

Statement of The Belmar First Aid Squad, Inc.

January 6, 2021
For Immediate Release

The Belmar First Aid Squad Announces that it Will Cease Operations on March 31, 2021

The Belmar First Aid Squad, Inc. (the "BFAS") gave formal notice to the Boroughs of Belmar and Lake Como on Monday, January 4, 2021 that it will cease providing Emergency Medical Services ("EMS") and Basic Life Support ("BLS") services to the Belmar/Lake Como communities effective March 31, 2021, or at such earlier date as the Boroughs are able to make other arrangements.

A copy of the notification letter is attached.

This decision, which was reached unanimously by the Board of Directors and the Life Members of the BFAS over the course of two recent meetings, was a difficult one.

The stress of operating the BFAS at a deficit in these uncertain times – along with the hours required to operate what has become a year-round 24/7 business with two dozen employees in a highly regulated environment -- has taken a toll on the officers and members of the BFAS. They average in age between the mid- to late-60's. Nearly, all have been members for decades; some since the 1950's. Some have family members who served before them. None joined the Belmar First Aid Squad to run a business. Those who have managed the BFAS for the last several decades, and especially the few who have navigated the BFAS through the transition from a volunteer first aid squad to a paid EMS service, are ready to retire. It has only been their love for Belmar and their tremendous pride in their 93-year history that have kept the Belmar First Aid Squad going this long.

To put the BFAS's long history in perspective, at the time of its founding in 1927, Calvin Coolidge was President, and the start of the Great Depression was still two years away. The original 12 members included Frank Mihlon, a wealthy resident who, along with his wife, Minnie, donated the land where the BFAS's building now stands. Their 11-year-old son, Frank Jr., donated his birthday money toward the purchase of the squad's first ambulance. Because there were few hospitals in the area, a room in the original building was furnished with a hospital bed where patients were treated by another founding member, Dr. Daniel Traverso, who lived nearby at 8th and D Street.

The BFAS was among the area first aid squads that responded to the Morro Castle disaster on September 8, 1934 and the Hindenberg disaster on May 6, 1937. The BFAS's 1938 Ford Ambulance – refurbished after the BFAS's building was flooded

in Sandy – is not only operational, but still equipped with stretchers, bandages and other supplies from that era. The Fortieth Anniversary of the Belmar First Aid Squad was documented in the United States Congressional Record in 1967.

The decision reached by the Board of Directors and Life Members was one that is being made by an increasing number of local first aid squads. While it was a difficult, decision, the Board and members of the BFAS are confident that it is the right decision for both them and the Belmar/Lake Como communities.

It has never been easy for local first aid squads to recruit, train and retain volunteers to provide EMS services 24 hours a day. The large increase in the number of calls for service in Belmar during the warm weather months has always posed an additional challenge. But it has become steadily more difficult for volunteer first aid squads in New Jersey to attract and retain new volunteers. This is due to stricter regulations, which require that two Certified EMTs respond to calls. These regulations impose rigorous requirements to become a Certified EMT and require frequent training to maintain that certification. Over the years it was common for the BFAS to contribute to the cost of sponsoring a volunteer for his or her EMT Certification, only to lose that recruit to a paid EMS service not long after.

Due to this problem of recruiting and retaining sufficient volunteers, the BFAS came close to ceasing operations in 2017. But the BFAS chose instead to make the difficult transition to a paid service, which requires licensure by the New Jersey Department of Health. This involved the preparation and adoption of written operating procedures, State inspections of the BFAS's ambulances and equipment, and the hiring of Certified EMTs. The BFAS also had to hire an experienced medical billing company, and undertake the steps required to be certified to bill Medicare and other insurers. The BFAS commenced paid service in the Spring of 2018. The BFAS borrowed \$250,000 against its property at 414 Ninth Avenue to cover the start-up expenses and salaries of the paid EMTs and the cost of a new ambulance it purchased in 2019.

Unfortunately, even before the pandemic, the BFAS had difficulty making ends meet as a paid service. Insurance revenues, local government stipends and donations barely covered the cost of operations in 2019, even though the BFAS did not begin providing 24/7 year-round staffing by paid EMTs until the Spring of that year. The BFAS also faced cash flow struggles owing to the additional payroll costs of scheduling extra EMTs during the summer months while having to wait months to collect reimbursements from insurers of those patients with insurance.

To provide prompt response times, the BFAS has at least 2 Certified EMTs on duty year-round on a 24/7 basis, and schedules additional paid Certified EMTs on warm weather weekends, and other busy times. To maintain this staffing level, while keeping costs down, the BFAS employs 22 Certified EMTs, all of whom are part-time. Most have other full-time paid EMT jobs. Even the BFAS's Director of Operations is a part-time employee who has a full-time paid position with another municipal EMS service. None receives health insurance from the BFAS. Even so, the BFAS's monthly salary expenses average \$20,000.

The pandemic compounded the BFAS's financial problems. Fewer people who needed EMS service wanted to be transported to the hospital, which is the only service most insurers cover. Due to a drop in such calls beginning in March of 2020, the operations of the BFAS – even after revenue from all sources, including municipal stipends, private donations and income from its dwindling investments -- ran at a deficit of nearly \$100,000 through the end of November of 2020. The BFAS used its savings to cover this shortfall. This deficit is projected to widen in 2021 as the pandemic continues, reimbursable call volume remains low, and the amount of income from insurers continues to shrink each month.

Faced with this prospect, the BFAS Board of Directors and Life Members decided that the BFAS could not continue to provide services past March 31, 2021 without risking that it would have insufficient funds available from its remaining investments and the sale of its equipment to pay off its mortgage, and other outstanding obligations.

After the BFAS has ceased EMS operations at the end of March, the Board of Directors and the Life Members will commence the process of dissolving the BFAS, which is a 501(c)3 charity. This will include the preparation and adoption of a Plan of Dissolution (the "Plan"), and other steps prescribed by the New Jersey Non-Profit Corporation Act, N.J.S.A. 15:1-1, et seq., and the Internal Revenue Code. It will likely take a year or more to wind down the BFAS's affairs and conclude the dissolution process.

The Plan will provide for the sale of the vehicles and equipment of the BFAS. The proceeds from the sale of those assets, together with any remaining savings, will be used to pay off the BFAS's outstanding obligations, including the balance of the \$250,000.00 mortgage on the BFAS's property at 414 Ninth Avenue, Belmar, New Jersey. This property was expanded in 1952 with the donation by the Van Dam Estate of a two-lot parcel at the corner of Ninth and D Street. The remaining proceeds from the sale of the BFAS's assets, including its property, will be distributed to Sec. 501(c)3 charities to be designated by the BFAS Board of Directors and Life Members as required by law. Those items that cannot be sold, or that have historical value, will be transferred to other Sec. 501(c)3 charitable organizations, as appropriate.

The BFAS hopes that these donations – which because of the value of the BFAS's property will likely be substantial – will provide a legacy for the residents of Belmar in honor of all the volunteer members of the BFAS dating back to Frank Mihlon, Dr. Traverso, and the other original founders.