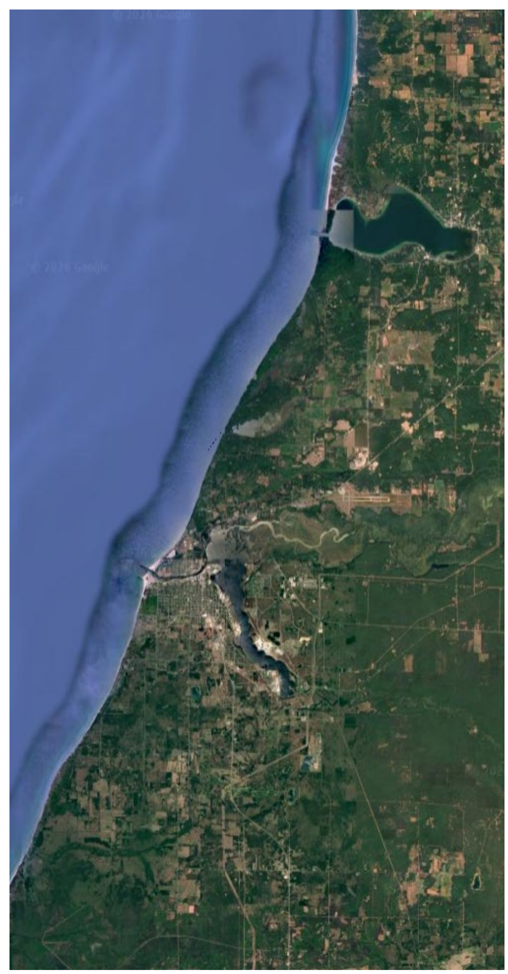
MRFI

Manistee Regional Fire Initiative

Information & Proposed Budget

6/2/2026



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Participating Governments \ Communities

City of Manistee	Jermaine Sullivan, Mayor
Filer Charter Township	Terry Walker, Supervisor
Little River Band of Ottawa Indians	Larry Romanelli, Ogema
Manistee Township	John Dontz, Supervisor
Onekama Township	David Meister, Supervisor
Stronach Township	Phil Vadeboncouer, Supervisor

Introduction Letter

May 18, 2026

Manistee County's fire and emergency medical services system is at a key moment. Over the past two decades, emergency calls have increased by 37%, while the number of available responders has declined by more than one-third. At the same time, the nature of these calls has changed significantly. Around 80% now involve emergency medical services, driven in part by an aging population and increasing healthcare needs.

This growing gap between demand and available resources presents a significant challenge to sustaining reliable, effective public safety services. The current system - made up of largely independent and primarily volunteer departments - has served the community well, but it is increasingly strained by modern realities. Fires burn hotter and spread faster, requiring more rapid response times and higher staffing levels, while EMS calls need advanced medical expertise, consistent coverage, and coordinated care.

In reaction to these challenges, this document introduces a progressive solution known as the Manistee Regional Fire Initiative (Initiative). This Initiative is a joint effort among the City of Manistee, Filer Charter Township, Manistee Township, Onekama Township, Stronach Township, and the Little River Band of Ottawa Indians, and to build a unified, sustainable emergency services system.

The proposed Manistee Area Fire Authority (MAFA) will be established under Michigan Public Act 57 of 1988, allowing participating municipalities to formally unite services under a structured governance model. A Board of Directors will provide oversight, while professional leadership will manage day-to-day operations.

What began as a conversation between local fire service leaders has grown into a region-wide Initiative supported by multiple municipalities and guided by a dedicated steering committee. This budget does not reflect simply a response to today's challenges, but a commitment to building a system capable of meeting our community's needs for decades to come.

The creation of MAFA stands as a proactive investment in public safety - one that will improve service reliability, boost response times, and better protect the lives and property of the people we serve. We thank you for your continued assistance and participation as we take this important step forward together.

