

VIRGINIA:

A FY 2019 Budget Work Session of the Lancaster County Board of Supervisors was held in the Administrative Building Board/Commission Meeting Room of said county on Thursday, March 29, 2018.

Members Present: William R. Lee, Chair
Jason D. Bellows, Vice Chair
Jack D. Larson, Board Member
Ernest W. Palin, Jr., Board Member
Robert S. Westbrook, Board Member

Staff Present: Don G. Gill, Assistant County Administrator and
Planning/Land Use Director
Crystal Whay, Building/Land Use Assistant

Mr. Lee called the meeting to order at 5:30 p.m.

EMS Budget Consideration

Mr. Lee asked Chief Terry McGregor to present his budget.

Chief McGregor stated that the budget that the Board members had in their budget books was a revised budget from the original that he had previously submitted to Mr. Gill in February. He stated that Mr. Gill has a copy of the original budget for the Board's consideration as well. He stated that the revised budget eliminates a full-time position. He stated that what the Board has before them, under paid rescue services, reflects a decrease of approximately \$64,000, but the original budget that he submitted demonstrated an increase of \$48,000.

Mr. Lee asked to clarify that the budget reflects the elimination of one full-time position.

Chief McGregor replied yes and also some money that was being used as a holding place for a proposed Assistant Chief. He stated that they have decided that was not a necessary position at the present time.

Mr. Lee asked how many full-time positions there were currently.

Chief McGregor replied there are fourteen filled positions and one vacancy. He stated that the original budget provides for a total of fifteen full-time positions. He stated that the budget included in the Board's books provides for fourteen full-time positions.

Mr. Larson asked about Chief McGregor's plan for an increase in EMS salaries.

Chief McGregor replied that the original plan was for a three percent increase and the revised budget is flat because he took the increase out altogether.

Mr. Larson asked which budget was the Board being asked to consider.

Chief McGregor replied that he would like the Board to consider his original budget.

Mr. Gill stated that the EMS budget in the Board's budget books is the revised budget, where Chief McGregor tried to cut costs and trim his budget, but Chief McGregor had indicated that he would like the Board to consider his initial budget.

Mr. Larson referred to the increase in salaries in paid rescue services of \$27,599 and stated that, yet, Chief McGregor had cut a full-time position.

Chief McGregor stated that original budget does not include a cut to a full-time position.

Mr. Larson stated that the figures don't look like a three percent increase either, because a three percent increase would equal approximately \$19,500.

Chief McGregor stated that he would have to go back and look at the salaries page.

Mr. Larson asked if Chief McGregor wanted to bring the full-time position back.

Chief McGregor replied that he would like that position restored.

Mr. Larson stated that they are going to hear later in the public input session that there are a number of people, especially in his district, that want that position restored and get back to two ALS's. He stated that he thought they could do that, with the staff of fourteen people. He stated that everytime he sees an EMS employee's name, it has Chief or Captain in front of it and it troubled him. He stated that he did not know whether those employees were staffing the ambulances or the ALS vehicles or not.

Chief McGregor stated that, other than himself, all of the staff are on the ambulances or the ALS vehicles. He stated that he was the only employee with the title of Chief.

Mr. Larson asked about Chief Welch.

Chief McGregor replied that she is Captain Welch.

Mr. Larson asked what Captain Welch's responsibilities were.

Chief McGregor replied that Captain Welch was responsible for maintaining the schedule, calculating payroll and managing personnel and staffing.

Mr. Lee asked if Chief McGregor was now asking for another full-time employee and a three percent pay increase for his employees.

Chief McGregor replied yes. He stated that he was recommending a three percent increase and the figures may have not tabulated correctly in the Excel program.

Dr. Westbrook stated that he had spent hours reviewing the budget that had been presented to the Board and then minutes before the work session, they receive another version of the EMS budget. He asked when they would have a chance to ask questions on the budget that they just received. He stated that he had made notes on the revised budget and was prepared to talk about it at this meeting, but did not know if they were even valid anymore.

