

MINUTES SPECIAL MEETING OF EXETER BOARD OF SUPERVISORS AND THE EXETER AMBULANCE ASSOCIATION ON SEPTEMBER 26, 2013

A Special Meeting of the Exeter Township Board of Supervisors and the Exeter Ambulance Association was called to order on Thursday, September 26, 2013, at 7:04 P.M. in the Township Building by Chairman Donald R. Wilson.

Supervisors Present: Donald R. Wilson, Chairman
Gary E. Lloyd, Vice Chairman
Dona L. Starr
Jeff Bukowski

Others in Attendance: Troy S. Bingaman, Manager/Secretary/Treasurer
Ron Galipeau, President, Exeter Ambulance Association
Richard Wiswesser, Vice President, Exeter Ambulance Association
Fred Scatchard, Treasurer, Exeter Ambulance Association
Jane Ebert, Director, Exeter Ambulance Association
Michael Jupina, Director, Exeter Ambulance Association
Leo Mujares, Operations Director/EMT-P Exeter Ambulance Assoc.
Merritt McCue, Office Manager, Exeter Ambulance Association

Absence from meeting: Supervisor Kenneth A. Smith

Pledge of Allegiance
The Meeting was opened with the recitation of the Pledge of Allegiance.

Opening Remarks
Mr. Wilson stated the purpose of the meeting was to discuss and review Exeter Ambulance Association's proposed needs for the next few years.

Opening Remarks & Power Point Presentation
Ron Galipeau thanked the Supervisors for agreeing to meet with Exeter Ambulance and to participate in a discussion on the economics of managing a state of the art EMS service to avoid a greater future financial problem. He noted all members of the Ambulance Association Board were volunteers and township residents, and there was an additional board position open.

In his presentation, Mr. Galipeau noted Richard Bowers would be leaving his position as Executive Director at the end of the week to take a position out of state. He gave the history of Exeter Ambulance noting that changes mandated by the State created paid positions within the Association and killed the volunteerism that had been the cornerstone support of Exeter Ambulance. He stated in 1996 Exeter Ambulance was forced to pay crews and detailed the positions and wages currently paid. He itemized the numbers, types and ages of vehicles. He spoke of the percentage of service to Exeter residents and the mutual aid agreements that were in place. He stated in 2013, 9.85% of Exeter's call volume was to Lower Alsace as Exeter was their primary first responder for advanced life support services. Southern Berks Paramedics was next at 6.5%; and the next largest was the City of Reading at 6.3%. He stated those

municipalities covered calls in Exeter Township when Exeter was on other calls. Mr. Galipeau itemized Ambulance staffing, noting the position of Executive Director was vacant and was being evaluated; there were 21 full time positions; 15 part time positions and 2 management positions. He stated revenue sources came from an annual membership drive that brought in \$120,000. Mr. Bukowski asked Mr. Galipeau how much it cost to conduct the membership drive to which Mr. Galipeau replied the printing costs were \$3,000 and mailing costs were \$1,800. He stated a percentage of those funds were used to pay the difference between insurance coverage and cost of service for members of the Ambulance Association. He noted this activity had to be actuarially sound because Ambulance could not credit off more than they were bringing in. He stated they had sought grants, donations, medical transportation contracts, community training, municipal contributions, and direct billing which was their largest source of income. He stated they had a significant collection system and detailed the information. He stated 51% of call volume income was from Medicare and they paid a fixed amount no matter what the cost to provide the service. He stated members of the Ambulance Board met with various senators and congressmen to voice their problems with low payments from Medicare. He stated there was no choice but to accept fixed reimbursements from Medicare and Medicaid.

Mr. Galipeau stated the funding challenges included unreimbursed 911 services and spoke extensively on the collection efforts. Mr. Lloyd stated advisors encouraged "third party billing". Mr. Galipeau stated the rate of return could not be improved with an outside billing agency; and agencies charged 10% of what was billed, not what was returned meaning the cost for that service could be \$100,000. He also stated additional challenges included cash flow to meet monthly demands and building an operating reserve of 3 months. Currently, they only have funds to cover a month and a half. Further challenges included debt reduction (line of credit/loans); equipment replacement with some vehicles leased and some fully-owned; staff retention; and the ability to plan for the future to expand the service to meet the community's needs and the townships' obligations. He listed hundreds of thousands of dollars in cost savings initiatives that have taken place. He stated they were living off a line of credit from Susquehanna Bank with an interest rate of 2% over prime. He stated Exeter Ambulance's line of credit total is \$450,000 and currently there is \$50,000 left with a payroll going out tomorrow for \$30,000. And lastly, he stated they had a separate bookkeeping service.

