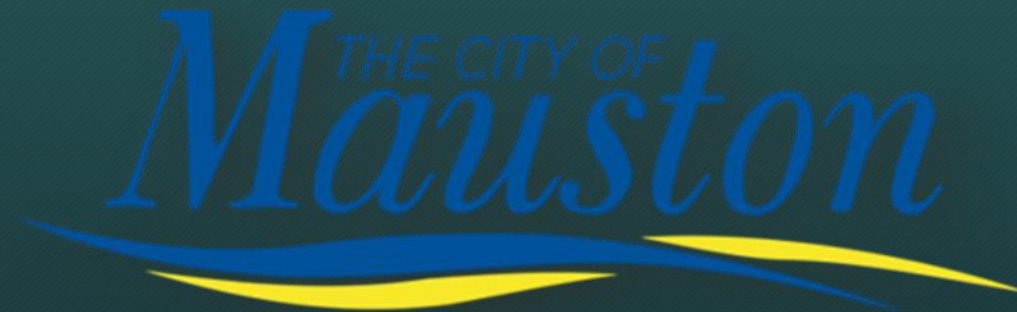


McMahon Public Safety & Municipal Management Group

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EMS Feasibility Review



McMAHON
ENGINEERS ARCHITECTS

Project Introduction

The City of Mauston retained McMahon Associates to evaluate the feasibility and potential fiscal impacts associated with establishing and operating a municipal emergency medical service (EMS) agency.

Project Scope

- Phase I of the study focused primarily on
 - Evaluating the financial implications associated with the City establishing and operating its own municipal EMS system.
 - Staying with current partnership with Mauston Area Ambulance Association

Phase 1 Objectives

Evaluate feasibility of City-operated EMS

Focus of Phase I

- Financial analysis
- Service delivery options
- Preliminary cost comparison

Not Included

- Capital/start-up costs
- Licensing/timeline analysis
- Facilities and equipment

Approach & Methodology

- Data review (City + MAAA)
- Stakeholder meetings
- Call volume & revenue modeling
- Benchmark comparisons
- Scenario development:
 - City-only
 - Regional partnership
 - Expanded regional authority

Mauston Community Overview

- Population: ~4,347 Rural
- Regional hub (I-90/94 corridor)
- County seat of Juneau County
- Full-service municipality:
 - Police
 - Fire
 - Public Works
 - Utilities

Current EMS System

- Mauston Area Ambulance Association (MAAA)
 - Regional nonprofit (est. 1979)
 - Serves 22 communities (~21,000 population)
 - 24/7 paramedic-level service
 - 3 ambulances
 - 2 stations (including Mauston)

Preliminary Findings: How the System is Funded

- Patient billing revenue applied to operating costs
- Remaining costs shared by municipalities
- Allocation formula based on:
 - Population
 - Equalized assessed property value
 - Historical ambulance call volume

Preliminary Findings: Key Challenges Identified

- City contributes a significant amount of the system funding
- Rising subsidy (notably +\$81K in 2024)
- Limited budget transparency
- Limited governance influence
- Increasing call volume (urgent care impact)

Preliminary Findings: Key Issues Identified

- Limited governance representation relative to funding share
- Significant subsidy increases in recent years
- Limited transparency in budget development
- Growing EMS demand within the City

Preliminary Findings: Impact of Increased Call Volume

- Opening of Mile Bluff urgent care increased EMS activity
- Higher call volume increases City's subsidy share
- Patient transport revenue remains with provider
- Creates financial pressure on municipal contribution

Option 1 - Continue Current Partnership

- Advantages:
 - Established regional EMS system
 - 24/7 paramedic coverage
 - Predictable cost structure
- Improvement Opportunities:
 - Increased governance representation
 - Greater budget transparency
 - Review of subsidy formula

