

**Spring Hill Fire Rescue
WORKSHOP - BUDGET
5/17/01 - 7:00**

Present: Chairman Kanner, Commissioner Hollander, Commissioner Andrews, Commissioner Martin, Commissioner Panozzo, Chief Morgan

Excused: Assistant Chief Morrison

Call to Order

Chairman Kanner called the Budget Workshop to order at 7:05.

Chief Morgan explained that the discussion was going to center on operating expenses and the amount they want to put in capital outlay. The operating expense has a 2.4 percent increase over last year. As they go through the line items, there are obvious increases for fuel which necessitates putting more money into the operating expense budget. Regarding the debt service, there is not much that can be changed. This is the amount that is paid every year for the loan. That runs through the budget year 2004. The reserves are calculated at the suggestion of the county finance director in budgeting. The Commissioners have the ability to increase or decrease that figure. He wanted to bring to their attention that several figures they were given last time have been changed. Most of them are minor, however there is a significant change in the figure for insurance and bonds. The estimate for this coming year is \$58,500. That was reduced from \$68,000 because they hadn't spent the entire amount last year. That was the most significant change on that page.

Commissioner Hollander asked Chief Morgan how much the entire budget went up since last year.

Chairman Kanner said the budget was increased by \$400,000. He stated that the budget was a little over \$6.5 million and now it is very close to \$7 million.

Chief Morgan stated that the majority of that was from the reserves. In the past, they had been taking 95% of the 116 Funds and this year the county advised them to budget 100% of it, so it was basically moved from a revenue line into a reserve line. It shows an increase in spending, but it is actually more money moved over to the reserve line.

Commissioner Hollander asked him to confirm that the operating expenses rose 2.4%

Chief Morgan said yes, it was approximately a \$14,000 increase.

John Ferriero asked for a definition of the terms balance-forward, contingencies and reserves.

Chief Morgan said that these terms are not synonymous. The line items that are contingency and reserves are basically the same thing. The reserves are monies that are supposed to be kept back to carry forward the next year. Contingencies can be used if the monies are needed for something this year. The balance-forward are those amounts plus anything that isn't spent in the current budget year. These monies carry forward into the next year and become part of the balance-forward.

John Ferriero asked why, under the Fund 116 that was handed out last time, there was no reserve line item.

Chief Morgan said that regarding the papers that were handed out tonight, the reserve lines and contingency lines were not included. These papers only reflected operating supplies. He said that it was not that they were not funding those lines. It's just not what they were discussing tonight. Chief Morgan said that it was revenue and it would not show up on that. That is in the balance-forward line. The reserve and the contingency line going into next year become part of the balance forward, but it's not the entire balance forward.

Commissioner Panozzo asked regarding the stated increase for the medical director.

Chief Morgan said that it actually went up last year and they just did not budget for it last year, so it is reflected in this year's budget. He stated that when they renewed the medical director's contract a year ago, it was increased. He said he would have to check as to when the contract was renewed in answer to Chairman Kanner's question as to the date of renewal.

Commissioner Panozzo also asked regarding the amount for the utilities service electric. He asked whether it counts for this building and Station Two.

Chief Morgan explained that several years ago they changed the budget and put all the utilities into the administration, for the entire department.

Commissioner Panozzo questioned whether \$1100 was going to be enough of an increase to cover the cost of rising utility bills.

Chief Morgan said that looking over the history of the past year, they figured a similar amount with a slight increase.

Commissioner Panozzo asked regarding legal advertising.

Chief Morgan stated that it included the classified ads for jobs; this year they went over their budget because they had run a number of ads for communications officers and clerical ads. That was the reason for the increase.

Chairman Kanner had a question on Communications Services, that the amount budgeted went from \$1440 to \$3000 this year. He wanted to know what Communications Services were.

Chief Morgan said that Communications Services were telephone lines and the like. It may also include radio repair. He said that many radios were getting older and they overspent that line this year probably because of the increased maintenance of the radios.

John Ferriero asked why two years ago that line item was \$10,000 and then it went down to \$1400.

Chief Morgan explained that at that time, they had put all the costs into Administrations with the exception of just what was in Operation. That included some other costs, including telephone lines, he believed.