Respectfully,

Thomas Hernden	Rob Johnson
Fire Chief	Fire Chief
City of Manistee Fire Department	Onekama Township Fire Department

Background

Current State

Manistee County's fire and EMS system faces a pivotal moment. Emergency calls have climbed by 37% over the past twenty years, yet the pool of responders has dropped by more than a third. This expanding divide between rising service needs and shrinking response resources poses a mounting challenge to public safety, especially as an older population increases EMS demand.

Relying on a patchwork of mostly volunteer fire departments is no longer enough to address these pressures. Fires today burn hotter and spread faster due to new building materials, making the situation more hazardous. Meanwhile, EMS incidents now represent nearly 80% of all emergency calls, demanding advanced medical expertise, dependable staffing, and better-coordinated responses - standards the existing setup struggles to meet.

Early Collaboration Discussions

The concept of a regional Fire and EMS authority in the Manistee area did not emerge overnight. Early discussions began between Manistee Fire Chief Thomas Hernden and Onekama Fire Chief Rob Johnson, centered on a shared concern: how to work together to build a more reliable, sustainable, and effective fire and emergency medical services system for the community. These conversations reflected the realities both departments faced, including growing call volumes, limited staffing resources, and rising expectations for service delivery.

As those discussions progressed, it became clear that these challenges were not isolated to a single department but were shared across the entire region. What began as a conversation between two chiefs evolved into a broader dialogue among surrounding communities, focused on creating a unified approach to improving service reliability, response capability, and long-term sustainability.

Resolutions of Support \Steering Committee

That collaboration quickly gained formal support. Onekama Township, Manistee Township, the City of Manistee, Filer Township, and Stronach Township each unanimously adopted resolutions supporting the exploration of creating a regional Fire and EMS authority. This Initiative is known as the Manistee Regional Fire Initiative. As part of that commitment, each participating jurisdiction appointed two representatives to serve on a regional steering committee tasked with evaluating governance, operations, funding, and implementation strategies. This committee has been meeting regularly to move the process forward.

Goals

This discussion reflects a deliberate move toward a more sustainable, effective, and robust emergency response system, culminating in the formation of a fire authority. The Initiative aims to better match resources with both present and future service needs, while enhancing operations and outcomes for the community.

The collaboration Initiative sets out these primary areas of focus:

1. **Unified Fire and EMS Operations:** Establishing a single organizational framework to boost coordination, eliminate redundancy, and ensure reliable response strength throughout the MAFA service area.

2. **Stable Staffing and Coverage:** Creating a dependable mix of full-time staff and volunteers to provide round-the-clock readiness and handle rising numbers of emergency calls.

3. **Community Risk Reduction:** Supporting preventive efforts, such as public awareness campaigns and health outreach, to reduce emergencies and ease system strain.

4. **Technology and Data Systems:** Implementing standardized reporting and information sharing to increase accountability, speed up response times, and making strategic decisions.

5. **Equitable and Efficient Service:** Making sure all community members receive dependable, high-quality emergency care no matter where they live, while making optimal use of public resources.

Rather than just sustaining existing services, this budget aims to prepare Manistee County for what lies ahead. It signals dedication to upgrading emergency response, increasing reliability, and maintaining public trust. By taking a proactive, unified approach, MAFA will advance life safety, safeguard property, and make sure emergency services keep pace with the evolving needs of the community.

Consultant

Recognizing the initiative's complexity, the steering committee engaged Double Haul Solutions to assist in communicating the purpose, structure, and factual data about the proposed authority. This ensures consistent, transparent, and accurate messaging across all participating communities. The consultant will establish an informational website and mailers to assist with public education.

Closing

What began as a conversation between two fire chiefs has grown into a region-wide initiative supported by multiple municipalities and guided by a structured steering committee. This is the genesis of a modern emergency response system - built on collaboration, designed for efficiency, and committed to improving response times, reducing costs, and enhancing public safety for the entire Manistee region.

