

## Wauwatosa and West Allis Joint Fire Department

### Updated Term Sheet

The municipalities will enter into an intergovernmental agreement under Wis. Stat. 62.13(1m) and 66.0301(2), in which they agree to create a joint fire department. That fire department will operate as a Wis. Stat. Ch. 181 nonstock corporation. Formation under Wis. Stat. Ch. 181 creates predictability, establishes formality, and ensures the joint fire department has an easily identifiable legal status. This type of corporation is a commonly used legal entity for non-profit organizations and will be easily recognizable under the innovation grant's eligibility requirements as a non-profit organization. This statute also allows for the joint fire department to have a board of directors to manage the business side of the entity and a separate board of fire commissioners to handle the normal duties of a police and fire commission.

#### Purposes of the nonstock corporation:

- To operate a joint fire department organized under Wis. Stat. §§ 66.0301(2) and 62.13(1m) as a subdivision or agency of municipalities for the purposes of Wis. Stat. §§ 345.05 and 893.80.
- To operate a joint emergency medical services district organized by municipalities under Wis. Stat. § 66.0301(2).
- To operate as an instrumentality of municipalities for the purposes of Wis. Stat. §§ 40.02(28) and 111.70(1)(j).
- To operate as a nonprofit, charitable organization that is lessening of the burdens of government imposed upon municipalities under Wis. Stat. § 62.13(8) and register as a charitable organization under Wis. Stat. § 202.12(1) if allowed or required by law.
- To operate as a public organization engaged in firefighting consistent with the definition of "fire department" under Wis. Stat. 66.0314(1)(c).
- To exercise the authority of an organization described in Wis. Stat. § 213.095 and any other authority granted to municipal fire departments in the State of Wisconsin.

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| Minimum Performance Metrics | The joint department will maintain services levels consistent with national level programs such as the Commission on Fire Accreditation International (CFAI), the Insurance Service Office (ISO), and the National Fire Protection Association (NFPA). The initial performance metrics will include call processing time, total response time, fire spread, fire inspections, fire-related deaths, and workplace injuries. These are metrics that both the West Allis Fire Department and Wauwatosa Fire Department currently track in accordance with the aforementioned standards. The joint department will strongly consider becoming an accredited agency within the first 10-year term of incorporation. |
| Contract Term               | Initial term of 10 years. Automatic renewal terms of 6 years. After initial term, either party can terminate without cause during a renewal term with a 2-year notice. <b>During the initial 10-year contract, can only be terminated for cause.</b>   |

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| Termination Clause | <p>Either party can leave for cause if a material breach of the contract not cured within 30 days. Upon termination, the parties shall work diligently to transfer services back to the municipalities as soon as practicable.</p> <p>Cause: breach of intergovernmental agreement by either municipality.</p>  |
| Cost sharing       | <p>50/50 cost sharing</p> <p>The even split is based upon the similarities of the two communities, as identified in the McMahon report, including existing budgets and calls for service. If additional municipalities become part of the joint department in the future, parties will develop a methodology that contemplates proportional cost.</p>   |
| Innovation Grant   | <p><b>The City of West Allis and the City of Wauwatosa will submit a joint application to the Department of Revenue by March 31, 2026, to be eligible for five years of Innovation Grant payments.</b></p> <p>Innovation grant monies awarded under Wis. Sat. 79.038(1)(a)1e, which is estimated to be five annual payments, in the amount of XXX, shall be allocated to the cities in the following amounts:</p> <ul style="list-style-type: none"> <li>• City of Wauwatosa: 25% of its share of total costs</li> <li>• City of West Allis: 25% of its share of total costs</li> </ul>   |
| Budget Authority   | <p>Budget automatically approved if the joint department maintains a budget increase of 4% or less post grant or CPI + 2%, whichever is lower. During first 5 years, budgets are set at an annual increase of 2.84%.</p> <p>Each municipality shall annually approve payment to the joint fire department, equal to one-half of the amount budgeted for the joint department if the budgeted amount is less than or equal to the following:</p> <ol style="list-style-type: none"> <li>a. Year 2026: 102.8340% of 2025 Combined Cost (prorated)</li> <li>b. Year 2027: 105.7483% of 2025 Combined Cost</li> <li>c. Year 2028: 108.7452% of 2025 Combined Cost</li> <li>d. Year 2029: 111.8271% of 2025 Combined Cost</li> <li>e. Year 2030: 114.9962% of 2025 Combined Cost</li> <li>f. Year 2031 and beyond: A percentage increase from the preceding year that is no more than the lower of the following amounts: <ul style="list-style-type: none"> <li>i. 4%, or</li> <li>ii. the percentage change in the U.S. consumer price index for all urban consumers, U.S. city average, as determined by the U.S. department of labor, for the 12 months ending on August 31 of the year of the levy, plus 2%.</li> </ul> </li> </ol> |