Chairman Kanner asked regarding an assumed decrease in outlay as a result of a T1 line or fiber optic line that had been installed.

Chief Morgan explained that this line was only for dispatch. The T1 line is the hook-up from the radio systems from here to Brooksville.

Chairman Kanner asked if the \$500.00 increase was going to be enough for promotional activities. He said they should be using a lot more handouts.

Chief Morgan replied by saying that they could double that line and they would probably use it all; this was just an effort to keep costs down. He said that this line was increased last year quite a bit.

Chairman Kanner had a question on clothing and uniforms. He said that they had just bought all new uniforms and was questioning an additional proposed \$1500 added to the \$14,000.

Chief Morgan said that they have more personnel than they had last year. The Uniform Committee talked to the Board several months ago about replacing the jacket with a job shirt or whatever the Commission approved. He said that it will be an expensive item. They do not have the ability to buy uniforms for the rest of the year because they do not have any money.

He stated that the job shirts had never been approved; it was to come up again before the Board. He said that when it was presented in the past, the Committee was recommending the job shirts, but at that time they couldn't afford to change uniforms and invest in the job shirts. A motion was made to approve the type of uniforms, but not to overspend that line. He believes that it was left at that point that they change uniforms and wait to make decisions on the jackets the next budget year.

Commissioner Hollander asked a question regarding Safety Gear and Supplies. He had been to Station Twelve where he had seen many new air packs that had just been purchased. When questioned, Assistant Chief Morrison and Commissioner Hollander were told that there was a new regulation with the enunciator on the air pack in which a valve is required to detect air flow. He asked

if this were something that they were going to have to invest in likewise.

Chief Morgan said that was about three years away.

Commissioner Andrews stated that the way the FPA standards are, if the device is compliant at the time that it is manufactured and purchased, it stays compliant until such time as it has to be majorly repaired. Our people do have pass devices on theirs. All devices that are manufactured from this day on will have the integrated pass devices. As soon as the air is turned on, the device is activated. What we currently have is good for now. There may be a time-specific on it and he said he would check it out.

Commissioner Panozzo asked why clothing and uniforms went up.

Chief Morgan said that the shirts they were now wearing were more expensive.

Commissioner Martin asked why the cost of maintenance for buildings and grounds went down.

Chief Morgan stated that it was only in regard to Calvin's building.

Commissioner Martin asked if funding for external work would come from anywhere else.

Chief Morgan said that it would be coming from capital and they had about \$9000 for the inside of it for this year's budget.

Chief Morgan mentioned that there were two positions that they were suggesting for this year's budget. One was a Training/Safety Officer. The base salary would be about \$40,000 and another \$20,000 would be for insurance and benefits. The other position would be for another office clerk, for the Board, and to assist in ambulance billing. Since the Board assigned the current office assistant extra overtime for the billing, the amount of money collected has gone up. She has been doing overtime for the past two months. They felt another position would cut back on the overtime and also add more income to the district. Chief Morgan said he had brought in some figures to show the benefits of investing in more billing time. Wendy was mentioned as another current part-time billing clerk, but due to a family death, she has been working only half of her proposed twenty-hours.

Commissioner Panozzo asked regarding the space available for another clerk.

Chief Morgan replied that there is a desk in Helen's office for that person.

Commissioner Martin asked if this person would be an employee of the district or from an employment leasing agency.

Chairman Kanner suggested that they hire a part-time employee now on a contractual basis and in six months look at the figures. If the figures justify the income of that employee, then they could move money around and hire full-time.

Commissioner Hollander asked what the billing clerk would be doing.

Chief Morgan stated that on an average day, the present billing clerk processes twenty-one bills, including answering phone calls, meeting people at the counter, dealing with insurance companies, etc. Out of the twenty six bills he was showing them as an example, there were nine that have not had any response to them yet. She does not have enough time to go back and check on them. That is what is taking up all the time. They feel that with another billing clerk, these bills would get cleaned up and the majority of them would be paid. They're needing more of a follow-up clerk.