Mr. Gill stated that he thought that Dr. Westbrook could still ask his questions. He stated that Chief McGregor just asked if the Board would reconsider his initial submission and that is what was handed out before the meeting. He stated that it was the Board's decision about whether to reconsider it or not.

Dr. Westbrook stated that he thought it was worth considering what Chief McGregor actually wanted. He referred to the budget that was in the book and stated that he assumed the salary of \$24,379 was for the vacant position, but he had some questions. He asked that, if that salary was not being paid, why did FICA and the VRS amounts increase. He stated that he looked at the actual money from last year, not what was adopted, and compared it with what was requested this year. He stated that he did that for everyone. He stated that, when he made that comparison, Chief McGregor was asking for six percent more this year than what was received last year in the paid services category. He stated that it was \$1,086,717 versus \$1,020,984. He stated that the public safety radio category increased by twenty-two percent and the local emergency services category has decreased fifty-five percent. He stated that he would like to make some sense of it.

Chief McGregor stated that the calculations for the personnel changes were handled through Mrs. Stevens' office and he cannot account for the changes in the FICA amounts. He referred to the public safety radio category and stated that the plan was that after the completion of the implementation of the new radio system, over a period of seven years, all of the user hardware would be replaced in phases, so it would be fully compatible for future upgrades. He stated that, based on that, they have attempted to schedule those replacements, so that each department has its equipment replaced.

Dr. Westbrook referred to the electrical service line item and asked about the increase from \$4326 to \$12,000.

Chief McGregor replied that when they initially implemented the radio system, they had to guess at what it would cost and after the first year of operation and for service at the five sites, they had to revise the costs.

Dr. Westbrook asked if the radios required more electricity or are being used more.

Chief McGregor replied that each of the sites has a shelter that is climate controlled to protect the equipment and that is where the electrical usage comes from.

Chief McGregor referred to the local emergency services category and stated that pays for the emergency management program and some of those funds have been shifted from the paid rescue services category.

Dr. Westbrook referred to the advertising line item and asked why there was an increase from \$755 to \$3000. He asked what was being advertised.

Chief McGregor replied that his department advertises for its certification classes and public service announcements, for example, during hurricane season. He stated that they advertise through the newspaper and radio.

Dr. Westbrook referred to the disaster recovery category and stated that it was \$20,693 last year, but nothing was requested for this year.

Chief McGregor stated that line item is only funded when the County incurs disaster related costs and when we declare an emergency.

Chief McGregor stated that he was passing out some materials on the historical context of the EMS budget. He stated that he knew there were concerns about the growth and the costs of the department. He stated that one graph showed the change in call volume for paid rescue services since 2003 and the second graph showed a change in the call volume for the last five years for the entire EMS system, both paid and volunteer.

Mr. Lee asked how many part-time employees were in the EMS department.

Chief McGregor replied 12.

Dr. Westbrook stated that he understood there was a difference in the call volume hour to hour.

Chief McGregor stated that there was a difference. He stated that the call volume begins to increase around 6:00 a.m. and there was a sharp decrease around 8:00 p.m. everyday.

Dr. Westbrook stated that Chief McGregor had made a decision, as he understood it, to not staff the ALS vehicle during the day as a money saving gesture. He stated that they have two ambulances, each has an ALS provider and a basic EMT. He stated that there are sometimes accidents that would benefit from having two ALS providers on scene. He stated that what used to happen was that an ambulance and an ALS vehicle went to the emergency and now, during the daytime, if there was a serious accident, there were two ambulances going and no ALS vehicle.

Chief McGregor stated that was correct. He stated that during the previous staffing model, they would typically staff the Lively station with two EMT Basics and have an ALS provider on the ALS1 vehicle and at the Kilmarnock station, an EMT and an ALS provider on the ambulance. He stated that in order to maintain the level of care, they took the ALS provider from the ALS1 vehicle during the day and positioned them at the Lively station. He stated that both of the ambulances have advanced life support available during the day. He stated that, in the evening, the ALS1 vehicle is staffed with an ALS provider to ensure that the level of care is there overnight as well, when the volunteers typically cover. He stated that the drive to make that change was because there has been a decrease in the number of part-time personnel and the frozen full-time position. He stated that his department has also been covering more night time shifts at both stations. He stated that they are trying to maintain the level of care.