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|                                | <p>If the joint department proposes to the municipalities a budget in excess of the amounts stated above, the municipalities may approve payment to the joint department equal to one-half the total amount budgeted. In the event at least one municipality does not approve a budget submitted under this section by December 1, each municipality shall pay to the joint department an amount equal to the maximum amount for which payment is mandated above.</p>  |
| Governing Body for Corporation | <p>The corporation will have two members: City of West Allis and City of Wauwatosa. No new members will be admitted. <b>The joint department can decide to provide services to additional municipalities through a service agreement; however, no other municipalities will become a member of the corporation.</b></p> <p>The board of directors will initially be made up of six individuals. Each member shall appoint directors to the board – West Allis may appoint up to 3 individuals and Wauwatosa may appoint up to 3 individuals. The number of directors may be increased or decreased from time to time by a unanimous vote of the members. If the number is increased or decreased, the members shall also state the number of directors each member is entitled to appoint. The board shall be treated as a governmental body as defined in Wis. Stat. §19.82(1) and all meetings of the board shall comply with Wis. Stat. Ch. 19.</p> |

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| Fire Commission Appointments | <p>Three residents from each community. Mayoral appointment, ratified by the Council from each community. This is the same appointment procedure cities follow under state law.</p> <p>The commissioners shall serve staggered terms upon appointment, with one expiring in 2027, one for 2028, and one for 2029. Vacancies of the JFC shall be filled by appointment for any unexpired term by the appointing authority in the same manner as the original appointments are made.</p> <p>Meetings of the Joint Fire Commission shall comply with open meetings laws under Wis. Stat. § 19.81.</p> |

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| Deferred Maintenance  | Existing buildings remain property of the municipality that currently owns them. Those buildings will be leased to the joint department at a reasonable rate to be determined as part of the final contract. Cities will remain responsible for capital improvements for their own buildings and agree to include appropriate building improvements in their five-year capital plans in consultation with the Joint Fire Department. Responsibility and ongoing maintenance and repairs to be determined as part of the final contract. Both municipalities currently have a fire station that needs to be relocated and rebuilt at some point in the future. That will be negotiated outside of this agreement but not occur sooner than five years.   |
| Vehicles/equipment  | Each municipality will retain ownership of its own vehicles until any outstanding debt is paid off. The debt for vehicles already purchased by each municipality will be maintained by each municipality. As part of the final contract, the Cities will develop a ten-year vehicle purchase plan with the goal of using a portion of the innovation grant to establish a sinking fund for vehicle replacement. As part of the final contract the Cities will develop a methodology for annual funding of the sinking fund so that the Joint Fire Department has sufficient funds to cash finance the purchase of new vehicles. The Joint Fire Department will be responsible for maintaining vehicles. After a period of time to be determined so as to not detrimentally affect the ability to remain within 115% of base costs over a 5-year period, new vehicles will be purchased by the joint department using the sinking fund. As part of the final contact, Cities will agree to the ten-year purchase plan. |
| Services: joint department to contract with each municipality to provide the following services – point person within the listed municipality with the possibility of additional staff being hired by each municipality to meet the needs of the joint department. “Joint department” means an individual hired for the purpose of working solely for the joint department. The below are the initial assignments believed to be appropriate at the time of this term sheet and may change over time as the joint department’s needs develop and each municipality can explore where resources are best used. |   |
| <input type="checkbox"/> HR   | Wauwatosa   |
| <input type="checkbox"/> Attorney   | West Allis  |
| <input type="checkbox"/> Finance  | Wauwatosa   |
| <input type="checkbox"/> IT   | West Allis  |
| <input type="checkbox"/> Communications   | Joint department with back-up staffing from each community  |
| <input type="checkbox"/> Facilities   | TBD   |
| <input type="checkbox"/> Fleet  | Joint department  |
| Property  | Each municipality maintains ownership of current stations and leases it to joint department at a rate rent to be determined in the final contract. Insurance for the joint department would be a joint department expense   |

