

Princeton Civil Defense Rescue Squad, Inc.



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PRESS RELEASE

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The Princeton Rescue Squad, Inc. had agreed with the county government to keep any negotiation over use and distribution of our assets upon our dissolution confidential. Apparently that no longer applies. We regret the recent public attacks on our agency and the character of our members. We have over the past six months repeatedly offered the county our equipment and vehicles, and the free use of our facility. We even offered to build and give them an EMS facility of their design at a cost of up to three hundred thousand dollars. We also offered to provide them a lot for the new EMS by conveying our half interest in the Princeton Fire/Rescue building to Princeton Fire in exchange for the lot behind the building or assistance with purchasing a lot. In effect we would, after successful negotiation with the fire department, liquidate all our real property interests in the joint facility, and give it to the County for their local squad. Our main condition was that the County Government construct an EMS station inside the city limits of Princeton at a location and design of their choosing. We propose this so that our assets were distributed in accord with our charter, Article XI of our Bylaws entitled "Dissolution of Corporation", and in accord with state law for the benefit of the Princeton community. The County Government refused unless we give them virtually all our assets: the real property, the funds in the bank, all the equipment, and the vehicles. They have frequently stated they would move the squad from Princeton and even sent an employee to advise they would locate it at the rock quarry between Kenly and Princeton. We do not believe we can distribute our assets unrestricted to the County and be consistent with our legal obligations and ethical obligations to the Princeton community or the bylaws. The current board did not write the bylaws, the charter or the state statutes. We do follow them.

Since town leaders incorporated the Princeton Rescue Squad in 1974, it has provided rescue and ambulance services in the Princeton area of the county. One sale of obsolete equipment alone raised over one hundred thousand dollars net. We did not spend it. We saved it to provide additional fund balance, namely liquid positive cash in the bank. There have been dozens of fund raisers over time to defray costs. From these efforts we accumulated an additional \$122,321. As EMS services required less volunteer participation and more professional employment and as the Legislature gave the County responsibility and supervision over local squads, the County assisted our squad provide services to the Princeton area of the county. In 2011 the County funded \$229,950; payroll was \$282,045; that is \$52,000 short of just payroll without considering benefits. There are many expenses other than payroll. In 2010 the County provided \$253,545; payroll was \$272,873 without benefits. In 2009 the County provided \$214,640; payroll was \$246,562 without benefits. County contributions have increased over the last decade from \$17,000 in 2000 as the need for professional services increased. However, county contributions were always earmarked for "personnel and benefits" cost by a signed contract and were always substantially below expenses. Note the county required we sign a contract and required that the funds be used to pay for payroll for staff. They did not go into a general fund or the fund balance we saved. The Squad obtained additional funding from payments for services, memberships of local citizens (memberships alone raised \$231,584.00 in recent years) and fund raising.

We offered our facilities to the County from the beginning of this year. If County employees are in cramped facilities, it is because the County government insisted they be so. Commissioner Stewart stated that if the county accepted part of our terms without the whole deal settled as they wanted they would lose their "leverage". He stated it was "all or nothing". This is an argument over money pure and simple. The net fund balance is Princeton raised money. The County funds were earmarked for professional salaries. They were spent for professional salaries. We had to have additional funds just to pay the balance of the salaries, benefits, supplies, equipment, trucks, facilities, and monthly gas, utility, maintenance and operating expense. Note that the assets of our rescue squad were well managed. There are no debts for the county or town to assume here. If Commissioner Stewart feels the county board over the last decade did not manage well the County payment to EMS squads, then that is not true of their payments to Princeton. The Commissioners should not attack us with rumored allegations of improprieties that did not occur. We are solvent. We have been good stewards of our revenues. Unlike that of some squads the county acquired, assets of Princeton are solid and backed by real estate, vehicles, equipment and cash. There is no debt.

We offered the county real property, vehicles, equipment, furnishings and supplies worth easily \$600,000 which included cash in the amount of \$300,000. We only asked that they continue to locate a squad in Princeton as has been here for decades. None of our equipment came from the county. None of the real property came from the county. None of the \$300,000 fund balance came from the county though they did contribute to the professional staff salaries which were spent and they contributed to that alone.