Dr. Westbrook stated that Chief McGregor was not maintaining the level of care if the ALS has been taken away during the day, which has a high call volume and have two ambulances. He stated that it was not the same. He referred to the fourteen full-time employees in the EMS Department and asked if they can go back to what they had without spending more money.

Chief McGregor replied that was correct.

Dr. Westbrook asked if it was a matter of an employee doing paperwork in the office that could be staffing a vehicle.

Chief McGregor replied that was not the situation. He stated that if someone is working on another project and they are needed in an ambulance, they go.

Mr. Lee asked that when making the decision, did Chief McGregor try to maintain the level of care by positioning staff in different locations.

Chief McGregor replied that was correct. He stated that what was disruptive was the level of service quite honestly. He stated that, prior to making the change, they could easily accommodate three simultaneous calls, but now we can accommodate two simultaneous calls.

Dr. Westbrook stated that one of his concerns is what can happen when more than one serious situation at one time is happening at different ends of the County.

Chief McGregor stated that, much like the neighboring counties rely on Lancaster when their demands exceed their capability, Lancaster can do the same for assistance from them when necessary. He stated that the challenge in those cases is the distance that assistance may have to travel to get to a scene.

Mr. Larson referred to the portion of Northumberland County, in which Lancaster's paid EMS serves and asked if they had gotten anywhere with getting some financial help from that County.

Chief McGregor replied that they have submitted all of the data for the calls that have been run. He stated that they have tabulated the average cost per response and made a request to the Northumberland County Board of Supervisors to provide a contribution to Lancaster County for the service that has been provided. He stated that they have not heard back from them yet.

Mr. Bellows referred to the charts that Chief McGregor had provided and asked what were the contributing factors for the growth in call volume.

Chief McGregor replied that a significant part of the increase in call volume is due to an aging population. He stated that changes that have occurred in healthcare have resulted in people being discharged much more quickly from the hospital and realizing that they may have been discharged too early. He stated that they are also seeing a number of clients who cannot take care of themselves and his staff will need to make repeated visits until such time when they can involve social services and get them the resources that they need. He stated that they probably encounter one to two new families a month where that is the case.

Mr. Larson stated that Chief McGregor made the decision to stop the service of the ALS1 and he did put out a memo about it and Mr. Larson said that he had read the memo. He stated that then he received a call from an upset citizen, who had been told that there would be no ALS support during the day in the County and was told that information from a member of the EMS staff. He stated that the staff member further said that if the citizen wanted the service back, they needed to speak to Mr. Larson about more money for the EMS Department.

Mr. Larson stated that he reread Chief McGregor's memo and could not tell from it that the ALS1 vehicle had actually been pulled out of service during the day and he stated that the memo was not clear.

Dr. Westbrook stated that Chief McGregor listed the hours that the ALS1 vehicle would be staffed without saying that the hours had been reduced from twenty-four hours a day. He agreed with Mr. Larson that the memo was not clear.

Mr. Larson stated that he followed up with Chief McGregor, found out that the statement of no ALS support during the day was untrue and was told that there would be

one ALS provider and he then went back to the citizen and explained to them that they would be talking about this subject during the budget process.

Chief McGregor stated that there are actually two ALS providers, one in Kilmarnock and one in Lively.

Mr. Larson stated that he knows that now, but doesn't know why he didn't know it before. He stated that they need more communication. He stated that it was troubling to him when he hears those kind of serious citizen concerns. He stated that Chief McGregor had to communicate with the Board, if he wanted their support. He asked Chief McGregor to not hold back information.

Mr. Lee asked if the total paid services total was now \$1,196,293.

Chief McGregor replied yes.

Mr. Gill stated that he thought there still might be some confusion. He stated that, under the old staffing plan, Chief McGregor had two ALS providers on duty during daylight hours and under the new staffing plan, he still has two ALS providers on duty during the daylight hours. He stated that the only change is that instead of the ALS provider driving the ALS1 vehicle, he or she is in the Lively station. He stated that the change just took the ALS1 vehicle off the road.