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|          | <p>but will utilize the same insurer as Wauwatosa for efficiency (currently CVMIC for auto physical and MPIC for property)</p> <p>If the department dissolves, the current buildings would revert back to the original municipality from which they came. Should a new building be erected during the life of the joint department, that building would be appraised. If the property is within the city limits of West Allis, then West Allis would keep the property and Wauwatosa would be paid half of its value. If the property is within the city limits of Wauwatosa, then Wauwatosa would keep the property and West Allis would be paid half of its value.</p> <p>If the property is not appropriately situated for either municipality, the property will be sold and the proceeds divided by each municipality.</p> <p>Wauwatosa has a fire training center that is located in the City of Wauwatosa near the Department of Public Works main building. The joint department will lease this building from Wauwatosa. A third party will analyze cost to City of Wauwatosa to determine appropriate amount of lease for joint department to pay Wauwatosa to use.</p>  |
| Vehicles | <p>Each municipality maintains ownership and leases current vehicles to the joint department. Each municipality will own its debt-funded vehicles until the debt is satisfied.</p> <p>Any new vehicles purchased after a date to be determined in the final contract, are purchased by the joint department. From a sink funding that is capitalized using Innovation grant proceeds and an annual charge to both municipalities. The amount needed to capitalize the sinking fund and size the annual capital appropriation will be based on a 10-year capital plan approved with the final contract.</p> <p>If the department dissolves after the time in which the vehicles have become joint property, the vehicles would be appraised and the municipalities would divide the vehicles based on the value. If there is a difference in value on vehicles, one municipality would reimburse the other to make up that difference. For older vehicles with limited lifespan, there is an option to appraise them and sell them, with the proceeds of the sale being split equally between the two municipalities.</p> <p>Both cities will have first opportunity to purchase vehicles that are to be transitioned out of department before open to public purchase.</p> |

