Fire/EMS District Financial Review

Cause · Insights · District Considerations

Baraboo Area Joint Fire & EMS District | 7/14/2026 |
Presented by: Caleb Johnson, Fire/EMS Chief

01

Cause

- 2023–2025 EMS Operating Revenues & Expenses — condensed, with significant year-over-year changes
- Deficit vs. Debt — operating loss by year and interfund transfers from capital
- EMS Patient Billing — fee schedule, write-offs, payor mix, and recoveries

CAUSE · 2023–2025 REVENUES & EXPENSES

EMS Revenues & Expenses, Condensed

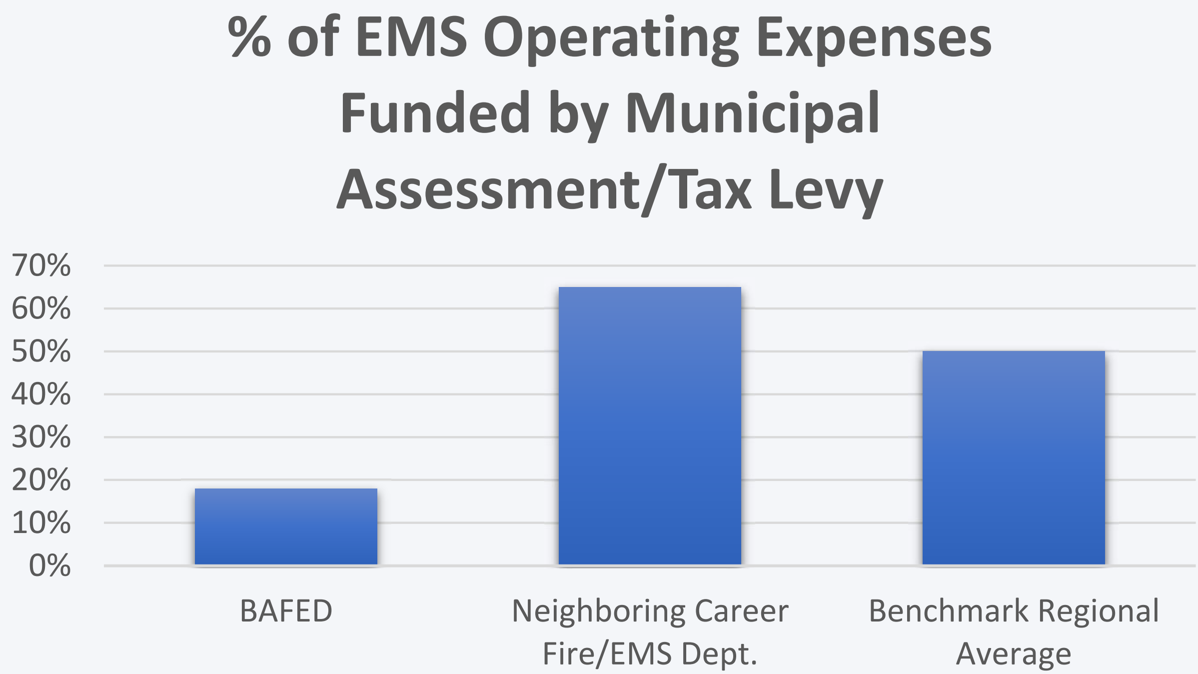
Category	FY 2023	FY 2024	FY 2025	Δ 23→25	% Change
Total Revenues	$3.17M	$2.89M	$3.28M	**+$0.11M**	**+3.5%**
Municipal Assessments	$0.57M	$0.62M	$0.65M	+$0.08M	+14.0%
Patient Billing (net)	$2.68M	$2.75M	$3.29M	+$0.61M	+22.8%
Board Approved Write-Offs	($0.29M)	($0.67M)	($1.00M)	($0.71M)	+244.8%
Recovered Write-Offs	$0.08M	$0.15M	$0.24M	$0.16M	+200.0%
Total Expenses	$3.38M	$3.76M	$4.16M	**+$0.78M**	**+23.1%**
Salaries, Wages & Benefits	$2.74M	$3.22M	$3.61M	+$0.87M	**+31.8%**
Net Operating Result	**($0.21M)**	**($0.86M)**	**($0.88M)**	**($0.67M)**	**+319.0%**

Significant Changes

- 2024 revenue dipped to $2.89M, rebounding to $3.28M in 2025
- Expenses rose +23.1% while revenue grew just +3.5%
- Salaries & benefits up +31.8%, the primary cost driver
- Net deficit widened each year, from ($0.21M) to ($0.88M)
- Patient billing led revenue gains, up +22.8%
- Board approved write-offs are up 244.8%

CAUSE · TOTAL REVENUES

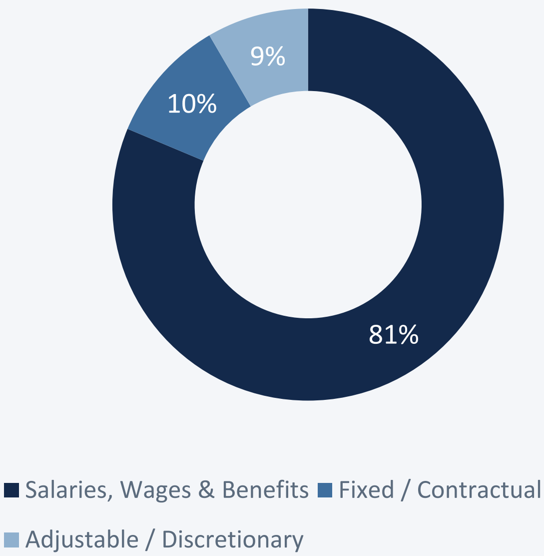
Municipal Assessments vs. Benchmark Entities



Benchmark Notes

- Municipal funding for EMS is 32% below benchmark
- If funded at the benchmark of 50%, this would result in an additional $1.2 million in annual revenues
- EMS revenue generation for services rendered has reached a point where it no longer adequately covers the cost to provide the services, becoming increasingly taxpayer/levy-driven.

