



CITY OF GERMANTOWN TENNESSEE

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Financial Advisory Commission Minutes

Tuesday, April 26, 2011, 6.30pm

Police Training Room, 1930 S Germantown Rd

- Members Present:** Chairman Julius Moody, Paul Bryan, Eddie Cox, Bill Dudley, Sharon Hammer, Clinton Hardin, Vice-Chairman Russell Johnson, Mark Kooker, Howard Lasley, Frederick Miller, Frank Markus, Paul Mosteller, Lou Paris, Harold Steinberg, Paul Volpe and Richard Wagoner.
- Members Absent:** Mike Agee, Donna Curlin, Walter Krug, Sehrish Siddiqui, Frank SanPietro and Brian White.
- Alderman Liaison:** Ald. Mark Billingsley.
- Staff Present:** Patrick Lawton, George Brogdon, Kristen Geiger, Andy Pouncey, Dennis Wolf, Ralph Gabb, Michael Stoll, Joe Nunes, Adrienne Royals, Sherry Rowell, Tim Williams, John Selberg, Lou Correale, Mark Carter and Jeff Beaman.
- Other:** Ald. Mike Pallazolo, Ald. Greg Marcom, Ald. Ernest Chism, Mikki Gast, Rick Bennett & Glen Miller (Rural Metro) and Lela Garlington (Commercial Appeal).

Call to Order

Chairman Moody called the April 26, 2011 Financial Advisory Commission (FAC) meeting to order at 6:33 p.m. Due to inclement weather the meeting was held in the Police Training Room, 1930 S Germantown Rd. Pizza, soda and water were served at the meeting.

The meeting was adjourned as tornado sirens went off and members were asked to go down into the police firing range for safety reasons

Roll Call

Chairman Moody called roll and announced a quorum was present.

Approval of Minutes

Chairman Moody called for approval of the minutes from the April 12, 2011 FAC meeting.

****MOTION****

Clinton Hardin moved to approve the minutes from the April 12, 2011 FAC meeting as presented. Richard Wagoner seconded and the motion passed unanimously.

Patrick Lawton reiterated the role of the Financial Advisory Commission and the responsibilities therein, stating that the BMA set the policies for the city.

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Proposed FY12 Ambulance Fund

Chief Wolf presented the Proposed FY12 Ambulance Fund as requested at the last FAC meeting.

The contract costs are known for FY12 and can be estimated for FY13, but after FY13 there is uncertainty. The increase shown on the spreadsheet handed out at the April 12 meeting estimated a 1.6% increase in contracted services for all future years. The actual increase under the contract is based on the CPI plus 2%, with a minimum increase of 2% for a zero or negative CPI, and a cap of 5%. The increase for FY12 was 3.5%. It is not possible to predict the actual increase for FY13 if the city remains in the contract, but the increase would be at least 2% and staff assumes that unless economic conditions change, the increase will probably be the same as FY12, which was 3.5%.

The contract may be extended for one year at the end of the initial term, which is June 30, 2012, which would extend the absolute end date to June 30, 2013. Based upon the discussions in 2007 that created the RFP for the current contract, competing interests among participating entities, the rise in fuel and other costs, and the need for new capital, staff expects a higher initial contract cost than was quoted in 2007. One item of particular note is the number of staffed ambulances. The current contract called for 12 ambulances staffed 24/7 and up to 4 peak-time (not 24/7) ambulances to be staffed as necessary to meet the contract performance guidelines. Once the system was in place, it was immediately apparent that 12 full-time ambulances were not sufficient, and that the peak-time ambulance concept was not working. The future contractor must staff 14 ambulances 24/7 to meet performance criteria. Since the original bid was based on the contractors assumption that 12 full-time and up to 4 part time units would be sufficient, and practical experience has shown that 14 full-time ambulances are required, one can assume that a new contract cost will be based on staffing 14 units 24/7. Staff acknowledges, however, that it is impossible to predict accurately the contract costs after FY13.

The proposed FY12 Budget for emergency ambulance cost is \$1,756,952 (\$1,330,709 for start-up and \$426,243 for current contract). The start-up will commence in FY12 with the major expenses occurring during the fourth quarter. The Battalion Chief position is funded at a full year; the Paramedics (6) and Emergency Medical Technicians (6) positions are funded for four months, beginning March. The procurement process for the ambulances will commence with FY12 with an anticipated March delivery.

The city would be purchasing four ambulances. Based on past response records, two staffed ambulances are sufficient for the majority of the time to maintain an effective response time. The two non-staffed ambulances are backup ambulances and will be used when one ambulance must be taken out of service for preventative maintenance, such as oil changes, busy on an emergency run, etc. When an ambulance is out of service because it is transporting a patient to a hospital, one of the two backup ambulances will be staffed by on-duty personnel and placed in service for immediate response. The department is increasing staffing on Rescue 41 from three to four, and on Engine 93 from three to four, so that additional personnel will be available at Station 3 to place a backup ambulance in immediate service. Having four personnel on Rescue 41 and Engine 93 allow flexibility in staffing the backup ambulance while keeping both trucks in-service and available for calls, and improve fire response capability.