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| Dispatch process                       | A sub-committee of fire, dispatch, police, city administration, and outside technical experts will evaluate the existing dispatch process and make recommendations for future operations. A study will be conducted to recommend the best dispatch system(s) moving forward for the joint department, in conjunction with each municipality's police department.  |
| Union involvement                      | The Fire Chiefs are holding a monthly meeting with the union board members who have been participating in these discussions from day 1 to collaborate and obtain necessary feedback. Union negotiations cannot legally begin until a joint fire department has been formed and there is a union with which the joint department can negotiate.  |
| Emergency Operations and Mutual Aid    | Each municipality can elect to name the joint fire department as emergency operations manager.<br><br><b>The mutual aid response agreements between the parties of this agreement with other entities shall be assumed by the joint department.</b>   |
| Sundry and other equipment             | Sundry and other equipment will become the property of the joint department and any new equipment needed will be purchased by the joint department. If the joint department dissolves, equipment will be split equally by each municipality.<br><br>The City of Wauwatosa currently has an emergency rescue vehicle. This equipment will remain in the property of the Wauwatosa Police Department but will be available to the joint department in the event of an emergency in either municipality.   |
| Staffing agency                        | <b>Following the signing of the intergovernmental agreement, but prior to the joint department being fully operational, each municipality shall serve as a staffing agency for the joint department.</b><br><br><b>During this time neither municipality will see any changes to its current operations.</b>  |
| Previously earned expenses and revenue | <b>Each member shall retain any revenue earned prior to the first date upon which fire protection and emergency services are transferred to the joint department, including payment for services performed prior to that date but paid after that date.</b><br><br><b>Each member shall pay for any liabilities incurred prior to the first date upon which fire protection and emergency services are transferred to the joint department, including retiree healthcare, contractual commitments that are not assumed by the joint department, any expense incurred solely because an employee was a former employee of a party, and any other expense directly attributed to that municipality. If the joint department is obligated to pay for any such expense, the board shall compute the additional expense and invoice each municipality for that amount.</b> |

# Workplan for the Initial Combination of the West Allis and Wauwatosa Fire Departments

## Phase 1: Governance & Planning

- Establish Joint Leadership Team: Interim leadership team with chiefs, city administrators, and attorneys. Finance directors, human resources directors, and other city staff will engage as needed to provide technical expertise.
- Dispatch: A sub-committee of fire, dispatch, police, city administration, and technical experts evaluate the existing dispatch process and make recommendations for future operations.
- Union representatives continue joint meetings between West Allis and Wauwatosa Fire Chiefs on a monthly cadence to discuss items related to the merger.
- Legal & Policy Alignment: Review intergovernmental agreements, contracts, ordinances, and liability structures.
- Financial Planning: Develop cost-sharing models (50/50), align budgets, and identify short- and long-term efficiencies.
- Conduct a deferred maintenance analysis, including vehicles, and begin process of considering how to address the deferred maintenance each community brings to the joint district.
- Communications Plan: Launch joint communications to employees, elected officials, and the public to explain goals, benefits, and process.
- Continue to refine understanding of services that are embedded within the joint district versus contracted for to the municipalities, including:
  - Labor relations
  - Finance
  - HR
  - IT
  - Legal
  - Facilities
  - Communications
  - Fleet
  - Dispatch

## Phase 2: Organizational Integration

- Command & Structure: Define new organizational chart and decision-making authority.
- Standard Operating Guidelines (SOGs): Review, compare, and consolidate into unified SOGs.
- Labor Agreements: Begin union negotiations when there is a formed union for the new district.
- Training Alignment: Conduct joint training exercises and cross-staffing trials.
- Brand Identity: Develop unified name, insignia, uniforms, and apparatus branding.

## Phase 3: Operational Deployment

- Station & Resource Optimization: Conduct analysis to determine apparatus distribution and fleet needs.
- Joint Specialty Teams: Combine technical rescue, hazmat, EMS, and fire investigation teams
- Community Outreach: Host open houses and listening sessions to build public trust.

## Phase 4: Evaluation & Continuous Improvement

- Performance Metrics: Continuously monitor the performance metrics identified in the Executive Summary provided to each Common Council in late 2025 to ensure the department is meeting or exceeding service standards.
- Workforce Engagement: Implement employee satisfaction surveys and wellness programs.
- Public Feedback: Launch resident surveys to evaluate perception of service quality.
- Strategic Plan Development: Create a long-term (5–10 year) strategic plan for the district
- Unified Dispatch & Response Protocols: Integrate CAD systems, station coverage maps, and mutual aid agreements.

## Key Success Factors

- Strong leadership and transparent communication.
- Respect for both departments' traditions while embracing a unified culture.
- Early and ongoing union/employee involvement.
- Community engagement to maintain trust and support.
- Clear benchmarks for cost savings and service improvements.