Salaries, Wages & Benefits and Adjustable Costs



Salaries, Wages & Benefits

- Salaries & Wages represent 58%
- Largest share of total expenses
- Benefits represent the remaining 23%

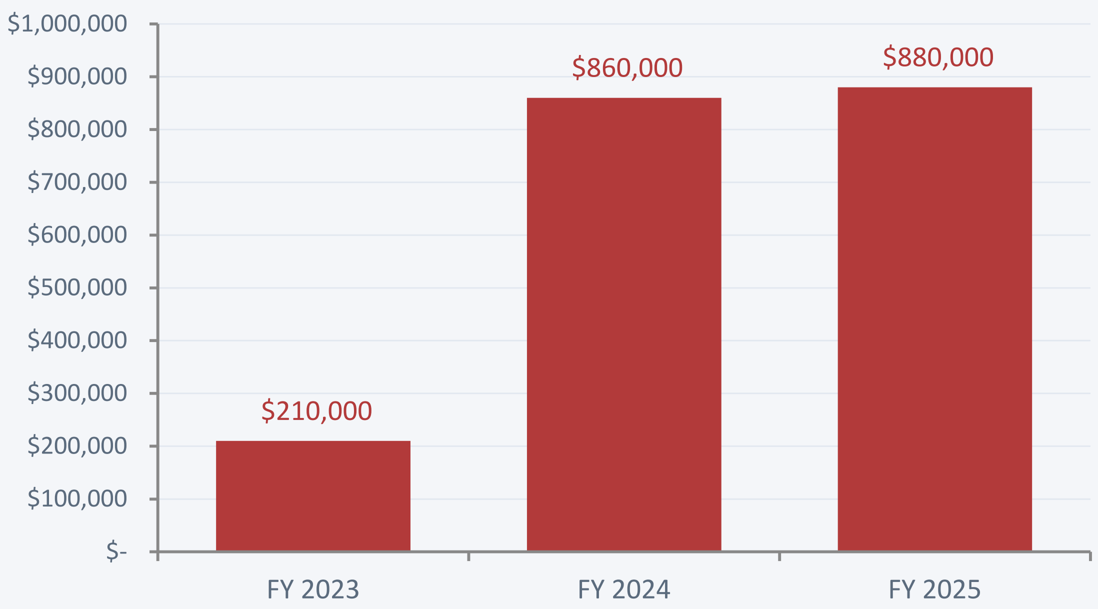
Fixed / Contractual

- Professional services, utilities, operating supplies, uniforms, fuel, insurance, loan payments

Adjustable Costs

- Discretionary / controllable line items
- These are limited to training, repair & maintenance and misc. supplies

Operating Loss by Year & Interfund Transfers



Annual operating loss (deficit)

Deficit ≠ Debt

- Operating loss = annual deficit
- BAFED has utilized a revolving line of credit (debt) to support interim cashflow needs

Interfund Transfer from Capital

- $1.8 million between 2023-2025
- Unsustainable funding model
- Depletion of reserves
- Reduced financial flexibility
- Capital erosion

CAUSE · EMS PATIENT BILLING

Current Fee Schedule & Percentile of Peers

Service Level	Current Fee	Peer Median	Percentile
BLS — Emergency	$2,500	$960	98th
ALS 1 — Emergency	$2,500	$1,300	95th
ALS 2 — Emergency	$2,500	$1,600	92nd
Mileage (per loaded mile)	$29-32	$21.75	96th
Treat-No-Transport	$250-350	$300-1,200	20th-35th

Considerations

- Already positioned at the high end of the market for transport fees
- Increasing fees does not increase revenue dollar-for-dollar
- Higher fees primarily affect uninsured and underinsured residents
- Treatment No-Transport (TNT) fees are below market, but cost recovery should balance with community affordability.

CAUSE · EMS PATIENT BILLING

Board-Approved Write-Offs

$996K
Charges written off (FY25)

31%
of net patient charges (FY25)

$1.95M
Total written off (FY23-FY25)

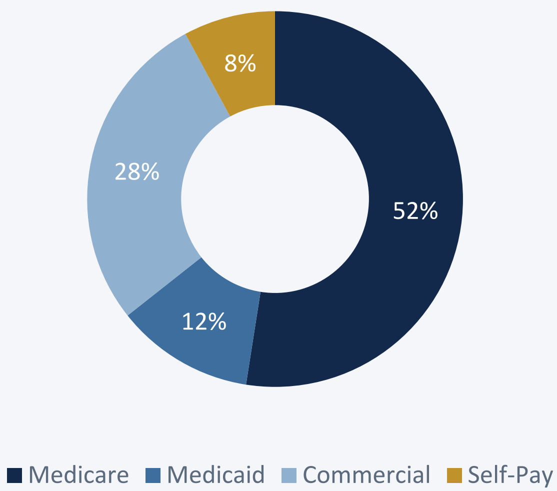
Policy & Process

- Write-offs are considered for approval only after reasonable collection efforts have been taken, which include multiple billing notices and reminders.
- All eligible debts that are written off are entered into collections through the State of Wisconsin Debt Collection Program or referred to Bonded Collectors for collection recovery attempts.

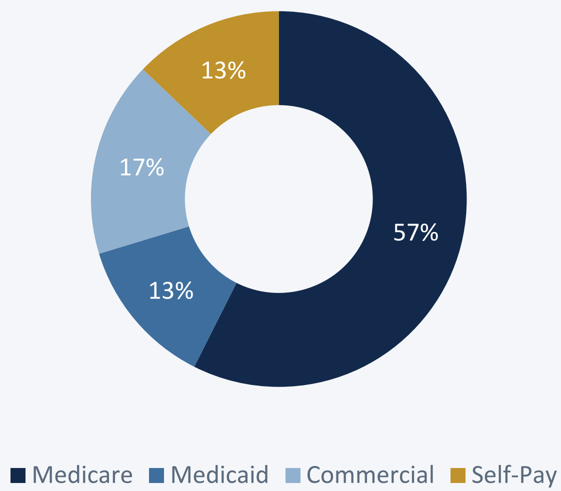
CAUSE · EMS PATIENT BILLING

Payor Mix — Year-over-Year

FY 2024



FY 2025



Shift Highlights

- Rising Medicare / Medicaid share (5% increase)
- Declining commercial mix (11% decrease)
- Increase in self-pay (uninsured) (5% increase)
- These shifts have had a significant impact on net collectible revenue