Fire Authority

Legal Framework

The MRFI will lead to an authority, MAFA, as authorized by the Emergency Services to Municipalities Act, PA 57 of 1988 (MCL 124.601 et seq.), as amended which allows multiple municipalities to create a regional emergency services authority. As an authority, it will be a separate unit of government. However, it will **not** have independent taxing authority as discussed in the revenue section of this document. Through this structure, communities will adopt formal articles of incorporation, transfer services into a unified organization, and create a sustainable funding model. At a specified time after the formation of the MAFA, the individual City and Township fire departments will dissolve.

Governance

MAFA will likely have a seven-member governing board consisting of one representative from each of the participating governments\communities and an at large member with substantial fire and EMS management expertise selected by the appointed members. This board will oversee the MAFA operations and budget and is responsible for overall governance of the organization.

The Board will hire a Fire Chief who is responsible for the day-to-day management of MAFA. By unifying data systems, strengthening partnerships, and prioritizing evidence-based decision-making, the authority will improve efficiency and ensure consistent service delivery across all jurisdictions.

Implementation Steps

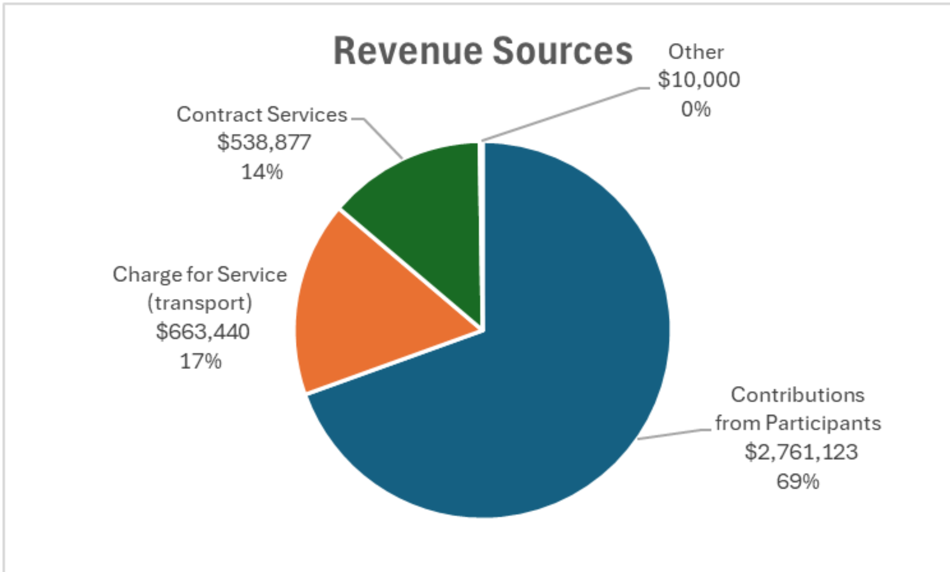
There are a number of important, time sensitive steps that the steering committee and participants must adhere to in order to put millage question on the ballot and have the authority up and running.

Date	Item	Responsibility
May 20, 2026	MRFI Steering Committee meeting	Steering Committee
May 20, 2026	Recommend Information & Budget Document with Funding Formula to each Participant	Steering Committee
May 22, 2026	Photos to Consultant	Steering Committee
	Press Release	Consultant
June 1, 2026	Tax Newsletter Due to Manistee County	Consultant, City, Twps
June 12, 2026	MRFI Website Launched	Consultant
June, 2026	Ballot Language Prepared for Townships	Steering Committee
July, 2026	Ballot Language approved by Township Boards	
July, 2026	Public Information Meeting	Consultant
July, 2026	Articles of Incorporation recommended by Steering Committee and Presented at Board Meetings for discussion	
August 11, 2026	Deadline for ballot wording of local proposals qualified to appear on November ballot to be certified to local or county clerks.	Each Participant
September 2026	Public Information Meeting	Consultant
November 3, 2026	Election Day	Each Participant
December, 2026	Articles of Incorporation Approved by Boards and Council	Each Participant

Proposed Budget

Revenue

Total projected full-year revenue for MAFA is about $3,970,000. This is projected to be sufficient to fund both operations and capital expenditure for the authority. MAFA will be funded primarily by a combination of participant contributions, contract services, ambulance revenue, grants, and cost recovery.



