

Western Lane Ambulance

2625 Highway 101 North, Florence, OR 97439

Meeting held remotely via Zoom

Minutes of Budget Committee Meeting - May 14, 2020

Chief Schick called the meeting to order at 5:00 p.m.

BOARD MEMBERS PRESENT: Directors Mike Webb, Rick Yecny, John Murphey, Cindy Russell (joined at 5:20 pm), and Larry Farnsworth

BUDGET COMMITTEE MEMBERS PRESENT: Jodi O'Mara, Joel Marks, and Randall (R.J.) Pilcher

STAFF PRESENT: Chief Michael Schick, Matt House, Dina McClure, and Holly Lais.

Budget Officer / Fire & EMS Chief Schick referred to the budget message in the meeting packet.

Director Rick Yecny made a motion to appoint John Murphey as Budget Committee President. Director Larry Farnsworth seconded the motion. Motion-passed unanimously.

Budget Committee Member Jodi O'Mara made a motion to approve the Budget Committee Meeting Minutes from May 13, 2019. Director Mike Webb seconded the motion. Motion-passed unanimously.

PUBLIC COMMENTS: None

DISCUSSION TO REVIEW AND REVISE PROPOSED BUDGET:

- Chief Schick lead the meeting with a PowerPoint presentation.
- President John Murphey shared the logistics of how the meeting would run. After each budget topic, members would be called upon to ask their questions and share comments.
- Chief Schick presented the department's current financial state. During FY 2020, the department transitioned from the IGA to WLFEA resulting in Personnel Services cost decreasing and Material and Services increasing. Budgeted expenses are on target with one potential major capital purchase of base radios being replaced on Herman Peak. Revenue is ahead of projection mainly due to an increase in transport revenue.
- Chief explained two major budget impacts for FY 2021 which covered COVID 19 and current Labor Negotiations. The district is not expecting any impact on tax revenue from the impact of the pandemic. The property values would have to drop 30% in value and then those taxes are deferred for collection to a later date. Regarding transport revenues, WLAD has already hit their predicted budget transport revenue for the year and any fluctuations in data are seasonal variations. The district will look more into the call mix for additional data.
- Labor Negotiations are still ongoing, and the district can not predict the final labor costs. The district has put its best estimate into the budget and is pursuing a 1-year contract instead of the standard 3-year contract mainly due to the impact of the pandemic.

- The district purposes a lean budget with major impacts. Chief Schick presented three graphs as a financial model tool. The first graph represented current conditions that apply to the average annual increases over several years. Under those current conditions, he said WLAD will not have enough funds to cover expenses during the dry months from July to November beginning FY22. He said that WLAD cannot sustain the status quo without a dramatic increase in revenue or a decrease in expenses.
- The second graph represented the proposed budget. It showed how the district would be clear of finance issues during the dry period for two more years. Looking for financial stability, the third graph showed what the district would look like with an additional \$300,000 in cuts.
- Chief Schick explained to the committee that one of the effects of a lean budget is the impact on wages and benefits to personnel. The district is proposing a wage freeze instead of personnel layoffs, no Cost of Living (COLA) increase, switching from a low deductible to a high healthcare deductible, removing the current VEBA, and changing PERS from employer paid IAP to employee paid. He said factors still need to be determined through Labor Negotiations for health benefits. Chief Schick explained how the previous union contract was unsustainable and those issues are being addressed now to achieve a balanced budget.
- Jodie O'Mara verified that the employee is looking at a 6% pay decrease for PERS alone.
- R.J. Pilcher voiced how he felt the Supervisors were overpaid. It was explained that they had achieved seniority and are at their top level.
- Director Yecny said that revenues were capped but WLAD payroll is still high leading to a broken and un-fundable system. He asked O'Mara how the schools balance the budget every year and she said that though their budget is 85% of personnel services, they do not rely on property taxes and have other means of funding.
- Director Farnsworth said that personnel services were perplexing. He said scheduling and OT were factors and wages compared to other ambulance districts are 30% higher. Director Murphey said those issues needed to be discussed at the Board Level. He asked McClure if she could send out information about budget committee roles and responsibilities to all members.
- There was a discussion about lowering the tax levy due to the pandemic. Director Yecny said that the district is on an accrual, and not cash, method.
- Director Farnsworth asked about changes in the Beginning Fund Balance and PERS. Dina McClure informed that the WLAD Audit had just come in that week and some adjustments reflected the new, more accurate information.
- The committee said they were comfortable with review of the revenues.
- The committee spoke in length on the topic of PERS. WLAD's current unfunded liability is \$2,800,000 and the district purposed to place \$300,000/year into a District controlled fund to reduce the UAL. Some members would like to see that amount moved to an account which could be accessed during an emergency. Director Yecny would like clarity and recommended putting it in the Strategic Plan. Director Farnsworth sees PERS liability as a debt that needs to be planned and saved for.
- Jodie O'Mara inquired about the technology line item on the Material and Services page. McClure explained that technology costs have been moved to WLFEA and that differences in Professional Services include attorney fees and the Ground Emergency Medical Transport (GEMT) fees. WLFEA is included in Materials and Services as a line item though it mainly represents personnel costs.
- R.J. Pilcher would like to see the Profit & Loss report straight-lined. He and McClure discussed Workman's Comp, Conference/Training, and Quarterly financials.