CAUSE · EMS PATIENT BILLING

Contractual Allowances vs. Board Write-Offs

Contractual Allowances

- Difference between billed charges and the amount payers are contractually obligated to pay
- Set by Medicare / Medicaid — not discretionary
- Allowance % by payer (uncollectable):
    - Medicare – 64 % of billed charges
    - Medicaid – 62% of billed charges

Board-Approved Write-Offs

- These are accounts that represent amounts due from patients (self-pay) after any insurance payment has been made, as applicable.
- Any self-pay balances without payment arrangements after 120 days are then presented for approval to submit to collections.

CAUSE · EMS PATIENT BILLING

Recovered Write-Offs

Collection Methods

- State of Wisconsin Debt Collection (SDC) Program
    - Repayment agreements, tax intercept, wage attachments, seizure or levy against property, bank accounts, and IRAs.
- Bonded Collectors of Wisconsin, Inc
    - Repayment agreements, tax intercepts, legal measures/small claims
- Insurance re-billing & appeals

Considerations

- Cost of collection vs. amount recovered
    - SDC charges 15% fee on top of debt total, paid by the guarantee.
    - Bonded Collectors charges a percentage of debt recovered to the District.
- Recovery rate on prior write-offs (3-year average): 25%

02

Insights

- Service Area Demographics
- State operational plan, MOE requirements, and levy limits that constrain options
- Population, service area, level of service (ALS vs. BLS), call volume & response times
- Collective bargaining unit obligations

INSIGHTS · POPULATION & SERVICE AREA DEMOGRAPHICS

Service Demographics

5
Municipalities Served

107
Square Mileage (sq. mi.)

18,610
Population Served

Service Area Notes

- City of Baraboo, Town of Baraboo, Village of West Baraboo, Town of Fairfield, Town of Greenfield, and a portion of the Town of Excelsior (Contracted for EMS only)
- Service area experiences significant increases in population because of seasonal tourism, with Devil's Lake State Park accounting for the most visitors of all state parks.

Minimum Requirements

(per current state approved plan)

Staffing & Certification

- 911 Response Ambulances – 2 staffed 24/7. *These are also cross-trained in fire response.
- Interfacility Transfer/Backup 911 Ambulance – 1 staffed 24/7.
- District is licensed at the Critical Care Transport Level (highest)

Unit Availability

- Maintain adequate number and type of ambulances to meet service demand
- Ensure reliable 24/7-unit coverage across the District
- Maintain backup and mutual aid capacity

Response Standards

- Response procedures
- Response cancellations
- Use of lights and sirens
- Destination Determination
- Driver training & vehicle operations
- Refusal of care procedures

Reporting & Compliance

- Patient Care Reporting
- Mandatory Electronic Data Submission (WARDS)
- Data System Compliance
- Operational Plan Compliance
- Documentation & Record Keeping
- Quality Assurance / Quality Improvement

Level of Service — ALS vs. BLS

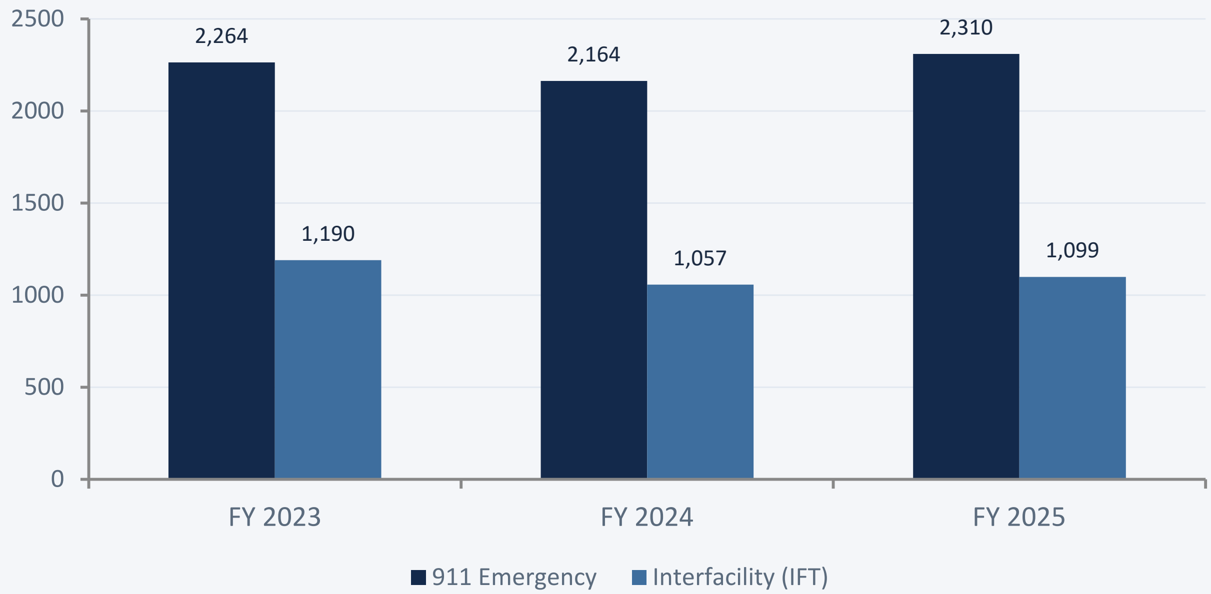
ALS — Advanced Life Support

- Paramedic-level care
- Advanced procedures (IV/IO, intubation, cardiac monitoring)
- Broad medication capabilities
- Manages critical/unstable patients

BLS — Basic Life Support

- EMT/EMR-level Care
- Basic, non-invasive interventions (CPR, AED, oxygen)
- Limited medications
- Manages stable or lower-acuity patients