Contributions from Participants

The primary portion of funding is a three-part funding formula that allocates costs among the participants. MAFAneeds to raise **$3,300,000** from this funding source. The funding formula components for the authority are shown below.

Property Values	70%
Fixed Allocation	15%
Calls for Service	15%

This funding formula balances and blends ability to pay, value of property protected, readiness costs, governance stake, and actual system usage. The funding formula approach is commonly used in Michigan and is recognized as an equitable, politically durable, and operationally defensible way to fund a multi-jurisdiction fire and emergency services authority.

After the initial funding formula calculation, the formula amount is then adjusted by a capital equalization amount which reflects the value of equipment provided to the authority by each participant and amortizes that over 15 years as an adjustment to the funding formula contribution.

Finally, the formula is adjusted down proportionally by the amount of the contracted services.

The final adjusted funding formula for each taxing jurisdiction is in the following table:

Participant \ Government	70% SEV	%	15% Equal Share	%	15% Calls for Service	%	Formula Calculated %	Final Calculated %	Calculated Contribution	Capital Equalization	Final Contribution
City of Manistee	401,153,400	28.8%	1	20.0%	1234	46.3%	30.1%	25.5%	842,464	27,933	**870,397**
Manistee Township	278,882,731	20.0%	1	20.0%	881	33.1%	22.0%	18.6%	614,878	(24,737)	**590,141**
Filer Township	244,744,700	17.6%	1	20.0%	329	12.3%	17.1%	14.5%	479,871	16,334	**496,205**
Onekama Township	366,768,000	26.3%	1	20.0%	115	4.3%	22.1%	18.7%	617,728	(63,795)	**553,933**
Stronach Township	102,682,100	7.4%	1	20.0%	106	4.0%	8.8%	7.4%	245,059	5,388	**250,447**
Contract Services							0.0%	15.2%	500,000	38,877	**538,877**
Total	**1,394,230,931**	**100%**	**5**	**100%**	**2,664**	**100%**	**100%**	**100%**	**3,300,000**	**-**	**3,300,000**
Total Community Revenue									**3,300,000**		

Each participant can choose to fund their portion in a variety of ways including general funds, voted millage, or special assessment. If participants were to fund this with a millage, the millage needed to fund each community share is shown below.

Participant \ Government	Taxable Value	Participant Equivalent Millage Rate
City of Manistee	270,656,543	3.2159
Manistee Township	184,188,325	3.2040
Filer Township	176,036,104	2.8188
Onekama Township	233,221,647	2.3751
Stronach Township	60,178,327	4.1617
Total	**924,280,946**	

Charge for Service - Transport

MAFA intends to provide emergency transport services at the Advanced Life Support ("ALS") level. Based on an actual ALS transport revenue data from the City of Manistee and actual run volumes for the other participants, it is estimated that this revenue will be about $663,000 annually as shown below. It is assumed that 80% of calls will be billable, and that the average revenue per run will be $300. Run volumes are actual numbers from Manistee 911 (except for contract services to LRBOI which are estimated) and a three-year average is assumed.

	Billable Runs		80%		Actual Runs 2023	2024	2025	Average
Revenue - Billed Calls								
City of Manistee	987	$	300	296,160	1291	1171	1240	**1234**
Manistee Township	705	$	300	211,360	886	886	870	**881**
Filer Township	263	$	300	78,880	349	332	305	**329**
Onekama Township	92	$	300	27,600	126	97	122	**115**
Stronach Township	85	$	300	25,440	77	123	118	**106**
Contract Services	80	$	300	24,000				100
Total Billed Revenue				**663,440**				

Contract Services

The budget assumes that MAFA will provide contracted fire protection and emergency services to the Little River Band of Ottawa Indians, including the casino, tribal housing and government center. Their contribution is calculated at $538,877.