We asked to retain for the Princeton Community in accord with Article IX of the Bylaws, entitled "Dissolution of the Corporation", approximately one hundred thousand thirty two dollars after anticipated dissolution expense which they have now increased. They ultimately in June stated that we could withhold about \$40,000 or ten percent of our fund balance. The County Commissioners demanded that the remainder be distributed unrestricted to the general assets of the county funds as if we could under the statutes or bylaws distribute funds unrestricted by the dissolution restrictions. We refused. We did think that if they agreed to locate the facility in Princeton and if we could show by traced funds that we distributed the assets and the \$300,000 to the County for a Princeton facility, that we would meet the dissolution requirement of our long held governing documents that the assets be distributed for the Princeton community. We asked to retain approximately \$100,000 and we have done this from the beginning. Note the difference in the forty thousand net that they agreed we could distribute to the Princeton Community and the one hundred thousand dollars we asked to distribute is sixty thousand dollars Yet Mr. Stewart said no, it was "all or nothing". Note further that we are an independent legal corporation with legal responsibilities. The county does not own any portion of our squad. They knew that each year they contracted to assist our payroll. Our funds are not their funds. The history of these negotiations has been painful and degrading to our volunteer officers. So that there are no misunderstandings, finally, we summarize them in detail as follows.

On February 1, 2012, the County manager and their lawyer asked Chief Eugene Hartley to attend a meeting. We presented a plan for a new EMS Building and made an offer to build this building and pay for it. Though the county was acquiring our squad among others, the county made no commitment to the building and asked that any plans be put on hold.

On February 6, 2012, we met with the County and the Fire Department to discuss that the County would take over EMS services in Princeton.

At last of February, the two Boards (Fire Department and EMS) requested a meeting with the County. The County responded that all discussions were to go through their lawyer and there would be no more meetings.

On March 7, 2012, Chief Hartley went to meet with the lawyer to find out what was involved in a transition. The County was unwilling to make commitments at that time or even to define a transition.

On March 16, 2012, Chief Hartley met with County EMS staff at the Princeton Station to let them view the equipment and quarters. The Princeton Rescue Board as noted in the minutes had agreed to let the County have the equipment and allow them to have full use of our building and facilities free of charge for 12 months. The County was still unsure of its position.

In early May, the County sent us without discussion a contract in which the County government received all real property, including the EMS portion of the Fire and Rescue Building, and a list of other property including half of the ice machine and half of the generator. The County demanded all our funds as if these were county funds.

After further efforts to talk to the County, on May 29 we received a Memorandum of Understanding (MOU) from the County lawyer. It contained only one change:

Princeton will turn over all money as of July 1, 2012, to the County. In the interim, Princeton shall use its funds solely as provided herein and to pay normal operating expenses in the ordinary course of business. Princeton will pay all of its operating expenses, including any payroll and other personnel expenses, from its own funds. County will not assume any obligation incurred by Princeton.

County will take possession of the premises of the Princeton EMS station as of July 1, 2012, rent free. Such premises comprise that portion of the real property currently utilized and occupied by Princeton, from and after that date, County will pay its share of utilities, insurance, and maintenance.

Princeton may use sufficient funds on had to purchase automatic defibrillators for donation and placement at each of the Princeton schools.

Princeton will maintain all of its ambulances and other equipment in good working order and will transfer same to County free and clear of liens on July 1, 2012

Within a reasonable time after July 1, 2012, Princeton and County will engage in good faith discussions regarding the ownership of the real property currently owned by Princeton.

It contained no provisions about maintaining a squad in Princeton, and the County pointedly refused to so commit. We refused the offer as we must under our bylaws.

We made other offers. The county declined them. . On June 29, 2012 the squad made an offer which stated:

Squad will transfer title to specific tangible personality held by Squad to County EMS, including supplies, equipment, beds, the 2 portable radios, 5 pagers, and vehicles. We can get a list.

Squad will give County EMS the right to possession of the Squad bays in the Princeton Fire/EMS building without rent for one year and \$1,000 per month thereafter month to month.