EMS Calls for Service — 911 vs. IFT

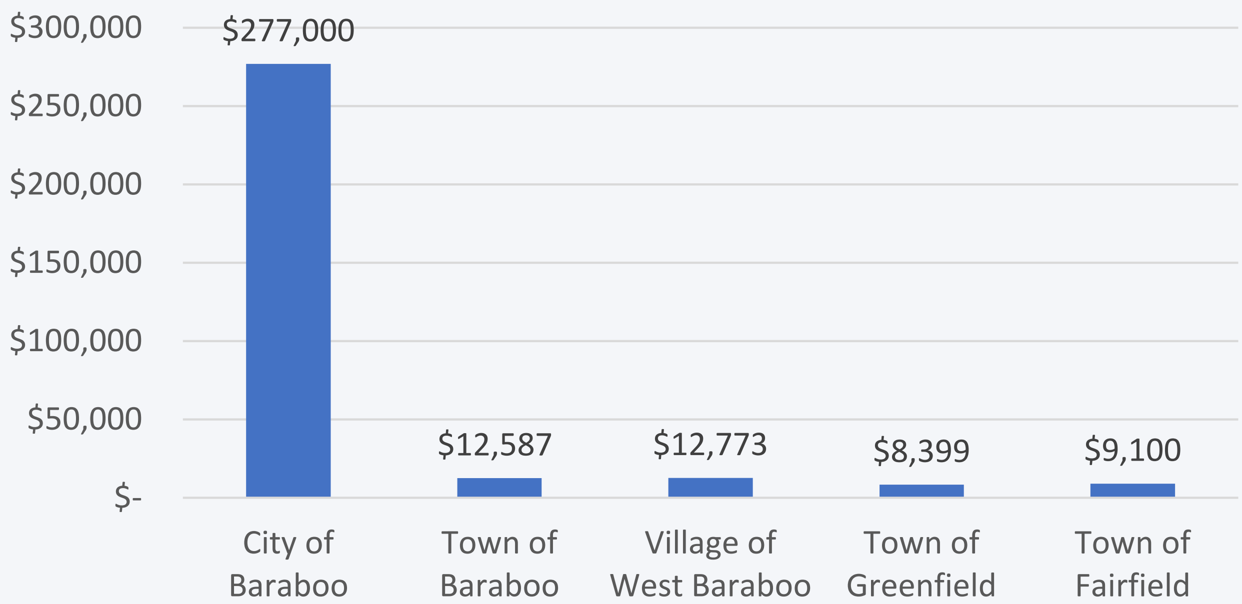


Volume Notes

- 911 Calls: 2,246/year (3-year avg.)
- IFT Calls: 1,115/year (3-year avg.)
- Total EMS Calls: 3,361/year (3-year avg.)
- Excludes blood draws, mutual aid requests, and fire-only calls for service.

Maintenance of Effort — Penalty Projections

(Based on 2026 municipal data from the Wisconsin Department of Revenue)



Projected penalty for failure to meet maintenance of effort (MOE) requirements

MOE Notes

- To qualify for municipal aid, each municipality must certify that at least (2) of the following criteria have been maintained at levels equivalent to those provided in the prior year:
  - Expenditures
  - Staffing levels
  - Training & Licensure
  - Response Times

INSIGHTS · COLLECTIVE BARGAINING UNIT

Collective Bargaining Considerations

Contract Term

- January 1, 2025 – December 31, 2027 (3-years)
- Terms remain in effect until a successor agreement is reached

Wages & Step Increases

- No cost-of-living (COLA) or step increases in Years 1-2
- 2027 wage scale increases are contractually obligated

Benefits & Staffing

- Insurance benefit premiums are contractually obligated
- Minimum staffing levels are contractually obligated

Negotiation Constraints

- Employer retains broad authority over staffing levels, assignments, operations, and scheduling
- Some employer actions could be subject to impact bargaining
- Mid-term modifications are subject to mutual written agreement (MOU)

Levy Limits — Joint District CPI + 2%

Allowable Levy Growth

CPI + 2%

Implications

- Caps year-over-year levy growth for the joint district
- Lags actual cost inflation (esp. wages & benefits)
- Levy growth for 2023 – 2026 continues to decrease:
    - 2024 – 6.11% ($97,813 in added revenue)
    - 2025 – 5.20% ($88,351 in added revenue)
    - 2026 – 4.70% ($84,006 in added revenue)

03

Commission Considerations

- Revenue Increase
- Reduce Services / Staffing

COMMISSION CONSIDERATIONS

Revenue Increase

- EHLERS is scheduled to present options to the BAFED Commission on June 24th, 2026
- Municipal Assessment Releveling

Reduce Services / Staffing

- Reconfigure staffing model
- Evaluate Interfacility Transfers
- Explore all alternate options

Questions?

04

The Strategic Transition

- Prove the current model is structurally unsustainable
- Clarify what the assessment increase replaces
- Put interfacility transfers (IFT) in their correct financial context
- Deliver a higher-value product with existing staffing
- Commit to a five-year accountability framework

STRATEGIC TRANSITION · A STRUCTURAL PROBLEM

The Current Model Is Structurally Unsustainable

($0.88M)

FY25 net operating deficit — up from ($0.21M) in FY23

+244.8%

Growth in board-approved write-offs, FY23–FY25

$1.8M

Interfund transfers from capital used to cover operations

Commission Takeaway

- This is a funding-model problem, not a temporary budget mistake — expenses rose +23.1% while revenue grew just +3.5%.
    - Contributing to most of the increase in expense was health insurance costs, increasing +$200,000 between FY23-25.
- Rising patient billing (+22.8%) has not eliminated recurring deficits; reserves are being depleted and a line of credit has been used to cover interim cashflow.