Mr. Galipeau stated he was attending this meeting to help the Township find options to meet their obligation to provide emergency medical services to the residents of Exeter Township as dictated in "*Section 1528. Ambulances and Rescue and Life Saving Services*" and "*Section 1553. Emergency Services in the Municipal Code*". He made three suggestions to the Board.

1. Subsidizing Exeter Ambulance that has been providing services to the community for 45 years. He requested a subsidy of \$20-\$40 per household (according to 2010 census there are 10,051 households in Exeter Township), which would make all residents "members" of the Ambulance Association. He stated the benefits to the resident would be that Exeter would accept as payment in full all receipts from insurance for 911 emergency transportation and that would eliminate the annual subscription drive, fund vehicle purchases and would cover bad debt incurred by providing services to the Township.

609645

2. The Township could pick another provider. Mr. Galipeau stated both Southern Berks EMS and Western Berks EMS receive subsidies from communities they serve today and they would expect the same from Exeter.

3. Start a Township Ambulance Services. Mr. Galipeau noted the start up costs would be high, and there would be no expertise in managing this service. He also stated there would be a delay in seeing revenue because of all the insurance applications that would have to be processed, the same ongoing capital and bad debt challenges could be faced and additional staff would become township employees.

Mr. Bukowski questioned the 90+ number of \$645,349.07 on the open balance sheet. Mr. Galipeau stated they just started to pick that number apart and the majority of it was bad debt that should have been written off. He stated the other numbers on the open balance sheet were accurate. There was a general discussion on the open balance. Mr. Bukowski asked if they had considered switching to a cash basis accounting system rather than an accrual accounting system. Mr. Galipeau felt cash based accounting was "imaginary" to which Mr. Bukowski stated he could argue the opposite. He stated it would be a better way to get an idea of the assets and felt the situation could be more bleak than it looked. Mr. Lloyd asked what the trends for private ambulance companies & public/volunteer ambulance companies the next 5 to 10 years were, and asked how much worse could things get. Mr. Galipeau stated in Berks County there was an over abundance of ambulance providers and they were fighting for the same dollars, duplicating back office and administrative services. He felt regionalization was the ultimate solution. There was a discussion on how to make regionalization a reality. Mr. Galipeau stated he moved to Berks County 28 years ago and found the ambulance and fire companies to be territorial and fiefdoms existed. He felt this behavior was counter-productive to progress. He stated, "No one is making any profit and no one owns any one of these companies. We're all trustees of the public sector's dollars."

Mr. Bukowski asked which segments were the best source of income to which Mr. Galipeau stated hospitals and health services providers; and not in 911. He stated there was a lot of down time in 911; but, when the call comes you have to be there. Mr. Bukowski asked what the factors were when the contracts were evaluated and was there something that could be done to gain contracts. Mr. Galipeau stated Berks County was saturated with national level negotiated contracts that secured one rate no matter where they operated in the country. He stated the only real contracts were with the Reading Hospital and St. Joe's. He explained how the discussions with the Reading Hospital went, that there was a lack of response from the hospital and he cancelled the contract as the Ambulance was losing money. Mr. Bukowski asked if it was possible to subcontract from larger providers. Mr. Galipeau stated that had been done with no success. There was a discussion on what happened in Reading when the fire company took over ambulance and how it was hard to determine whether or not it was profitable. There was a discussion on cross training when the ambulance and the fire departments work together. Mr. Lloyd stated he would like to explore one possibility which would be to have Exeter Fire Department involved in a combination of some sort. Mr. Lloyd stated he has contacted other fire companies that do EMS work and it was profitable. Some Supervisors felt volunteers for fire

departments don't expect to run the 5 to 6 calls a day as there were that many 911 calls every day and they would not hold up. There was a discussion on costs, training and how transportation contracts would be handled. Mr. Galipeau stated all grants go to fire companies and it would be possible to start a rescue service to get some grants and dilute the funds that would normally go to the fire company.