Squad will negotiate with the Fire Department to attempt to arrive at an agreement acceptable to those parties for a division of the Fire Department and Rescue Squad land, such that the Fire Department might receive sole title to the building and curtelage and the Rescue Squad will receive sole title to the half of the tract fronting on Railroad Street and located behind the current Fire Department/EMS building in Princeton, which half is hereinafter referenced as the Railroad Street lot.

Squad will hold its funds for up to three years except for normal expenses relating to winding down the everyday operations of the Squad during which time the County may determine if it will build a squad building on the Railroad Street lot or another lot chosen by the County within the city limits of the Town of Princeton. (Note that we would not want to distribute our funds unrestricted the County but more importantly we are not allowed to do so.)

If County EMS decides to construct a squad building within the city limits of the Town of Princeton within three years on the Railroad Street lot, Squad will expend up to \$300,000 of its funds to construct a building of similar brick and compatible appearance to that of the Town Hall and Fire Station near where it will be located. Squad will then deed the Railroad Street Lot to the County without charge but subject to the springing use provision that the County must not sell the lot or fail to use the lot for the primary EMS squad building in the Princeton area or the title to the lot and all rights to the building thereon will immediately transfer to the fire department. If County uses the Railroad Street Lot for the statutory period 10 years, this provision disappears and County owns the lot free of restriction.

The County countered on the 20th and finally formally agreed to build a station in Princeton with the following offer directed at how much "cash" they would obtain.

- a. Squad will transfer title to specific tangible personalty held by Squad to County EMS, including supplies, equipment, beds, the 2 portable radios, 5 pagers, vehicles. We can get a list
- b. Squad will give County EMS the right to possession of the Squad bays in the Princeton Fire/EMS building, as of July 1, 2012, without rent for up to one year and at 1k per month thereafter month to month.
- c. Squad may retain 10% of its funds, in any and all accounts as of June 30, and transfer the remaining 90% to the county, which will place the funds in a reserved account. In the meantime, Squad will preserve these funds, only using them for normal and reasonable operating expenses. The funds placed in the county's reserved account will be used to build an EMS building in the Princeton area at a location and of a design in the County's discretion. Any funds not needed to build the building will be used for the provision of EMS services in the Princeton area.
- d. County will place an appropriate plaque on or about the premises of the new building, to remain in perpetuity, honoring the Princeton Rescue Squad for its

contributions to the health and safety of the community and its contribution of the funds with which to build the building.

The County advised this was their “final offer” and must be accepted by June 22 at 5pm. However, The Princeton Board thought that with the agreement narrowing to the sixty thousand dollars and with our squad having provided so much hard cash and assets in comparison with the other squads which the county acquired, that we could reach a resolution. We were wrong.

On the 25th to our surprise the County rejected our offers insisting on in effect three hundred and sixty thousand dollars of our net fund balance, not just the three hundred thousand dollars, and advised they had “made other arrangements”. Negotiations had failed over Sixty thousand dollars in Princeton raised capital going to the County. It was all about the money, Princeton money.

On July 10, three of the Commissioners wanted to meet with the Board. At this point they were looking at our last proposal and asked if they could accept that offer. We would. We held a Board meeting and agreed to transfer the trucks to the County and give them our remaining supplies. We also agreed to let them move into our side of the building immediately. We would negotiate for the property to build and give to the County. The County refused to agree to the deal until we had an agreement with the fire department on our interest in the land. That required the County to find a lot acceptable to them. They did not want to lose their “leverage” of requiring a totally completed deal. We thought we now had an agreement with the fire department and we believe the county is satisfied with the location of one of several available lots. However, apparently frustrations over not getting all the funds distributed unrestricted apparently boiled over and the County took other funds payable to the Princeton Rescue Squad for services rendered by the squad totaling about \$18,000 and then unleashed their verbal “blast” to the Smithfield Herald just when matters appeared at the point of “total resolution”.

We are going to dissolve pursuant to our bylaws. The funds we retain apart from the County will be distributed to provide defibrillators and rescue service equipment at the fire department for the Princeton community. We are, after all, the Princeton Rescue Squad, Inc. We stand ready to work with the County. However, since our incorporation in 1974 we have stood tall for our community and the commitments of our bylaws. We so stand today.

Submitted by Robin Craft, Chairman, Princeton Civil Defense Rescue Squad Board of Directors and Chief Eugene Hartley.