STRATEGIC TRANSITION · THE BILLING CEILING

BAFED Cannot Bill Its Way Out

98th

Percentile of peers for BLS emergency transport fees

70%

Of FY25 payer mix is comprised of Medicare / Medicaid (reimbursed at only **36-38%** of billed charges)

13%

Self-pay share of the FY25 payer mix, up from 8%

Commission Takeaway

- BAFED already charges near the top of the market and cannot simply bill its way to solvency.
- Higher fees add little net revenue and fall hardest on uninsured and underinsured residents — payer mix, write-offs, and delayed collections all point one direction.

What the Assessment Increase Replaces

Operating Debt

- Replaces a revolving line of credit used to cover interim cashflow needs.

Reserve Borrowing

- Ends ongoing interfund transfers from capital and stops the depletion of reserves.

Billing Volatility

- Offsets patient revenue that would otherwise go uncollected by the District.

Commission Takeaway

- The cost already exists — the question is whether it is funded honestly and predictably or hidden in debt and drawn-down reserves.

STRATEGIC TRANSITION · STATUS QUO VS. TRANSITION

Predictable Funding vs. Volatile Revenue

Patient Revenue

- Volatile, payer-mix dependent, and increasingly written off (status quo).

Municipal Assessments

- Predictable, scheduled, and fully collected each year (transition).

The Five-Year View

- Status-quo deficits compound; or
- The transition funds the true cost of providing services rendered.

Commission Takeaway

- Municipal assessments turn a volatile, unpredictable funding base into a scheduled, fully collected one — the foundation of a sustainable future.

IFT in the Correct Financial Context

Positive, but Small

- IFT produces a positive net contribution.
- While positive, the net gain is on a downward projection as payor mix, aging population, and write offs will continue to impact profitability.

Volume-Dependent

- 1,100 calls in FY25 swing with demand the District cannot control.
- Dependent on volume to maintain operational revenue.

Not the Foundation

- Too small to close the structural deficit.

Commission Takeaway

- A profitable service line can still be incapable of sustaining the organization — IFT should support the model, not anchor it.
- Relying on IFT’s as the foundation of the funding model carries operational opportunity costs by limiting how existing personnel can be deployed to meet the District's broader public safety mission.

A Higher-Value Product With Existing Staffing

#

Personnel per shift — unchanged

+

ALS ambulances, including command coverage – unchanged

=

Enhanced Community Response Capabilities

Commission Takeaway

- District partners are investing in a better operating model, not simply incurring added expenses.
- Governance value: a defined service level, greater readiness, lower organizational risk, and better predictability.

A Five-Year Accountability Commitment

Forecast & Targets

- Annual five-year financial forecast and assessment projection, with predetermined operating & capital reserve targets.

Evidence-Based Financial Assumptions

- Revenue, write-off, and collection projections informed by historical trends and current payer mix

Transparency & Triggers

- Public reporting on financial, operational, workforce, and capital performance, with predetermined trigger points for corrective action.

Commission Takeaway

- Increased funding should be matched by measurable accountability. Annual reporting, transparent financial metrics, and predefined performance benchmarks ensure the Commission can monitor progress and take corrective action before financial conditions deteriorate; establishing a framework for ongoing financial oversight.

05

Member Assessments & Funding

- How current EMS and Fire assessments are shared across the five member municipalities
- The proposed assessment increases and their tax-rate impact per $100,000 of value
- Why the increases exceed levy limits and require a referendum
- The funding mechanisms available to bridge and sustain the transition

MEMBER ASSESSMENTS · EMS · CURRENT

EMS District — Current Assessments

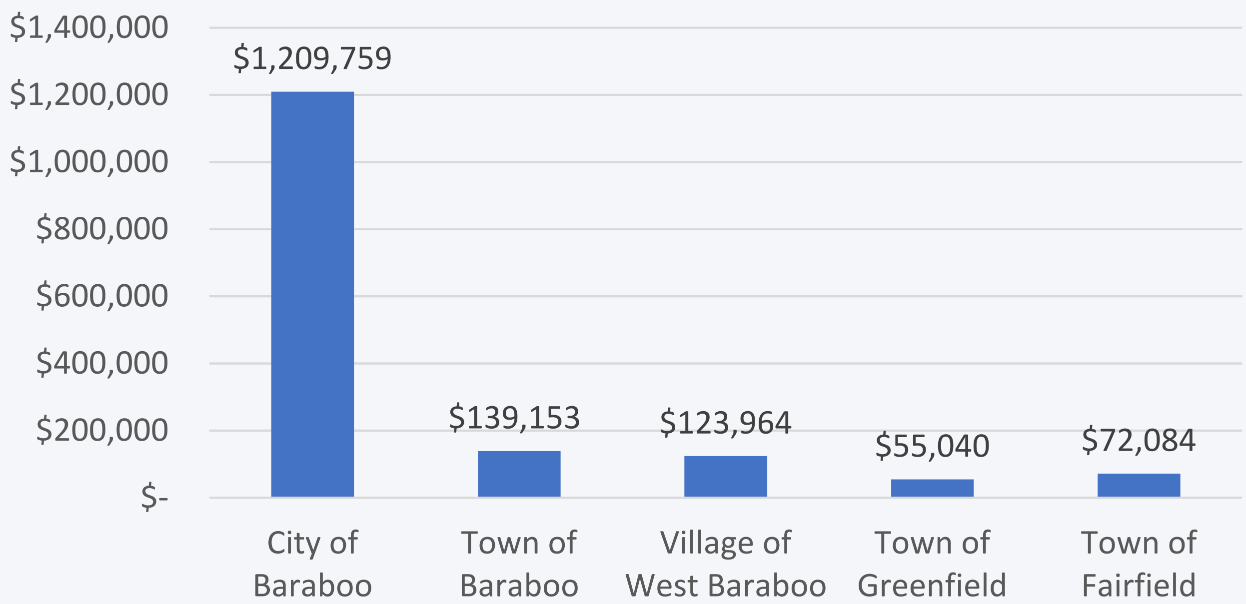
Municipality	Annual Assessment	Tax per $100k
City of Baraboo	$512,339	$52.76
Town of Baraboo	$58,932	$18.76
Village of West Baraboo	$52,499	$40.36
Town of Fairfield	$30,528	$27.04
Town of Greenfield	$23,310	$19.62
District Total	**$677,608**	**—**

EMS district existing assessments — based on Jan. 1, 2026 values and the certified 2025 levy (2026 budget).