Chief McGregor stated that, in order to provide the flexibility that the ALS1 vehicle provides, it requires five positions being filled during the day. He stated that was two full ambulances, plus the additional position. He stated that the decision was made to reduce the daily staffing by one individual, while still maintaining the advanced life support level of care throughout the County.

Dr. Westbrook asked if someone was fired.

Chief McGregor stated no and that they had a vacancy.

Mr. Larson stated that he and Mr. Lee met with Chief McGregor before the budget process began to discuss the escalation of costs in the EMS Department in the last few years. He stated that Chief McGregor was actually interviewing, at that time, for the vacancy and he and Mr. Lee asked Chief McGregor to hold off on hiring anyone at that time. He stated that no one had been let go.

Chief McGregor stated that he estimated not staffing the ALS1 vehicle during the day saves approximately \$72,000 a year.

Dr. Westbrook stated that he thought it might make more sense to have an ambulance with two EMTs and another ambulance with an ALS provider and an EMT and reserve the ALS1 vehicle for another qualified individual.

Chief McGregor stated that he agreed with Dr. Westbrook. He stated that he did believe that having the additional flexibility with the ALS1 vehicle does benefit the community. He stated that based on the feedback he was receiving, he made the decision to demonstrate as much fiscal restraint as necessary and he was able. He stated that, to be perfectly honest, there was going to be no way to stay within budget for the year, without making the change with the ALS1 vehicle's schedule.

Dr. Westbrook stated that when the actuals are compared from last year to what has been requested for this year, there is a six percent increase, when they have had a conversation about the Bureau of Labor Statistics' official inflation rate being 2.03 percent. He stated that he was just referring to the paid services category.

Chief McGregor stated that there is a little bit of artificiality in there because if one looked at the volunteer rescue services category, there is a reduction in the mileage contribution. He stated that what has been worked out with the volunteer rescue squads in a new agreement is that the County would take on the cost of disposable medical equipment in exchange for the reduction of the mileage reimbursement. He stated that when the County began billing for EMS services, the loaded mileage was essentially passed back to the rescue squads. He stated that they do not collect everything that is billed, so the County was returning to the rescue squads what was billed, not what was collected. He stated that, with the new agreement, they modified the loaded mileage reimbursement to the rescue squads, which is intended to offset the cost of fuel and maintenance for the ambulances they maintain and in exchange the County would provide additional money for disposable medical equipment.

Dr. Westbrook stated that the mileage reimbursement in the volunteer rescue services category went from \$17,456 to \$50,000, which is a sixty-five percent increase. He referred to the rescue squads, overall and stated that there is a 29.8 percent increase from fiscal year 2017 to what is being requested for this year. He asked for an explanation.

Chief McGregor replied that he would have to get back to them on that issue.

Mr. Larson stated that there was a discrepancy to the contributions to the rescue squads between the revised and original versions of the EMS budget.

Chief McGregor stated that, for the last couple of years, they have included larger increases for the volunteer rescue squads, so they can continue their operations. He referred to the EMS budget in the Board's books and stated that it recommended a decrease for the volunteer rescue squads under the philosophy that if the paid rescue services have to tighten their budget, then the volunteer rescue squads would need to do so as well.

Mr. Larson stated that he thought he had made it very well known that the best value they have is with their volunteers, whether it's the fire departments or the rescue squads. He stated that he was troubled to see the volunteer rescue squads' budget number decrease. He stated that anytime a reduction like this is going to be made, he asked that

decision be communicated more clearly. He stated that, as a Board member, he hears from concerned citizens all of the time and it would be nice to have the background to know what is going on, so he can address any issues that come up.

Dr. Westbrook asked Chief McGregor if he could confirm what is owed and has not been collected concerning the ambulance billing.

Mr. Larson stated that, as of the end of February, only \$158,000 had been collected for the ambulance billing. He stated that it is way down from what it was six or seven years ago.

Chief McGregor stated that, as of the end of January, \$183,000 had been collected.

Mr. Larson stated that was not what the records show.

Chief McGregor stated that they have collected \$183,289.92 and paid billing fees of \$9,164.50 for a net of \$174,125.42.