Other, Grants, and Cost Recovery

The final three components of revenue are conservatively budgeted at $10,000. This would include donations and cost recovery. No grants are included in the estimated budget, although it is likely the MAFA will receive funding from the Local Revenue Sharing Board as well as from various State and Federal grant opportunities. During the hiring phase, Federal SAFER Grants may be utilized to help fund firefighter positions.

Operating Expense

Staffing

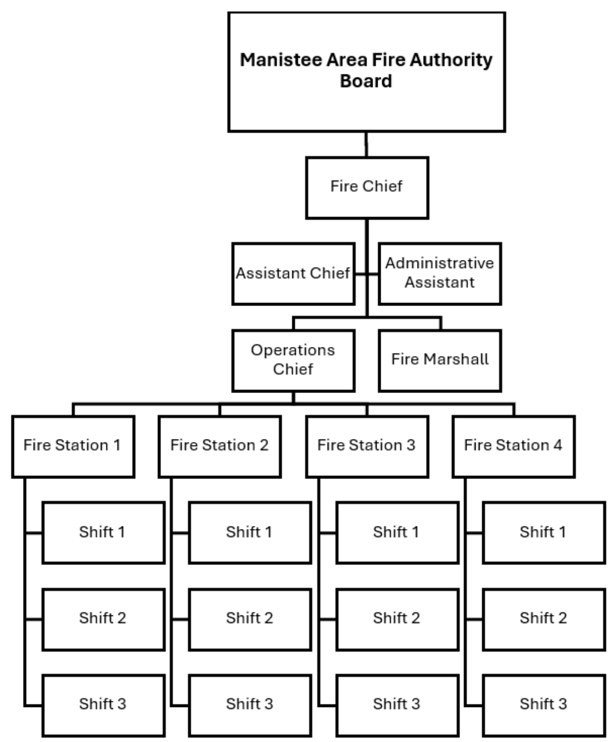
MAFA has a proposed staffing of 28.5 full-time firefighters and administration, and 15 paid-on call firefighters. The proposed breakdown is shown below.

Staffing	Total	Paid On-Call	FF\EMT	FF\PM	Fire Marshall	Clerical	Assistant Chief (PT)	Deputy Operations Chief	Fire Chief
City of Manistee	6		3	3					
Manistee Township	6		3	3					
Filer Township	6		3	3					
Onekama Township	6		3	3					
Stronach Township	0								
LRBOI	0								
District-Wide	19.5	15			1	1	0.5	1	1
Total FTE	**43.5**	**15**	**12**	**12**	**1**	**1**	**0.5**	**1**	**1**

This staffing, when fully implemented, will allow four fire stations to be manned 24 x 7. This level of staffing should be considered the minimum to effectively provide this level of service utilizing four stations. If fewer stations are ultimately deemed appropriate, the staffing would increase at each of the remaining three stations and provide a more robust and traditional station staffing level. An initial proposed organizational chart is shown below.

Response Times

Response time remains one of the most critical measures of emergency service effectiveness and directly impacts outcomes for life safety, fire suppression, and property conservation. Faster response times are consistently associated with improved patient survival rates, reduced fire growth, and lower overall incident severity.



Establishing a unified authority will enhance response times by enabling more strategic and coordinated unit deployment, ensuring consistent 24/7 staffing, simplifying dispatch and communication processes, and reducing fragmentation between agencies. In addition, integrating prevention-focused initiatives—such as fire safety and public education programs can help decrease call volume, allowing resources to remain available for high-priority emergencies.