MEMBER ASSESSMENTS · EMS · PROPOSED

EMS District — Proposed Assessment Increase

Proposed increase of $1,600,000 allocated across member municipalities



Proposed EMS assessment increase by municipality ($)

How It Splits

- Total EMS increase of $1,600,000
- The City of Baraboo carries roughly three-quarters of the total, at $1.21M
- Each share is set by equalized value, so growth communities absorb more

EMS — Tax Impact per $100,000 of Value

Municipality	Existing	Increase	Projected Total
City of Baraboo	$52.76	$124.57	$177.33
Village of West Baraboo	$40.36	$95.29	$135.65
Town of Baraboo	$18.76	$44.29	$63.05
Town of Fairfield	$27.04	$63.85	$90.88
Town of Greenfield	$19.62	$46.32	$65.94

EMS tax impact per $100,000 of equalized value — existing rate, proposed increase, and projected total.

Fire District — Current Assessments

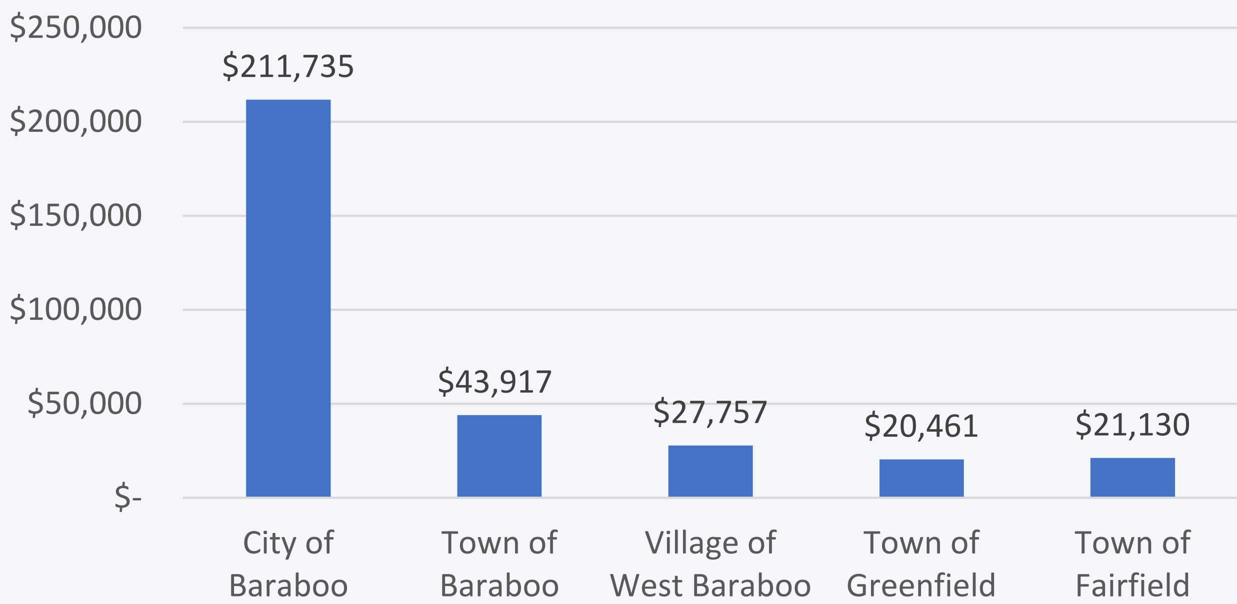
Municipality	Annual Assessment	Tax per $100k
City of Baraboo	$459,384	$47.30
Town of Baraboo	$95,282	$30.33
Village of West Baraboo	$60,222	$46.29
Town of Fairfield	$45,845	$40.61
Town of Greenfield	$44,393	$37.36
District Total	**$705,127**	**—**

Fire district existing assessments — based on Jan. 1, 2026 values and the certified 2025 levy (2026 budget).

MEMBER ASSESSMENTS · FIRE · PROPOSED

Fire District — Proposed Assessment Increase

Proposed increase of $325,000 allocated across member municipalities



Proposed Fire assessment increase by municipality ($)

How It Splits

- Total Fire increase of $325,000.
- The City of Baraboo share is $211,735, in line with its equalized value
- The Fire increase is far smaller than the EMS increase in both size and rate

Fire — Tax Impact per $100,000 of Value

Municipality	Existing	Increase	Projected Total
City of Baraboo	$47.30	$21.80	$69.11
Village of West Baraboo	$46.29	$21.34	$67.63
Town of Baraboo	$30.33	$13.98	$44.30
Town of Fairfield	$40.61	$18.72	$59.32
Town of Greenfield	$37.36	$17.22	$54.58

Fire tax impact per $100,000 of equalized value — existing rate, proposed increase, and projected total.