Mr. Larson stated that he was looking at the official accounting report from the Bright system for the period of July 1, 2017 through February 28, 2018 and it shows the figure of \$157,442.20 for account number 16040. He stated that he wasn't sure where Chief McGregor's number was coming from.

Chief McGregor stated that he received the figures from the billing service.

Mr. Bellows suggested that the discrepancy may be due to overhead from the billing service.

Dr. Westbrook stated that what he had heard from Jerry Davis, Executive Director for the Northern Neck Planning District Commission, was that they were using a billing company and not a collection agency. He stated that the fee was around five percent, whereas collection agencies charge more. He stated that maybe that was the difference in the amounts.

Mr. Larson asked what had been billed.

Chief McGregor replied that almost \$400,000 had been billed. He stated that he would find out about the discrepancy.

Mr. Lee stated that he had spoken with the County Treasurer and she had said that the collection agency that she uses would not do the ambulance billing.

Dr. Westbrook stated that he thought it was the Board's decision about how strong they want to be in trying to locate a collection agency. He stated that Jerry Davis told him that there was only one county really pursuing the fees and that was Westmoreland.

Chief McGregor stated that the overwhelming majority of the delinquent accounts are for clients without insurance. He stated that, it was his understanding, a significant number of those people qualify for hardship and just simply haven't completed the paperwork.

Mr. Bellows stated that, more than likely, if they cannot afford insurance, they cannot afford ambulance bills. He stated that some citizens think that they pay for these services with their taxes, since the County has gone to the paid rescue services.

Dr. Westbrook stated that should not mean that they don't have a policy in place, a designated collection agency and take each case as it comes.

Chief McGregor stated that at the last revenue recovery board meeting, they made a decision to bring in a firm that is experienced in EMS revenue collections to evaluate whether or not they would be interested in taking on all of the localities' delinquent bills and audit the billing to make sure that the bills were being coded correctly to maximize the revenue potential. He stated that is something that is being explored as a region.

Mr. Bellows stated that beyond the emergency medical billing, he thought there was some real issues with the effectiveness of the Northern Neck District Planning Commission in general.

Mr. Lee stated that one wonders if it is even worthwhile to do the hard billing and worth the County pressuring people to pay that simply do not have the money.

Mr. Larson asked about private ambulance companies that provide service to localities.

Chief McGregor replied that there are a variety of models that are out there. He stated that some of those companies have large loaded mileage rates. He stated that, in some municipalities, the call volume is sufficient to cover the costs, but those are in very busy areas. He stated that there are other localities where agreements are made as to whether or not the locality or the ambulance service will do the billing. He stated that, in rural areas, the services tend to be subsidized with tax dollars.

Mr. Larson stated that the service cost projected for next year will be approximately \$1,196,000 and the revenues for this year will probably end up being around \$210,000, so basically paid rescue services are being subsidized a million dollars. He stated that he would like to be able to substantiate that.

Dr. Westbrook asked what the other localities charge for loaded miles.

Chief McGregor replied that Lancaster County had the highest cost on the Northern Neck. He stated that, currently the rate is \$15 per mile, which is the same as Westmoreland County.

Mr. Lee stated that the Board needed to consider scheduling another work session.

The consensus was to hold the next work session on Wednesday, April 11th at 5:30 p.m. before the public hearing on the school budget.

Mr. Lee stated that they needed to speak to Sheriff McCranie about his proposed budget. He stated that he had also received a request from Edna Davenport, Social Services Director. He stated that Mrs. Davenport wanted to explain to the Board what may happen to her department if the Medicare Expansion bill passes.

Mr. Gill stated that he had received a request from Chuck Walsh of the Middle Peninsula Community Services Board. He stated that Mr. Walsh could not make the last meeting, but would like to present his budget request to the Board.

Adjournment

Mr. Bellows made a motion to adjourn the meeting to 7:00 p.m.

VOTE:	William R. Lee	Aye
	Jason D. Bellows	Aye
	Jack D. Larson	Aye
	Ernest W. Palin, Jr.	Aye
	Robert S. Westbrook	Aye