Commissioner Hollander asked what the time frame would be for the learning curve. He said that it usually takes a person who is not knowledgeable in the medical billing arena a certain amount of time to become proficient in being able to call insurance companies and know line items, etc. His concern was that if they were to bring in a part-timer, much time would be spent in training them and then later on they would get a full-timer, whereby the whole training process would have to be repeated. The full-timer coming in might not be as good as the part-timer who was being replaced.

Chief Morgan stated that they had been fortunate to get Helen, who had a background in medical billing. He said she trained herself on the current system because there wasn't anybody to train her. She has brought in much more money than her overtime has cost them.

Chairman Kanner said that if the part-timer became a full-timer, that same person who worked for the agency could change over to the district. If they hired a part-timer, the major part of her work would be in follow up.

In referring to the paper, Chief Morgan explained the list of terms: "Cash" is the actual money that was brought in and was deposited in the bank. "Denied" is the amount that was denied because it wasn't authorized through Medicare or Medicaid. For instance, someone was taken to the hospital and Medicare or Medicaid would not pay us, saying there wasn't a real need for an ambulance. The district has been able to appeal and Helen has been good at winning the ones which were appealed. She hasn't had enough time to appeal most of them. There is \$21,000 listed that we might be able to get a portion of. The only appeal she handled was a telephone appeal through Medicare and she won 90% of the ones they denied us on appeal. "W.O." stands for write-off. This is what is above what they allow us to bill. If we have a \$300 ambulance bill, they only allow us \$230.00 That is obviously a write-off. Whether it is an insurance company or Medicare, we have to accept what they authorize. That is something we do not collect. The "overpay" or the "refund" is money actually paid beyond what we were owed from Humana and Medicare, so we have to send part of that back. The "Totals" line is what is actually billed for the total amount. The figures he had given the Board the last time they

had talked about ambulance bills were percentages of what was actually billed compared to what actually came in. The reason he didn't do that this time was because it was too difficult to determine. The amount billed in May, 2000 was \$84,000. We received \$60,000, but that amount wasn't all of that \$84,000. Some of it was for the bills in April, March and February of that year. The software doesn't tell us out of that \$84,000 billed, how much came from of that particular billing. It just tells us how much came in that month. From April of this year, Helen started doing more billing. The jump was almost \$20,000 in the first seventeen days of May. We matched in those seventeen days what we brought in during all of March. He felt that the position would more than pay for itself plus the Board would have somebody to deal with on an everyday basis if it is a full-time position.

Commissioner Martin asked if the denials were primarily Medicare.

Chief Morgan answered that most of them were, but there were quite a few from Medicaid and regular insurance as well.

Commissioner Martin asked if they were allowed to bill a patient for ambulance service.

Chief Morgan said yes, but not very successfully. They do bill the patient if the claim is denied.

Chairman Kanner said that originally it was brought to his attention that they should have their own secretary, someone who was not in the bargaining unit, who was not affiliated with the rest of the district.

Chief Morgan stated that the main reason he was suggesting part-time help was to help Helen with her workload. It was not the fact of letting the Board deal with someone outside of the bargaining unit. It was to get her spending her full time doing bills. He said that this has paid off. There is not a drastic increase in the number of calls we're running, but obviously they are creeping up and the more bills we write and the quicker we write them, the more money we get in. Several weeks ago we had a visit from the Medicaid Fraud division. They were not accusing us of fraud. He was only an auditor who was coming in to look at our paperwork. He said they have always billed at the ALS rate. They are the only units we have. Medicare allows for that. If all you have is an ALS unit, they will give you the ALS rate. Medicaid says that this is wrong, that you have to bill at a BLS rate for a BLS call even if it's an ALS Unit. They have pulled reports back from 1997 and there was a total of \$66,000 over that whole time frame that we had received from Medicaid. There is a good chance that they will come back and say we owe them a portion of that back. We haven't been billed since that time because we're waiting for clarification from them. There are forty bills sitting on Helen's desk waiting to be sent because what we consider an ALS call they don't always consider an ALS call. And it's a different rate. We bill \$235. They only authorize a BLS rate of approximately \$110 and an ALS rate is \$160. There's \$50.00 to \$60.00 difference on those calls. Most of the fire departments run ALS service and Medicare has given into it, but Medicaid has not.

