect the latest projections.

The payment for services will end in 2022 with the dissolution of the town. The "pass-through" revenues described above will continue to be received by the city after 2022. Costs for services to the area of the town that will be attached to the City of Madison will be addressed in future city budgets. Under the state's levy limit law, there are exceptions for the cost of services transferred from another political subdivision, as well as adjustments that allow adding the town levy for annexed territory. While the exact application of these exceptions is yet to be established and is subject to determination by the Wisconsin Department of Revenue, it is expected that some, if not all, of the revenue received from the town for these services through 2022 can be replaced through additional levy limit authority after 2022.

Title

Approving an intergovernmental agreement with the Town of Madison for the City to provide fire protection and prevention services, emergency medical services, and building inspection services for the Town and to enter into severance agreements with former Town firefighters.

Body

WHEREAS, on October 10, 2003, the City of Madison, the City of Fitchburg and the Town of Madison entered

into a Cooperative Plan (the "Cooperative Plan") under which the Town of Madison will cease to exist on October 31, 2022 ("Final Attachment") and Town territory will be divided between the two cities; and,

WHEREAS, under the terms of the Cooperative Plan, at Final Attachment the remaining Town employees are entitled to specified severance benefits as provided for by the Plan; and,

WHEREAS, through Final Attachment, the Town is responsible for providing continued services to its territory; and,

WHEREAS, the City and the Town have negotiated an intergovernmental agreement wherein the City will take over fire protection and prevention services, emergency medical services and building inspection services for the Town, starting on November 1, 2020. This agreement is mutually beneficial to both parties since the City has an existing fire and emergency medical services response territory surrounding the Town and the Town will reimburse the City for the cost of its fire and emergency medical services. The Town fire department also currently provides building inspection services to the Town, so this agreement will transfer that service to the City's building inspection division, with the costs of providing that service to be recovered through the City's permitting process and municipal prosecutions; and,

WHEREAS, as part of the payment to the City, in addition to recovering the costs of fire and emergency medical services, the Town will be reimbursing the City for severance payments made to three employees who will not be seeking continued employment with the City upon the transfer of services, thereby reducing the future costs to the City that would otherwise be associated with Final Attachment; and,

WHEREAS, it is anticipated that the three remaining Town firefighters will be hired as City firefighters, further saving the City from additional costs that would otherwise be associated with Final Attachment in 2022, although if these employees are terminated by the City during their probationary period other than for cause, the City would be required, under the terms of the Cooperative Plan, to pay them severance, less a credit for any wage or salary payments made by the City; and,

WHEREAS, by taking over the Town's fire protection and prevention services, emergency medical services and building inspection services two-years prior to Final Attachment, the ultimate transition of these services to the City and Fitchburg in 2022 will be more efficient and there will cost savings to the City in reduced future severance costs.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and City Clerk are authorized to execute an intergovernmental agreement pursuant to Wis. Stat. §. 66.0301 with the Town of Madison for fire protection and prevention services, emergency medical services and building inspection services, to commence on November 1, 2020, on terms consistent with the agreement attached hereto, in a format approved by the City Attorney.

BE IT FURTHER RESOLVED, that the Mayor and City Clerk are authorized to enter into severance agreements with the firefighters identified on Exhibit B to the agreement, in the amounts set forth therein, less a credit for any wage or salary payments from the City to the employee during City employment prior to Final Attachment.

BE IT FINALLY RESOLVED, that the Mayor and City Clerk, and, where applicable, the City of Madison Fire Chief, the Director of the Building Inspection Division of the Department of Planning & Community & Economic Development, and the Madison Municipal Court Judge, are authorized to execute any other documents necessary to effectuate this service transfer.