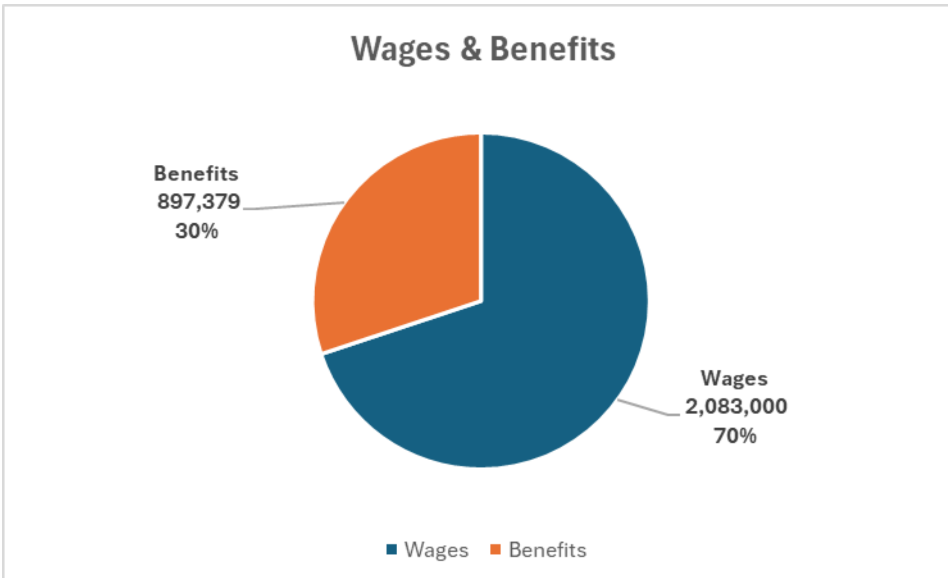
Collectively, these improvements will strengthen system reliability and ensure that emergency resources are delivered more quickly and effectively when they are needed most.

Employees

The budget assumes that the current City of Manistee full-time firefighters will become employees of MAFA. The budget also assumes that most of the the new workforce will be unionized, and shortly after formation, the authority will negotiate a new collective bargaining agreement covering most of the employees of MAFA. The authority will need to engage an experienced labor attorney to navigate the processes laid out in PA 57 of 1988 as well as PA 336 of 1947 - Public Employee Relations Act.

The Fire Chief, Deputy Chief, Operations Chief, Fire Marshall and Clerical positions will be non-union.

When fully staffed, the budget anticipates a wages and benefits budget of almost $3,000,000.



Wages & Benefits

The budget assumes that there will be a two-tiered collective bargaining agreement to accommodate the existing full-time City of Manistee firefighters ("legacy employees"), as well as the new employees hired by MAFA. A discussion of the wage and benefit assumptions follows.

Wages

The budget assumes competitive hourly wages and\or salaries based on job title and responsibilities. It assumes a reasonable amount of overtime, including PA 604 overtime. Overtime should be easier to manage and more controllable due to the larger workforce and paid-on-call staff. The budget assumes that the physical fitness bonus and annual paid-time-off sellback only applies to the legacy employees.

Social Security & Medicare

The budget assumes that the legacy employees do not participate in social security (as is currently the case), while the new employees do. All employees participate in Medicare. This issue will have to be carefully researched with the labor attorney and State of Michigan as a variety of factors are involved here and could dictate certain aspects of the collective bargaining agreement and benefit structure.

Health Insurance

The budget assumes that all full-time employees are eligible for a high-deductible health plan design similar to what the legacy employees currently have, with MAFA funding 80% of the premium and employees paying 20%. An HSA account will be funded by the authority. A health insurance opt-out payment is assumed for eligible employees that have alternative, acceptable coverage thru another source. MAFA will have to select an insurance broker and get bids for various plans.

Other Insurance

The budget assumes that all full-time employees are eligible for vision, dental, and life insurance with a plan design similar to what the legacy employees currently have with premiums 100% paid by MAFA.

Retirement

The budget assumes that new employees will have a defined contribution retirement plan with a minimum required employee contribution and dollar for dollar matching up to 10% by MAFA.