Fire + EMS — Tax Impact per $100,000 of Value

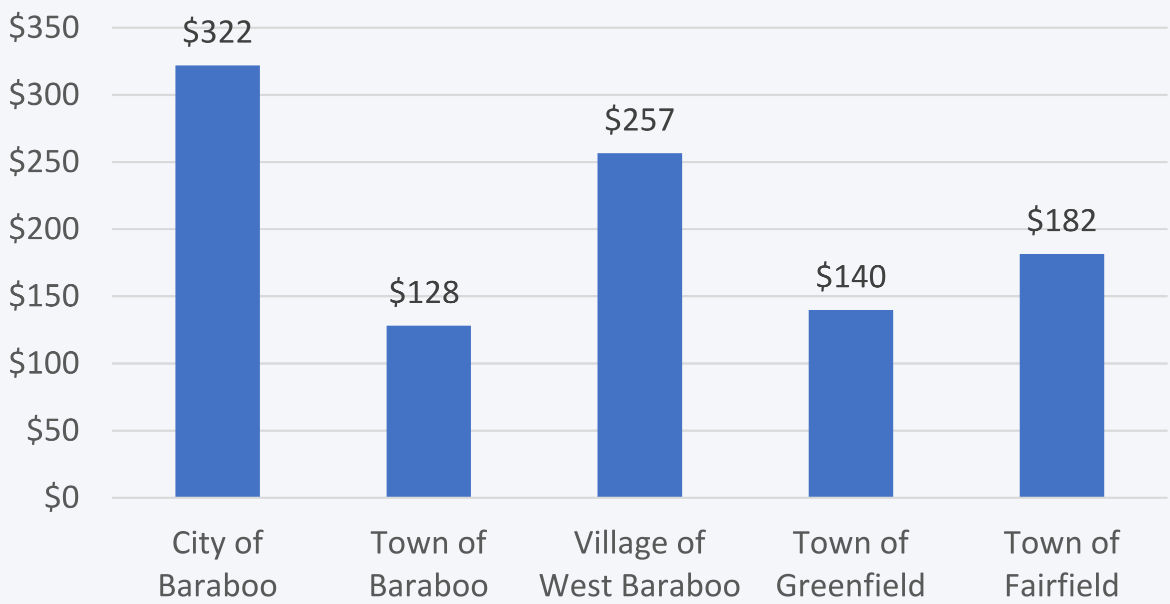
Municipality	Existing	Increase	Projected Total
City of Baraboo	$100.06	$146.37	$246.44
Village of West Baraboo	$86.65	$116.63	$203.28
Town of Baraboo	$49.09	$58.27	$107.35
Town of Fairfield	$67.65	$82.57	$150.20
Town of Greenfield	$56.98	$63.54	$120.52

Combined Fire + EMS tax impact per $100,000 of equalized value — existing rate, proposed increase, and projected total. Columns may not sum exactly due to rounding.

MEMBER ASSESSMENTS · COMBINED · HOMEOWNER IMPACT

What the Increase Costs a $220,000 Home

Added annual Fire + EMS cost for a home at the district's average value of $220,000



Added annual Fire + EMS cost on a $220,000 home, by municipality

What It Means

- City of Baraboo: about $322 more per year — roughly $27 per month.
- Its total combined bill rises from about $220 to $542 per year.
- Each community's added cost scales with its own rate per $100k.

MEMBER ASSESSMENTS · COMBINED

EMS + Fire — Combined Assessment Increase

$1.60M

EMS assessment increase

$325K

Fire assessment increase

$1.93M

Combined additional annual assessment across both services

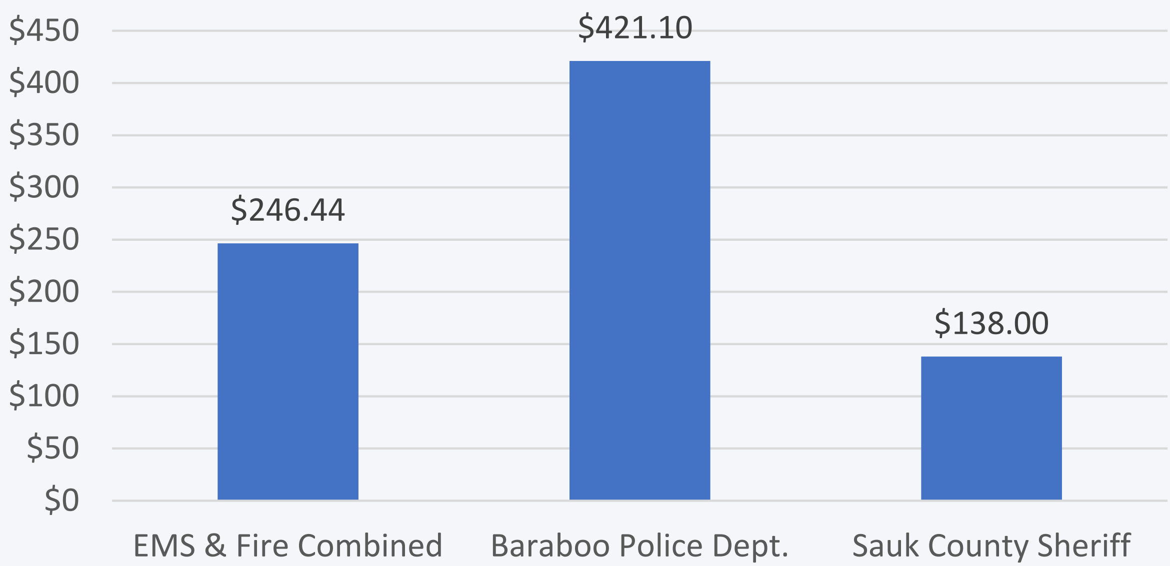
Why the Increase

- Together the EMS and Fire increases raise $1.93M in predictable, fully collected revenue.
- The new assessment funds the true cost of service in place of uncollectible patient billing and interfund transfers from capital.

MEMBER ASSESSMENTS · COMBINED · PUBLIC SAFETY COMPARISON

Combined Rate vs. Police & Sheriff

Projected EMS + Fire tax per $100k of value vs. police protection costs for area residents



Public safety cost per $100,000 of equalized value

What It Shows

- Projected combined EMS + Fire rate is $246.44 per $100k — EMS $177.33 plus Fire $69.11
- City of Baraboo residents pay $421.10 per $100k for police protection
- Residents served by the Sauk County Sheriff's Department pay approximately $138.00 per $100k
- **Even after the increase, combined Fire/EMS stays well below the City's police rate**

06

The Case for Investment

- Investing in capability across a stable workforce, flexible deployment, and sustainable operations
- Independent Wisconsin research confirming these are statewide, documented trends
- Protecting Baraboo's ISO Class 3 rating — a public-safety and economic asset
- A five-year path from stabilizing funding to a full strategic review

Investing in Capability

Stable Workforce

- Maintain the existing staffing investment.
- Improve long-term recruitment and retention.
- Reduce dependence on unreliable staffing models.

Flexible Deployment

- Preserve operational flexibility.
- Let deployment decisions evolve with community needs.
- Realign resources with the District's primary mission.

