

# Looking Ahead, Think Consolidation

**B**ecause of the national economic downturn, there has been a significant push in New Jersey to consolidate municipal, educational and other taxpayer services. As towns, counties and the state look to reduce their expenditures, municipalities have encouraged these services, such as volunteer first aid squads, to merge or consolidate. In some instances, municipal officials have asserted that volunteer squads will no longer receive 911 calls if they don't.

There are currently over 500 volunteer first aid squads in the State of New Jersey, either aligned with the NJSFAC or unaffiliated. A 2007 report issued by the New Jersey Department of Health and Senior Services recommended that the Office of Emergency Medical Services and the New Jersey State First Aid Council "work to devise a plan that will encourage consolidation of squads in areas where geographic, human resources, or economies of scale issues make consolidation logical." The obvious benefits of consolidation include smaller overhead (fewer buildings to maintain, the need for fewer vehicles), a consolidated administrative oversight board, and the ability for volunteer squads to guarantee a specific level of service. However, the report also recognized that consolidation may be difficult, as communities and volunteer providers are proud of their first aid squads, and fear a loss of identity. In addition, some communities have splintered into multiple squads as a result of personality conflicts and feuds.

What can volunteer first aid squads do to prepare for this? In preparing for consolidation of services, it is important to examine all the facts.

- Collect evidence regarding the impact that consolidation may have on response times, the ability to recruit volunteers, and other issues. Municipal government leaders may not be aware of the factors that can impact the provision of services in a particular location. For example, a consolidation of two volunteer first aid squads in the Jersey Shore area may work



very well during non-summer months. However, during the busy summer vacation season, it may take significantly longer for squads or volunteers to get from one location to the other.

- If you have not already done so, consider entering into a mutual aid agreement with a neighboring squad. Some volunteer first aid

squads are faced with gaps in coverage due to volunteers having to work additional hours, care for family members, or juggle other conflicting demands that may limit their availability. If your squad finds that it is having difficulty providing coverage for particular timeframes, reaching out to another squad and developing a mutual aid agreement may allow each squad to strengthen the overall level of service provided.

- It may be prudent for a volunteer first aid squad to be proactive about exploring potential merger opportunities with neighboring squads so that any potential merger is thought through carefully, with a view towards a seamless integration of the activities and cultures of the merging squads.

Consolidation does not happen overnight. If two squads are talking about a consolidation or merger, they should allow sufficient time for an exchange and review of governing documents and financial records, as well as for discussions about the integration of staff and activities.

- Given the fact that sensitive information will be shared, a confidentiality agreement should be prepared early in the process and signed by both parties. The certificate of incorporation and bylaws of each volunteer first aid squad need to be reviewed from a legal standpoint so that an analysis of board membership requirements, voting and related provisions, is conducted. Particular attention should be paid to voting requirements for approval of the consolidation or merger, for donations of property, and dissolution (if applicable). The parties should also evaluate the board composition of the consolidated or merged entities, and the number of board members to be appointed. While there may be a temptation to simply bring together the two boards, a board

*-continues on page 21*

that is unduly large may prove unwieldy and may make it difficult to make decisions. The parties should also consider how officers will be appointed, how vacancies will be handled, and whether or not any decisions will be subject to super-majority voting. Committee structures should also be discussed as well as ongoing staffing, equipment and financial needs after the merger or consolidation.

- The financial records of each organization must also be reviewed to determine each party's assets and liabilities, the relative strengths and weaknesses of each party's financial status, and the dollars that may be needed in order to wind down the activities of one organization as it merges into the other. Personnel issues such as per diem EMT job security, length of service program (LOSAP) credits, post-merger designations of officers/rankings and life member status, must also be considered. The liability insurance maintained by each squad and "tail insurance"

coverage for prior acts must also be carefully evaluated. Furthermore, the status of governmental contributions (both cash contributions and buildings/land), must also be reviewed. Each party should also determine whether or not it has received any restricted gifts or other restricted assets. In order to intelligently guide the parties through the process, it is advisable to consult with an attorney and an accountant.

Talk of merger or consolidation often provokes a strong emotional response because members involved in volunteer first aid squads have worked hard and are justifiably proud of the service that they have rendered to their communities. However, squads need to be prepared for the possibility that their local municipal government officials may approach them regarding a merger or consolidation. A well thought-out plan as to how to respond to a municipal request for consolidation or merger – rather than awaiting a scenario where a municipality exerts strong pressure

for a squad to effectuate a fast-track merger or consolidation – is likely to prove beneficial.

*Beth Christian is an attorney and shareholder in the law firm of Giordano, Halleran & Ciesla, in Middletown. She works with volunteer first aid squads in connection with contracts and mergers.* \*

### EMTs Who Passed CEU Test #71

- continued from page 17

Numargo Vasquez 12300  
 Elaine Verellone 12040  
 Marc S. Vogt 12406  
 Kelly Vriese 11447  
 William A. Wagner 10388  
 Vincent Walsh 10922  
 Catherine Warbrick 3184  
 Colleen Ward 4808  
 Dawn M. Ward 2032  
 Keegan McWilliams-Ward 12473  
 Michael S. Warren 3763  
 Richard A. Warwick 1167  
 Gregory H. Wasilewski 2078  
 April Weaver 11652  
 Robert P. Weidmann 928  
 Deanah Weigelt 2357  
 Debra Weigelt 11731  
 Stephen Weltzman 9211  
 David R. Weller 12480  
 John A. Weiling III 12447  
 Daniel Werksman 12434  
 Rosemary Weyer 3139  
 Deborah C. Whitcraft 7678  
 Bruce Whited 12319  
 Hazel Whitty 11833  
 Gary Wiener 11883  
 Kathy H. Williams 7344  
 William E. Williams 3193  
 Tiffany S. Willshaw 11436  
 Kyle T. Wilson 12493  
 S. Nicholas Witczak 12305  
 Brittany L. Wolf 12355  
 Linda R. Wolf 6086

Sandra L. Wolf 7840  
 Jan I. Wolitzky 289  
 Stephen Wood 12038  
 Robert J. Woodier 3980  
 Candace M. Wright 2057  
 William Wright 3761  
 Cornelius B. Young, Jr. 5266  
 Petronila Zalama 12474  
 Keith E. Zane 3462  
 Kathy Zapic 3512  
 Suzanne Zebrowski 12247  
 Edward Zielenski 2022  
 Gregory Phillip Zilante 6996  
 Jay Zimmerman 11149  
 Dee Ziobro 1421  
 Susan Zitolo 7848  
 Casey Zmuda 3609  
 Eileen P. Zoltanski 9045  
 Lonnie Zuckerman 1455  
 Ronni Zuckerman 3849  
 Audrey Zylinski 11386  
 William Zylinski 11385

#### Correct Answers:

- |        |         |         |
|--------|---------|---------|
| 1. - c | 8. - d  | 15. - d |
| 2. - d | 9. - c  | 16. - d |
| 3. - b | 10. - b | 17. - b |
| 4. - c | 11. - d | 18. - a |
| 5. - c | 12. - b | 19. - c |
| 6. - d | 13. - c | 20. - d |
| 7. - c | 14. - b |         |



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