- Chief said that the district is also saving money by doing numerous in-house training.
- Chief explained that there is no WLFEA budget committee; WLFEA it is approved by both SVFR and WLAD Boards and that both districts split those costs. He said that in the WLFEA budget, the Quick Response Unit was taken out and put on hold.
- Director Russell asked if the Fire District planned on filling the Operations/Training positions. The Fire Ops Chief position is in WLFEA and the committee discussed their views on sharing or replacing that position with EMS Ops Chief House. Director Russell voiced that she does not agree that Chief House should work as Operations for both districts with the same pay. House received kudos for his current work filling the position, but members voiced concern they did not want to burn him out. One possible solution discussed was hiring a Fire Ops Chief with a training overview.
- Director Yecny said WLFEA was doing well from a cost perspective and would like to see more discussion on WLFEA and staff pay at the board level.
- Chief Schick presented the proposed Capital budget. The district would like to transfer \$120,000 from the general fund each year and start drawing down the fund balance. Next year, they plan on computer upgrades, replacing EKG monitors, and to replace one video laryngoscope. The district also proposed transferring \$163,000 from the LifeMed fund into the General Fund to cover write-offs and supplies.
- R.J. Pilcher wanted to see if LifeMed money could be used to pay off PERS Liability and be treated as an expense. Chief Schick said that currently, the LifeMed Ambulance Subscription model is used to cover out of pocket expenses from ambulance transports.
- It was discussed to keep LifeMed a separate Fund. They also discussed if PERS and Capital should be separate funds. Director Yecny will work with McClure to show PERS as a separate expense in the budget.
- Chief presented a 10-year Projected Capital Replacement Schedule for needs like vehicles, equipment, and building improvements. In FY20/21, there are plans to replace the District MIH vehicle, paid for by a grant.
- Before the formal vote, the floor was opened to further questions and discussion amongst members.

Director Rick Yecny made a motion to approve the proposed budget in the amount of \$5,819,220 for FY2020-21. Budget Committee Member Jodi O'Mara seconded the motion.

Jodie O'Mara, Mike Webb, Rick Yecny, and Cindy Russell voted "Yes".

R.J Pilcher, Joel Marks, Larry Farnsworth, and John Murphey voted "No".

Due to the tie vote, the motion did not pass.

The next Budget Committee Meeting will be held remotely on May 26, 2020, at 5:00 pm. via Zoom.

Budget President John Murphey adjourned the Budget Committee Meeting at 7:32 pm.

Respectfully submitted,
Holly Lais
Recording Secretary