Commissioner Martin asked about the five months that showed no denials.

Chief Morgan stated that they were not logged or entered into the computer since before Helen was here. The other person who was doing the job did not keep them separate. It wasn't that they weren't denied; it was just not recorded.

Commissioner Martin said that it made more sense to look at the part-time aspect, and as the workload increased, then the hours offered to that person would also increase.

Chief Morgan questioned the fact that if they hire somebody part-time, would that person be interested in full-time work if it were changed. He said that very rarely will you find somebody that can afford part-time work in the hopes of sometime in the future being able to work full-time. Then they would be in the position of letting somebody go that was working part-time and starting all over again training another person.

Commissioner Panozzo voiced a concern with part-time people who can't handle a full-time job.

Commissioner Andrews wanted to know how backlogged they were.

Chief Morgan said that Helen is billing end of March calls now, so we were about six weeks behind.

Commissioner Panozzo asked Chief Morgan what Helen's feelings were regarding having no overtime should someone be hired.

Chief Morgan said that it would have to be a management decision as to what was best for the district, but he could not answer for her. He did not think that even as dedicated as she was, that she was going to want to keep up the overtime at home.

Chairman Kanner said that if a full-time person were hired, it would be difficult to get rid of that person, should she not work out. If they hired part-time through the contractual services, it would be very easy to get rid of that person should it not work out.

Chief Morgan said that could be decided on at a later time. Tonight they should decide whether or not to fund that position.

Chairman Kanner agreed to fund the part-time position for twenty hours a week. Keep the current arrangement and add on a part-timer. The Board secretary would remain the same.

Chief Morgan stated that his position was to hire a full-time secretary to do both. But he said it was up to the Board.

There was a consensus to hire a part-time billing clerk for twenty hours per week.

Chief Morgan next brought up the position of a full-time Training/Safety Officer. He wanted the Board to decide this evening whether the position was needed. He said that all the inter-workings of the position did not need to be decided tonight. He needed to see if the Board wanted to keep that position in the budget so they could continue to fund it while the rest of the budget was being built.

Commissioner Panozzo asked that if they did not opt to use that money, would it go into reserves.

Chief Morgan said that if they decided to fund that position, the budget would be sent into the County. If the County left everything like it is, and the person were never hired, it would remain in that line item and then the next year it would become fund balance. The amount put in the budget for this position is \$59,600.

Commissioner Hollander asked if everyone received a copy of an article from Firehouse.com. He personally got on to Firehouse.com and looked at their forum for Safety and Training to see what was going back and forth in the discussion groups. There was definitely a major push on Safety Training Officers throughout the departments. He said that if they looked at the organizational charts in several local departments, they would see that they have at least one, if not more, training officers. He was convinced that the district should get a training officer.

Commissioner Martin asked if there were any plan or concept for a position in place yet.

Chief Morgan suggested that it be a Captain rank bargaining unit employee. Unless they wanted to make it a Chief Officer type of position, they would have to bump up the pay rate to do that. There were several people interested in it last year when it was brought up. If it is made to be a non-bargaining position or an at-will employee, he said that there would not be a lot of internal people applying for it. The job security of the bargaining unit position would be there. He said there are advantages and disadvantages, but he would look to promote from within, whether they called it a Captain position or whether they called it a Training Officer position. If they kept it in the bargaining unit, they would find people within their own department who were interested.

Commissioner Hollander asked Chief Morgan to explain the mechanics of it, for instance would they promote a Lieutenant to Captain, who would then become the Training Officer?

Chief Morgan said that would be one way of doing it; if it held a Captain's rank, obviously that would be the way they would go. But then if none of the twelve Lieutenants wanted it, they would have to open it up and make it more of a Training Officer position because they would be skipping a rank. Chief Morgan said that if they had the funds to do it, he would prefer it to be another Chief Officer position. But there would be disadvantages of doing that as well, such as money. The last Board was reluctant to make it a position with a vehicle. They made it clear that they did not want that, so they all

came to a compromise and then decided they weren't going to fund it anyway.