Sustainable Operations

- Stable funding supports predictable service delivery.
- Reduce reliance on volatile transport revenue.
- Provide a foundation for future operational improvements.

Commission Takeaway

- Municipalities are investing in a stronger, more sustainable emergency response system while preserving the District's flexibility to adapt its deployment model.

STRATEGIC TRANSITION · STATEWIDE EVIDENCE

Independent Research Confirms Statewide Trends

What the research finds

- EMS demand is rising with an aging population
- Recruitment and retention are statewide challenges
- Volunteer and paid-on-call models are declining
- Levy limits restrict how departments can adapt
- Departments are evaluating regional cooperation

"Many fire and EMS agencies are finding it harder to operate each year due to increasing service calls from an aging population, recruitment and retention difficulties, and levy constraints."

Wisconsin Policy Forum, In Need of Resuscitation? (2021)

"The historical operating model is under increasing pressure, and communities should proactively evaluate structural changes to maintain sustainable fire and EMS services."

Wisconsin Policy Forum, Sun Prairie Fire & EMS Service Analysis (2024)

Commission Takeaway

- BAFED is not asking the Commission to solve a unique problem — we are responding proactively to the same statewide challenges that independent researchers have documented across Wisconsin.

What the ISO PPC Rating Means

What It Is

- A Public Protection Classification, or PPC, graded by the Insurance Services Office.
- Scores a community's fire-protection capability on a 1-to-10 scale.
- Insurers use it to help set property insurance premiums.

How It's Scored

- Evaluates the fire department, emergency dispatch, and water supply.
- Class 1 is the strongest rating; Class 10 means no recognized protection.
- Reflects staffing, equipment, training, and infrastructure.

Community Impact

- Helps hold down home and business insurance costs district-wide.
- Signals dependable fire protection to residents and employers.
- Supports property values and local economic development.

Commission Takeaway

- The PPC is an independent, community-wide measure of fire protection — a strong rating benefits every property & business owner within the District.

STRATEGIC TRANSITION · A COMMUNITY ASSET

Protecting a Class 3 Fire Protection System

Class 3
Public Protection Classification maintained

Top 6.6%
of rated departments nationwide

5 Areas
evaluated — from staffing to water supply

Why It Matters

- Lower property insurance costs for homeowners
- More favorable commercial insurance underwriting
- Supports business attraction and industrial development
- Reflects long-term investment in fire protection

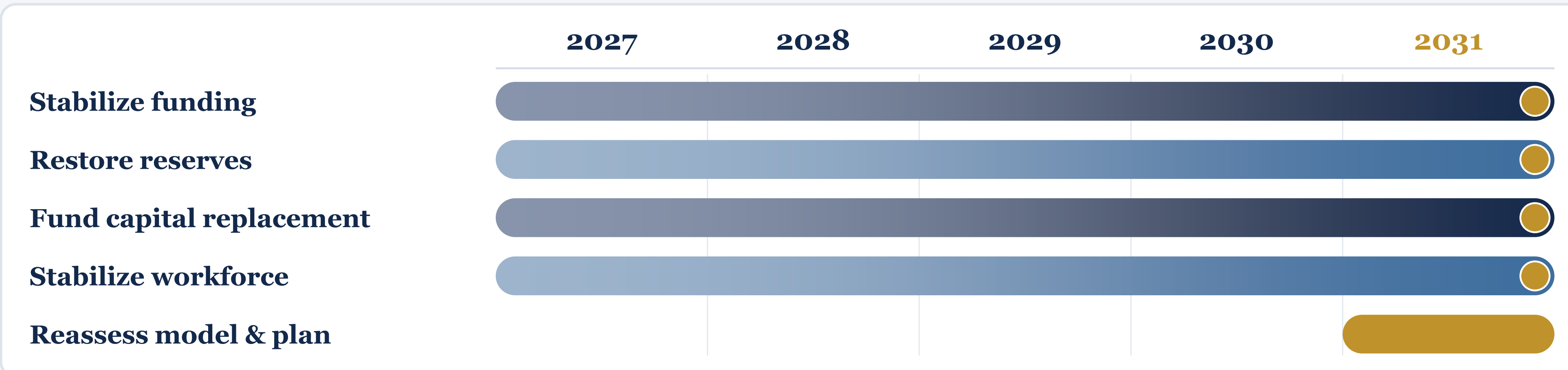
Commission Takeaway

- We are not just funding a District — we are protecting a Class 3 system that keeps insurance costs lower, supports economic development, and preserves a lasting community asset.

STRATEGIC TRANSITION · THE NEXT FIVE YEARS

The Next Five Years

Each priority advances steadily across the full 2027–2031 period—not in any single year—culminating in a reassessment of the operating model at the close.



By 2032 — What Success Looks Like

- Stabilized funding for operating expenses, through predictable municipal assessments and without reliance on the use of capital funds.
- Capital Equipment Fund restoration complete.
- Reduced dependence on volatile revenue and sustainable recruitment and retention.

STRATEGIC TRANSITION · MANAGING COST

Controlling Cost Since Consolidation

Actions already taken to hold down costs since consolidation, alongside options the District can weigh next

Steps Taken Since Consolidation

- Merged Fire and EMS administration to remove duplicate overhead.
- Cross-trained employees to stabilize staffing model.
- Consolidated into a single Chief model.
- Negotiated a (2) year wage freeze for bargaining unit employees.
- Negotiated a significant reduction in health insurance carrier/premium costs.

Options to Consider Next

- Eliminate (1) Command Vehicle Replacement from Capital Replacement Plan.
- Consider proposing that the City of Baraboo adopt an ordinance to bill skilled nursing facilities for lift assist calls.
- Collaborate with our community partner, SSM Health–St. Clare Hospital, to reduce non-emergent patient transfers while exploring opportunities to ensure appropriate reimbursement for services provided.

THE ASK

An investment, not an expense.

Municipalities are not being asked to absorb an expense. They are being asked to invest in a transformation that stabilizes funding, protects capital, preserves the workforce, and creates a predictable five-year path forward.