Benefit improvements include increased availability of fire engines, 4 fire fighters on Engine 93 and Rescue 41, which increases fire response capability, increased total number of available ALS staffed apparatus from 5 to 9, ability to handle multiple critical patients increased from 5 to 9, elimination of reassessment before transport which improves time from call received to arrival at the hospital, continuity of care, increased number of on-duty paramedics each shift from 7 to 9, and reduced call processing steps in dispatch which improves efficiency.

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Proposed FY12 Ambulance Fund

The delay from when the Germantown dispatcher receives the call until the Shelby County Fire Department notifies the ambulance to respond is at least 2 minutes and can be as long as 5 minutes. On an ambulance call, Germantown dispatchers call the Shelby County Fire Department and notify the county of the need for an ambulance. By permission of EMROC, the Rural/Metro ambulance is allowed to leave the fire station before they are dispatched by the Shelby County Fire Department and follow the Germantown fire engine to the call. The result of this system is that the delay of 2 to 5 minutes that would exist if the ambulance had to be dispatched by the Shelby County Fire Department is eliminated. However, this elimination of delay only applies if the ambulance is actually in the Germantown fire station at the time of the call. If the ambulance is not in the station then the ambulance will not know about the call until the Shelby County Fire Department alerts them, and that makes the 2 to 5 minute delay a part of the ambulance's response time.

Under a fire department based system, the need for the Germantown dispatcher to call the Shelby County Fire Department is eliminated, which makes the Germantown dispatch office more efficient and provides more time for Germantown dispatchers to give pre-arrival instructions.

Pros

- Higher level of service
- Better equipment that allows for more advanced treatment skills
- Higher level of training that exceeds basic minimum state requirements
- Continued in-service and follow through with employment development
- Total system management of service versus through layers of contractor management
- Higher caliber of personnel – Long term career personnel
- Bottom line is community service

Cons

- Cost
- Direct Liability

The proposed tax rate increase is 15 cents, 10.5% increase, projected to last 2 years.

Rick Bennett from Rural Metro spoke about relations with the city and stated that Rural Metro would be privileged to continue their partnership with the city.

An extensive discussion ensued amongst members and staff regarding the ambulance service.

A motion was made to delay Ambulance Service for one year.

****MOTION****

Richard Wagoner moved to delay Ambulance Service for one year. Harold Steinberg seconded. The motion was defeated 12/3

A motion was made for the BMA to bring Ambulance Services in house to correspond with the end of the current contract with using option year.

****MOTION****

No second, motion failed.

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A motion was made to move Ambulance Service in house as proposed.

****MOTION****

Sharon Hammer moved to move Ambulance Service in house as proposed. Eddie Cox seconded. The motion was defeated 10/5.

Proposed FY12 General Fund

Kristen Geiger handed out Proposed FY12 General Fund handouts.

An FAC member stated that if there were a vote up or down for the proposal for the General Fund for a 15c then that's a decision on its own and whatever happens with those numbers happens with those numbers and it goes along with the recommendation from this body that says we're not in favor of taking the Ambulance Service in house at this time with these numbers in this economy. Based upon this, it was suggested that a motion be made to move on and vote on the General Fund. Patrick Lawton stated that the FY12 General Fund included both the Ambulance Fund and 15c tax increase.

An FAC member stated that he wanted other members to be clear on the motion that had just been made and that if the General Fund is approved that we have also voted not to be in favor of bringing the Ambulance Service in house at this time. If the BMA decide to go forward with it, that's their policy decision that they're free to make, if they choose to delay a year and the funds in reserve for bringing Ambulance Service in house a year later then that's fine.

A motion was made to approve the FY12 General Fund as proposed.

****MOTION****

Eddie Cox moved to moved to approve the FY12 General Fund as proposed. Clint Hardin seconded. The motion passed 14/1.

A discussion ensued regarding adding a friendly amendment to state the position on Ambulance Funding but after further discussion no amendment was brought forward.

Proposed FY12 Sanitation Fund

Joe Nunes presented the Proposed FY12 Sanitation Fund and referred to the handouts.

He summarized that the recommendation would be to continue with weekly collection, with all services provided on the same day. If the resident uses curbside then there could be a reduced rate. Recyclables would still be weekly and there would be a cart, with no separation of recyclables as there is now. Also described was the new proposed waste/recycling containers and the costs associated with using these and possible incentives available to residents for using the recycling system.

A motion was made to approve FY12 Sanitation Fund as proposed.

****MOTION****

Eddie Cox moved to moved to approve FY12 Sanitation Fund as proposed. Clint Hardin seconded and the motion passed unanimously.

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Adjournment

A motion was made to adjourn.

****MOTION****

Richard Wagoner moved to adjourn, Clinton Hardin seconded and the motion passed unanimously.

Respectfully submitted by Finance & General Services.