	2024 Proposed	% Increase	\$ Increase	2025 Proposed	% Increase	\$ Increase	2026 Proposed	% Increase	\$ Increase
	Budget	Over 2023	Over 2023	Budget	Over 2024	Over 2024	Budget	Over 2025	Over 2025
MAAA Expenses	\$ 2,668,172	47.58%	\$ 860,232	\$ 3,069,723	15.05%	\$401,551	\$ 3,245,687	5.73%	\$175,964
MAAA Municipalities Subsidies	\$ 1,080,815	61.45%	\$ 411,375	\$ 1,538,723	42.37%	\$457,908	\$ 1,560,188	1.39%	\$ 21,465
Mauston Only Subsidies	\$ 209,969	-2.35%	\$ (5,052)	\$ 291,330	38.75%	\$ 81,361	\$ 296,590	1.81%	\$ 5,260
Mauston % of Municipal Subsidies		19.4%			18.9%			19.0%	

Option 2 - City Operated EMS

Advantages:

- Establish municipal ambulance service
- Potential integration with Fire Department
- Requires full-time paramedic staffing
- Higher operational responsibility for the City

Risks

- Workforce recruitment challenges
- Start-up and capital costs (not yet included)
- Revenue volatility
- Operational complexity

City Only Projection	Projected City of Mauston EMS Budget
Total Expenses	\$ 1,000,944
Total Revenues	\$ 393,005
PROJECTED SURPLUS/(DEFICIT)	\$ (607,939)
2026 MAUSTON'S MAAA SUBSIDY	\$ 296,590

Option 3 - Regional Partnership Model

■ Advantages:

- Partner with neighboring communities
- Share operational costs and staffing
- Create regional governance structure
- Potentially more financially sustainable

■ Risks:

- Destabilizing MAAA
- Regional workforce strain
- Uncertain operational costs

Fire Protection District

Current Fire Protection Partners	Projected City of Mauston EMS Budget
Total Expenses	\$ 1,027,866
Total Revenues	\$ 802,149
PROJECTED SURPLUS/(DEFICIT)	\$ (225,717)
2026 MAUSTON'S MAAA SUBSIDY	\$ 296,590

Other Interested Municipalities

Possible Regional Partners	Projected City of Mauston EMS Budget
Total Expenses	\$ 1,040,366
Total Revenues	\$ 919,724
PROJECTED SURPLUS/(DEFICIT)	\$ (120,642)
2026 MAUSTON'S MAAA SUBSIDY	\$ 296,590

Preliminary Findings: Municipal Owned Financial Considerations

- Staffing is the largest operational expense
- 24/7 paramedic coverage requires significant personnel
- Ambulances, equipment, and facilities add startup costs
- Call volume critical to financial sustainability

Preliminary Findings: Regional Risks & Considerations

- Cost Structure Challenge:
 - High fixed costs:
 - 24/7 staffing
 - Paramedic requirements
 - Revenue dependent on volume
 - Cannot balance solely through billing
- *Subsidy always required*

Preliminary Findings: Regional Risks & Considerations

- EMS Financial Reality (Critical Insight)
 - Payer mix:
 - Medicare: 65%
 - Medicaid: 13%
 - Reimbursement:
 - Medicare ~29% of cost
 - Medicaid ~19% of cost
- ***Implication*** → ***EMS systems operate at structural deficit***

Preliminary Findings: Potential Path Forward

- Short-Term:
 - Engage MAAA leadership regarding governance and budget transparency
 - Review subsidy formula structure
- Mid-Term:
 - Evaluate regional EMS partnership opportunities
 - Conduct deeper financial modeling
 - Investigate levy limit exemptions and adjustments for municipalities and counties that form or participate in regional emergency medical services
- Long-Term:
 - Determine whether a municipal or regional EMS system is viable
 - Apply for and utilize levy limit exemptions

Preliminary Findings: Next Steps for City Leadership

- Review findings of Phase I analysis
- Determine level of interest in further study
- If desired, initiate Phase II analysis including:
 - Startup costs
 - Staffing models
 - Implementation timeline
 - Establishing EMS District
 - Utilize grants and levy limit exemptions

Questions / Comments