Commissioner Hollander questioned whether the Safety Training Officer should respond to fires to monitor the safety of the scene. He asked if that's what the vehicle would be used for?

Chief Morgan said yes. The way it was done in the past was to rotate on call to backup shift commander or incidence if they needed more than one officer response. He was trying to cater this to what the Board thought in the past and that was that safety wouldn't even be a part of it and they wouldn't go with the vehicle. He said that we're looking for several different things; a cohesive training program, adding safety to it, and creating a member of the administration so that we can get more projects done out of the office.

Commissioner Hollander stated that Commissioner Andrews has a lot more access to this information than anyone else. He asked him for his input.

Commissioner Andrews said he used to hold that position here. His argument the last time was, what's been happening during the last five and a half years in the avenues of training? They discussed that last time; what were Captains doing to oversee their shift in training? What were the Lieutenants doing? They talked about the cohesiveness in having one person oversee it, making sure that everybody got the same training. It's a very big job for one person to be a Training/Safety person. Commissioner Andrews responded as a Safety Officer to any major incident at the time he was in that position. That was his job, to oversee the safety of the scene, not to be a second command officer. It also gave him the opportunity to observe for training purposes. Back in 1991, when that position was put in place, there was a lot of apprehension that he would become another officer at the scene barking orders. That is not what took place. It worked out quite well. The way regulations are changing, to concentrate on those two subject matters is very intense. There was not a lot of time for him to pick up anything extra. Depending upon what the plans would be as far as a forty hour week, on call, there would be a lot of things salary-wise that would come into it. If he could see that we would absolutely need this, he would be willing to discuss it. He didn't know what had been happening that last few years. If we're falling behind on training because there is nobody here to coordinate it, then obviously we need to take a good, hard look at it. Last year his suggestion at the time was that they put the money aside and if, during the course of the year, they found that they absolutely needed that, we would re-visit that and discuss it. If the person is put in an administrative position, in a selected exempt, it doesn't matter how many hours he put in, he would get the same pay. That is what they are there for. Under extenuating circumstances before, there was some extra comp time allowed at times. It was not a constant ongoing thing. For a vehicle, they are looking at between \$18,000-\$22,000 plus about \$5,000 in gas, plus a little more maintenance. Where would the employee work?

Chief Morgan stated that the only choice they would have as far as office space would be in the Commission room.

Commissioner Panozzo was concerned with the training officer and the medical end of it. His concern with the training position was that it would keep us up to date on what we're supposed to do. He was in favor of funding this position in the budget so that it could be discussed more, and it might be six months before they ever put a person in that position, if ever. At least it would be a funded position and if they decided to do it, the money would be there to do it.

Chairman Kanner said to put the money in contingency or reserves. If they decided to do it, they could always create a line item.

Commissioner Hollander questioned whether there was going to be an actual process of investigation by somebody or a committee or is this just going to be forgotten about? If it were going to be funded, then it needed to be investigated. It required some kind of fact-finding of some form. Where was the information going to come from?

Commissioner Panozzo reiterated Commissioner Andrew's question as to how the staff is being utilized now.

Commissioner Hollander's question was, "Let's say the staff is doing excellent training. Does that mean we don't need a training/safety officer? He then would wonder why the other departments have them. Are we going to assume that their people aren't doing excellent training? And if they're not doing the training, does that mean we don't need a training officer?"

Chairman Kanner stated that Hernando County has Field Training Officers. They don't have training officers.

Commissioner Hollander said that he believed that if they looked at Hernando County's organizational chart, they would see one person who appears to be a Training Officer.

Chairman Kanner believed that person is to be an active firefighter/paramedic.

Chief Morgan said that the Field Training Officer is, but they're DC15; their main duties are QA and training. When it was discussed in last budget year, it was not funded in the budget.

Chairman Kanner said it was put into the reserves.

John Ferriero stated that last year at this time they had the exact same discussion. It was pushed off the table till this year. He was hoping that it would not be tabled till next year. He recommended that they fund the position and refer this to staff so that he and some of the staff could discuss it. He said he would file some data and bring back some suggestions to the Board so that they would have a better foundation on which to vote on.

