



Dear Fellow Residents:

For the past several years, the Board of Aldermen, resident members of various city commissions, and city staff and consultants have been developing solutions to several critical issues facing our community:

- The Insurance Services Organization, (ISO) has mandated new standards requiring increases to our fire department staffing. The cost of homeowners insurance to Frontenac residents would significantly increase if we do not comply.
- The need to address the quality and response level of our Emergency Medical Service, (EMS) currently provided by Abbott Ambulance.
- The need to replace deteriorating and inadequate building facilities.

Recent pressure from ISO and other critical developments requires that all of these issues be addressed immediately. After much evaluation, the Board has determined that if residents assume the cost of trash collection we can meet ISO requirements. The annual cost of trash collection will be less than what ISO estimates the annual increase in your homeowner's insurance premium would be if we did not add fire department staffing.

By adding three additional firefighter/ paramedics beyond what is required of ISO, we can provide our own ambulance service. Meeting ISO standards and providing ambulance service requires that we either expand current buildings or build a new facility. We believe the most prudent course of action is to proceed with a new facility at this time.

*(Listed below is further explanation of our decision and a request for resident input. Additional information is also on the City website, [www.cityoffrontenac.org](http://www.cityoffrontenac.org))*

**ISO has changed their standards for fire departments.  
If not addressed, these changes would increase your cost of  
homeowners' insurance significantly.**

ISO is the insurance industry's rating agency for all fire departments. In November, 2007 ISO rated our department and our contract cities and notified us that a change in their regulations requires all pumpers to be staffed with four firefighters at all times. To comply would require Frontenac to hire three additional firefighters, a significant

additional expense. Not complying would result in our current excellent rating of four being increased to a probable ten, which is the worst rating possible. Insurance rates for the median value of a home in Frontenac would increase more than \$400 annually based on ISO calculations. They have also indicated that some insurance companies would decline to provide coverage at a rating of ten.

We believe that non-compliance is not an option if we are to continue offering the highest standards of fire protection for our residents and businesses. Compliance allows us to enhance the safety for our responding firefighters, and protect our residents from excessive increases in their homeowner insurance costs.

**The consultants recommended that Frontenac provide our own ambulance service.**

Over 90% of the calls to our fire department from Frontenac residents relate to Emergency Medical Service (EMS). For a number of years the City has contracted with Abbott Ambulance to provide emergency medical response and patient transport. Two independent fire consultants both concluded that by outsourcing our EMS service to Abbott, we were not receiving an acceptable level of response and service. The reports recommended that the best way to offer our residents quality service is through our own ambulance and paramedics, resulting in shorter response times with more highly trained staff. To achieve this would require an additional three firefighter/paramedics beyond the three necessary for ISO compliance.

**The current need for a new government facility.**

For years, the city has recognized the need to undertake replacement of our current structures, some of which are fifty years old. Mold, asbestos, obsolete electrical systems and inefficient mechanical systems are just some of the problems impacting our current facilities. But even more pressing is that the existing facilities do not have space to meet the ISO staffing requirements of the minimum three additional firefighters, or the additional three firefighter/paramedics and corresponding equipment required to provide ambulance service.

The new facility will consolidate City Hall, the Police Department and Fire Department into a single structure without interruption to police and fire services during construction at a total cost of \$10.5 million. It will be funded using \$6 million of the City's reserves and borrowing the remaining \$4.5 million by issuing 20 year bonds.

### **Why now?**

From a cost standpoint we believe this is the optimum time to proceed.

- Interest rates on the bonds are the lowest in 20 years.
- Construction bids were less than our original estimates as a result of the current economic environment.
- Renovating the existing buildings would require \$5 million, and these improvements would extend their useful life for only another ten to fifteen years depleting the reserves necessary for the City to afford a new facility in the future.
- The new facility and ambulance service allows us to maintain revenues generated from services provided to contract cities and expands our opportunities for additional revenue generation or cost reduction.

### **Impact on Frontenac Residents**

75% of the City's revenues results from sales tax and business income, while the remaining 25% is generated primarily from residential property taxes. Given the decline in sales tax revenues as a result of the economic downturn, and in order to continue to maintain quality services, the Board of Aldermen have elected to begin passing along the cost of trash collection to residents beginning January 1<sup>st</sup> 2010. The City currently pays approximately \$30 per month per household for weekly trash, recycle and unlimited yard waste, (which is less than the estimated annual increase in your homeowner's insurance bill if we did not meet ISO mandated standards). The City will contract for the trash collection, and arrange for residents to be billed quarterly. It is important to recognize that residents in most of our neighboring communities pay the cost of their trash collection. For the foreseeable future, the City will continue to provide leaf vacuuming as in the past at no additional cost to residents.

We have chosen to pass along the cost of trash collection rather than institute a tax increase, which is the most common method for cities to generate additional revenue. We've done this because tax increases always seem to be permanent, and we are hopeful that as the economy improves the City's need for additional funds to provide the high quality services our residents deserve will be reduced.

The Board of Aldermen and City administration are also continuing to pursue a number of government grants and opportunities to contain or offset ongoing expenses.

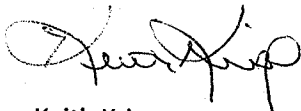
**The Board of Aldermen welcomes your questions or comments.**

The Board of Aldermen and I are aware that these are all extremely important decisions for our City that need to be made at a very difficult time. We believe it is prudent to proceed with providing additional quality services and necessary facilities, and we welcome your comments.

The next scheduled Board of Alderman meeting is at 7:00 pm on Wednesday, September 23<sup>rd</sup> at City Hall. At that time, the issues of ISO compliance, providing enhanced ambulance service, construction of the new municipal facility and charging for trash collection will be discussed. There will be a presentation on these issues and an opportunity for public comment.

If you are not able to attend, please feel free to submit comments in writing at City Hall, e-mail the City or your alderman from the City website at [www.cityoffrontenac.org](http://www.cityoffrontenac.org) or give us a call at 994-3200.

Sincerely,



Keith Krieg  
Mayor

Ward One

Alderman Susan Durbin  
Alderman John Wynne

Ward Two

Alderman Margot Martin  
Alderman Jon Serkes

Ward Three

Alderman John Levis  
Alderman Tom Hizar