Legacy employees are covered by a defined benefit pension plan administered by the Municipal Retirement System of Michigan (MERS). The budget assumes that the City of Manistee remains responsible for all retired employees and accompanying assets and liabilities. The authority assumes responsibility for the legacy employees still on the MERS plan. MAFA will adopt a MERS plan (closed to new hires at inception) and the City will transfer the proportional assets and liabilities to the authority as determined by MERS.

Uniform

The budget assumes a $1,000 annual uniform expense. This does not include PPE which is considered equipment.

Food Allowance

The budget assumes a $900 per year food allowance for all full-time firefighters.

Education

The budget assumes that Legacy Employees still retain their education reimbursement benefit, but this is not available to new employees.

Post Employment Benefit

The legacy employees are currently eligible for a $250 per month payment from normal retirement to Medicare eligibility. This liability will be retained by the City of Manistee and is not available to new MAFA employees.

Wages & Fringes Detail

	Wages						Payroll Taxes\Mandatory				Insurance						Retirement		Fringes			TOTAL
POSITION	**WAGES - FT**	**WAGES - PT**	**WAGES - OT**	**PA 604 OT**	**WAGES-FIT**	**WAGES SELLBACK**	**SOC SEC**	**MEDICARE**	**SUTA**	**WORK COMP**	**HEALTH**	**OPT OUT**	**HSA**	**VISION**	**DENTAL**	**LIFE INS**	**457**	**MERS**	**FOOD**	**UNIFORM**	**EDUCATION**	**COST**
Administration	303,000	30,000	-	-	-	-	14,136	3,306	27	12,985	57,600	4,800	9,000	630	3,150	360	30,300	-	-	4,500	-	**473,794**
Firefighter Paramedics	840,000	-	42,000	8,400	3,500	32,900	13,407	11,164	54	34,877	153,600	9,600	25,500	1,695	8,325	1,080	35,200	65,983	10,800	12,000	8,750	1,318,835
Firefighter - EMT	720,000	-	36,000	7,200	-	-	47,318	11,066	65	34,573	126,400	14,400	19,500	1,305	6,735	1,080	72,000	-	10,800	12,000	-	1,120,443
Paid On-Call (15 employees)		60,000					3,720	870		2,718												67,308
Total	**1,863,000**	**90,000**	**78,000**	**15,600**	**3,500**	**32,900**	**78,581**	**26,406**	**146**	**85,153**	**337,600**	**28,800**	**54,000**	**3,630**	**18,210**	**2,520**	**137,500**	**65,983**	**21,600**	**28,500**	**8,750**	**2,980,379**

Operations

The proposed MAFA operating budget is based on analysis of real cost data from the various departments, as well as assumptions based on station operational situation, call volume, and other factors. The total proposed operational budget is $550,000 as shown and discussed below.

Projected Operating Budget

Operating Supplies & Expense	43,500	Office, cleaning, kitchen, software, computers, membership fees, promotional.
Medical Supplies	46,485	Medical bags, medical supplies.
Professional Services	81,758	Billing service fee, bookkeeping, audit, QAAP, Lexipol.
Fuel	22,243	Gas & Diesel for equipment.
Repairs & Maintenance - Equipment	105,000	Repairs & maintenance to apparatus, cars, vehicles and firefighting equipment.
Repairs & Maintenance - Stations	60,000	Repairs & maintenance to station, exterior and interior. Alarm, grounds, fire ext, snow plow, mow, contract clean, etc.
Travel & Training	32,500	Conferences, continuing education, food & lodging, training materials, training consultant.
Insurance	111,000	Property, casualty, and liability insurance.
Utilities - Electric	14,800	Electricity costs at the stations.
Utilities - Gas	10,100	Natural gas\propane costs at the stations.
Utilities - Water	3,700	Water\Sewer costs at the stations.
Utilities - Garbage	3,880	Garbage\recycling costs at the stations
Utilities - Internet	1,650	Internet costs at the stations.
Utilities - Phone	5,500	Phone costs
Other	7,884	
Total	**550,000**	

Operating Results

The revenue for MAFA is expected to ramp up from 90% to 95% to 100% in the first three years of operation. The personnel expenses are expected to ramp up from 50% to 90% to 100%. Operating costs are expected to ramp up from 80% to 90% to 100%. This is by design as it will take some time to fully staff the authority and the excess revenue will be used to provide up-front funding for the capital plan. The first three years of operation are expected to produce meaningful revenue to make the capital plan work.