Chairman Kanner suggested setting up a workshop for it in the future.

Commissioner Panozzo suggested that it be better to fund the line and never use it than to put it in contingency because if six months from now, should they decide they want the training officer, they would have to go to the County commissioner and have their permission to take the money out. Funding the line, the money is there. If it were never used, it would just roll over to next year.

John Ferriero said that he did not believe that they would get anyone internally to leave shift work for \$40,000. He felt it was a bare minimum figure for what he believed the position was going to amount to.

Chairman Kanner stated that he did not feel that they were getting the most out what they have from their present personnel.

Chief Morgan said that the district was getting more than what they should out of the administration. He stated that the Board was constantly asking for more reports and information from the Chiefs and that a third person would relieve some of the duties that they were both doing.

Commissioner Martin suggested they see a proposal; he said he foresaw a tremendous amount of incidental expenses coming along with the position. From a training standpoint, it looks as though it would be a tremendous asset, but it has to be done right. He suggested that the position be funded, have a workshop and look at it more closely. He said it was a new position that they didn't know enough about to make a qualified decision.

Chief Morgan stated for clarification that the position used to be in the department. They were trying to reinstate it. He said that there was a description of the position, but that it would have to be updated.

The Commissioners had a consensus to fund the position and workshop it.

Chief Morgan said that currently there was \$137,000 in the budget for capital. He said that he would come back to the Board during the next budget workshop for recommendations as to how to use that money.

Commissioner Panozzo said that they needed to schedule a workshop for the Executive Session.

Chief Morgan said that they needed to also schedule another budget workshop.

Commissioner Andrews mentioned in regard to the part-time billing clerk that they needed to establish some sort of financial line for that because they would be increasing their contractual services.

Chief Morgan stated that additional person is in the Personal Services line. He would have to check

with the County to see how they want it, or to move that money to Contractual Services.

A five-minute recess was taken.

The Executive Session was set for May 23 immediately following the Commission meeting.

The Budget workshop was scheduled for June 4 at 7:00 P.M.

Chief Morgan asked for approval of overtime for Chief 2 to assist a vendor to change the T1 line to fiber optics. He said it would take four to five hours of overtime.

The Board approved the overtime.

Chief stated that his son was going in for more surgery, so he needed permission to be gone all day next Friday.

John Ferriero had a question about the Personal Services line regarding the figures being blanked out.

Chairman Kanner replied that according to the attorney, anything that referred to the Executive Session was totally exempt from the Sunshine Law. Their words were “any and all” items that are discussed or could be discussed in Executive Session were exempt from the Sunshine Law.

Chief Morgan stated that there have been no figures projected for the budget as of yet. They haven't decided to put in that line nor has it been told to them what to put in that line. That is why it is blocked out.

John Ferriero said that he made it clear at the first negotiating session with the two Chiefs that he had to tie in with the June 30 budget presentation to the town. He felt that they had to push time-wise to get that done. He said that once the Board came back with figures for the labor union to consider, then he had to go through the same process on his end.

Chief Morgan said that what they were trying to prevent was putting budget figures on there that were not accurate.

John Ferriero said that he would like to have the entire document to look at as well as for the public to review. He felt that they were shortchanging the public.

Commissioner Andrews answered by saying that Chief Morgan asked the Board regarding this and they had said to blank it out because that number would not be realistic until the time that they got all the other things out of the way. He said that there was still some discussion on capital expenditures such as building renovations, vehicle discussion, etc.

John Ferriero said that never in the past seventeen years of negotiation contracts that he's been involved in during the negotiation process have they blanked out line items. He said that they chose not to estimate on the personal services portion of it. He said it had never been done.

Chief Morgan said that he would check with legal tomorrow to see if there were any problem. He said that he had not planned to include salary figures into the budget tonight. He said that John had a point. He said that the figures had to be put in there soon and obviously they would not be finished bargaining by the time they had to put them in there.

Chairman Kanner asked if there were any other questions.

Chairman Kanner adjourned the workshop at 8:47 PM.

Robert Kanner, Chairman

Teresa McCue, Secretary