Mr. Bukowski suggested the two organizations work together in a hybrid situation to come up with a way to be profitable that the Board could help subsidize and fund. Mrs. Galipeau stated for years the Township had not funded the ambulance service and asked how the Township got away with it. Mr. Bukowski stated the ambulance service had been willing to provide the service and the Township code says we have to provide the service; but, we don't have to pay for the service. Mrs. Starr concurred stating the code was language only indicating the township had to provide ambulance service. Mr. Galipeau stated it took a lot for the people from the Ambulance Association to come here tonight because of the pride they had, being able to provide service to the community. Mr. Galipeau asked the Board to initiate the idea to have a combined discussion between the Fire Company and the Ambulance Association to make sure the community has the services they need. It was agreed to plan for a future to reduce debt and save dollars for equipment replacement and Mr. Bukowski felt it was time for the next chapter. He felt it would be necessary to put egos aside to make progress and he would help as much as possible. Mrs. Starr felt the Ambulance Association knew how tight the Township budget was and Mr. Lloyd stated the Township had so much of a problem that the Board applied for a grant to get assistance to help us work things out. Mr. Bukowski added the Ambulance Association should be part of the study. It was noted the cost to become a member of the Ambulance Association was \$35 for an individual.

Mr. Wilson stated there could be a problem putting paid ambulance people within the same company structure as volunteer firefighters. He felt the inequity would be a problem that could result in a paid firefighter force. He suggested the board look at a way to keep the entities separate; but, under one umbrella for the purposes of receiving grants. Mr. Wilson also stated the Board would talk to representatives as well. Mr. Galipeau felt a short term solution would be necessary as well. Ms. McCue stated most of the people in the Township felt Exeter emergency services come from one source and they needed to know ambulance funding was different from other funding. Mrs. Starr suggested putting an article in newsletter and on the Township website. Mr. Galipeau asked the Board for \$100,000 to cover the unreimbursed care to help out this year. Mr. Wilson stated everyone was asking for more money during the budget process which was ongoing now. He stated the best thing the Ambulance Association could do was to come up with a number to keep them solvent for the next year to give everyone time to come up with a permanent solution. Mr. Bukowski asked where the Ambulance Association bought fuel to which Mr. Galipeau stated they bought it from the Township and the cost per year was \$35,000. There was a general discussion on why the board did not give the Ambulance Association money when they requested it last budget round and a reference to providing ambulance service to the City of Reading as a part of that discussion. It was noted Mr. Bingaman would schedule the EMS portion of the budget discussion meetings now that the Ambulance Association had met with the Board and shared their situation.

609645

Other Business

Mrs. Starr stated at the last meeting there was a motion to put in sidewalks at the Route 562/ Shelbourne Road/ Oley Turnpike Road intersection which she voted against it as she always does when the speed limit was above 25 miles per hour. She stated she is not opposed to walking and keeping healthy; and she does so herself. She stated as an original member of the "Keep Kids Alive Drive 25" initiative the township started several years ago, she learned about pedestrian safety and how the township could communicate with the residents concerning safer driving practices. With all the recent pedestrian fatalities and injuries in Berks County she felt we should scrutinize pedestrian safety; not to mention all the expenses associated with having and maintaining sidewalks. She proposed creating and extending the walking trail systems and continuing to promote the "Keep Kids Alive Drive 25" Program. She asked everyone to visit the National Highway Safety Website for more information on the subject. She stated on July 30th a lady was arrested on Gibraltar Road, intoxicated and texting with her vehicle up on the sidewalk. Mr. Lloyd noted they had to put crosswalks as it was the law to provide access at the intersection in question, and noted a crossing button would be installed for pedestrian use. He stated the only difference was there would be a few feet of concrete leading to that intersection.

Mr. Bukowski stated he wished Mrs. Starr had spoken up at the meeting where this issue was being debated. She stated she spoke about it at previous meetings and felt everyone knew her feelings on this matter. Mr. Bukowski felt it was safer to be able to walk on a sidewalk instead along the side of the road. He stated members of the Board and PennDOT had established there were pedestrians walking at that intersection and while he did not like orphaned sidewalks he felt it would be safer to use sidewalks when available, especially on those roads. Mrs. McCue, who lived at 1291 Shelbourne Road, stated that intersection was a horrible and it was not safe to walk there.

ADJOURNMENT

MOTION by Mr. Lloyd, seconded by Mrs. Starr, to adjourn the meeting. Motion carried unanimously. The Meeting adjourned at 8:55 P.M.

A handwritten signature in black ink, appearing to be "T. Lloyd", written in a cursive style.

THIS PAGE
LEFT BLANK
INTENTIONALLY

609645