	Operational Phase In		
	Year 1	**Year 2**	**Year 3**
Revenue	90%	95%	100%
Personnel	50%	75%	100%
Operations	80%	90%	100%
Revenue	$ 3,576,096	$ 3,774,768	$ 3,973,440
Personnel Cost	$ 1,490,190	$ 2,235,284	$ 2,980,379
Operating Cost	$ 435,600	$ 490,050	$ 544,500
Equipment Fund	$ 1,650,306	$ 1,049,434	$ 448,561
Net	$ -	$ -	$ -

Capital Expenses

Capital costs include vehicles, apparatus, equipment, and PPE for the entire authority, collectively "equipment". It is assumed that all current equipment from the participants will be transferred to MAFA which will assume title and responsibility for the equipment. This transfer will be addressed in the governing documents and\or agreements that form the authority.

It is important to note that the initial cost of updating the stations to accommodate 24 x 7 staffing will be borne by each community and is not part of the MAFA budget.

Equipment

A detailed inventory of the existing major equipment at each fire department including engines, tenders, ladders, rescue vehicles, ambulances, etc. was compiled. Redundant equipment was identified and is assumed to be sold by the authority and the proceeds applied back to the capital fund. The authority will have approximately 22 pieces of major equipment with replacement costs today of approximately $9,500,000.

Minor equipment such as safety equipment/PPE, SCBA & compressors, cardiac monitors/AEDS, gear washers and dryers, nozzles, saws, hose, ice rescue and the like will initially be transferred in from the participant departments. Over time, a replacement plan will be crafted for this essential gear.

The capital plan has a $50,000 per year placeholder for this type of minor equipment.

Capital Equalization

The capital equalization plan calculates the current value of the major equipment each participant brings to the authority and compares that to the expected share of equipment cost based on the funding formula. Any surplus or deficit is amortized over 15 years and is accounted for as an adjustment to the annual funding formula contribution.

Capital Contribution Amortization

Municipality	Equipment Value	Redundant Equipment Value	Total	Budget Share	Expected Share of Assets	Asset Surplus / (Deficit)	Annual Credit/ (Charge) 15 years
City of Manistee	408,583	155,000	563,583	*25.5%*	982,578	(418,995)	(27,933)
Manistee Township	948,200	140,000	1,088,200	*18.6%*	717,141	371,059	24,737
Filer Township	314,667	-	314,667	*14.5%*	559,680	(245,014)	(16,334)
Onekama Township	1,677,389	-	1,677,389	*18.7%*	720,466	956,923	63,795
Stronach Township	-	205,000	205,000	*7.4%*	285,816	(80,816)	(5,388)
LRBOI	-	-	-	*15.2%*	583,157	(583,157)	(38,877)
Total	**3,348,839**	**500,000**	**3,848,839**	**100.0%**	**3,848,839**	**-**	**-**

Capital Plan

The proposed budget schedules out all major equipment purchases\replacements for a minimum of ten years and ensures that there are sufficient funds available.

This type of plan is critical to the success of MAFA, as it ensures the authority is forward-looking and proactive in identifying areas of needed capital investment.

With the previously identified three-year ramp up of hiring and operations and an estimated $500,000 of surplus equipment sales, the MAFA is expected to have ample cash to fund the equipment needs of the authority.

Some of the purchases will be made with cash, while others will utilize installment purchase contracts. However, no bond debt is expected to be issued.