

The current budget proposal calls for a COLA increase to be added to the current pay scale. I am suggesting the COLA be offered as a bonus rather than incorporating it onto the pay scale. Additionally, I am suggesting that it would be contingent on this current fiscal year concluding with the emergency services aspect of CLSD sufficiently profitable to cover it.

I would like to go on record on the following points:

I believe:

that the current crew does an outstanding job,  
that the current pay scale is low and that it would be desirable to be able to offer higher wages,  
we are in uncertain economic times and should not be committing to raises,  
that pay increases should not require the use of AHUC monies to supplement the budget, and  
that if CLSD operations can afford it, a COLA bonus is in order.

It is my understanding that the case for a COLA added to the pay scale can be fairly summarized as follows:

- 1) It is overdue; our crew is already substantially below the pay scale observed in our labor market.
- 2) It is needed to maintain competitive pay scales and recognizes changes in the economic environment.
- 3) Competitive pay scales are essential to being able to maintain the exceptional quality of crews we currently enjoy.
- 4) By supplementing with AHUC reserves, it is affordable.
- 5) It is a relatively small portion of the budget.
- 6) If we can, we should.

And the argument against an organization-wide, non-performance-based bonus is that:

- 1) It is essentially a gift of tax dollars.
- 2) It is an inappropriate (and possibly illegal) way to spend tax payer dollars.
- 3) It is not helpful as a recruiting tool in the future.
- 4) If tied to profitability, it creates an atmosphere which encourages "pushing for patients".
- 5) It does not support staff morale as it is unfair to top performers.

I would like to speak to those points.

- 1) It is overdue; our crew is already substantially below the pay scale observed in our labor market.

I do not dispute that but the pay scale must also be consistent with revenues and budgets. If we finish this year in the black, I am more than happy to pass that through as a COLA bonus. RN's at RCMS make significantly less than what they could make in Santa Rosa. They are paid a wage

consistent with what RCMS can afford. RCMS staff took a 5% pay cut in 2009 which has yet to be reinstated. Lower than average wages are a fact of life in most rural communities.

2) It is needed to maintain competitive pay scales and recognizes changes in the economic environment.

I believe that the most important change in the economic environment right now is the uncertainty in future revenues caused by the recessionary climate. (There may not be a "recession" but even public health and safety workers are facing furloughs and layoffs at city, county, and state levels.) That is why I am suggesting that, if we can afford it this year, offer a bonus, but do not put it on the pay scale which would commit us to that extra expense every year going forward. We may not be able to afford it next year.

3) Competitive pay scales are essential to being able to maintain the exceptional quality of crews we currently enjoy.

Perhaps. Our scale has always been lower than MCDH or AMR pay scales. The reality is that with such a sparsely populated rural district, our expenses will always be disproportionately high and we cannot compete on salaries.

4) By supplementing with AHUC reserves, it is affordable.

That is true. However, 1) that was not what AHUC monies were intended for, and 2) that ties our hands should we find a way to provide improved after-hour care that requires all of the money we currently collect. (I have been having discussions with people in an attempt to find some other possible solutions that might have been overlooked previously. If any of these ideas prove viable we will need the AHUC money to implement them.)

5) It is a relatively small portion of the budget.

The budget is always an educated guess based on an unknown and unknowable number of calls coming in next year and the payer mix associated with those calls. At best, our profits (exclusive of AHUC monies) always represent a small percentage of the budget. We are not overrun with an excess of (non-AHUC) cash.

6) If we can, we should.

All I am saying is that it is conceivable that the "if we can" will change from year to year. If we can this year, then we should this year. A bonus instead of a pay scale adjustment allows for the fact that maybe next year we can't. You can argue that it is bad for morale to not implement the raise. I believe that the larger danger is the demoralizing effect, should we be forced by economic circumstances, of revoking the raise.

With regards to the argument against the bonus option:

1) It is essentially a gift of tax dollars.

I'm not sure I understand this argument. We give a performance bonus and that is not considered a 'gift of tax dollars'. I am more concerned about needing AHUC money in the future to cover the added expense, which does seem to be an inappropriate use of tax dollars.

2) It is an inappropriate (and possibly illegal) way to spend tax payer dollars.

It was a common occurrence within the (tax payer funded) public school system. Neither the lawyers for the teachers' union nor the administration ever questioned the legality of giving a COLA bonus.

3) It is not helpful as a recruiting tool in the future.

That is true. However, the BOD making the statement that, when revenues allow it, the employees will be the first to benefit, should speak volumes.

4) If tied to profitability, it creates an atmosphere which encourages "pushing for patients" .

First, I would like to say that I have such respect for the integrity of the staff that I do not believe that to be an issue. But should we wish to address it as an issue, then I must assume that the entire staff understands that the viability of CLSD and their job security hinges on having patients avail themselves of the service. We do not currently seem to have a problem with the staff 'pushing for patients' nor can I imagine that in the future.

5) It does not support staff morale as it is unfair to top performers.

I do not understand this argument either. If we were sufficiently profitable this year to grant a COLA bonus it would be dispensed in precisely the same manner as if it had gone onto the pay scale. The existing performance bonus is supposedly addressing the issue of rewarding top performers. The COLA, given as either a raise or bonus, is an across the board percentage increase.

I see a COLA bonus as a way of increasing compensation without tying our hands in such a way that we risk having to deal with future deficits made worse by having granted raises at an inopportune time.

Thank you for allowing me to express my concerns.

Respectfully submitted,  
Brent Klopfer



# FY 12 Budget Issues & Overview

*Presented to the CLSD Board of Directors  
02 June 2011*

David Rice, Treasurer



## Outline

- Budget Guidance Review
- Assumptions
- Capital Expenditures
- Proposed Preliminary FY12 Budget
- Budget Guidance Execution
- Ambulance Rates
- Tax Planning Options

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## Budget Guidance

- *Maintain a leadership role in community emergency medical response*
- *Maintain the highest quality CLSD staff with an active program of employee recruitment, development and retention*
- *Ensure the future supply of EMTs and First Responders supporting the District and other District-area agencies with ongoing training and certification opportunities*
- *Provide 100% BLS coverage*
- *Prepare a long-range budget profile to implement the District mission through FY16 without a tax increase.*

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## FY12 Budget Highlights

- **No change in ambulance transport volume budget**
  - FY11 budget 385, FY12 budget 385; FY11 actual > 390
- **3.8% increase in budgeted net collections per transport**
  - FY11 budget \$1,414, FY12 budget \$1,468; FY11 actual > \$1,500
- **2.0% increase in tax revenue**
  - Based on NBS preliminary parcel count, Mendocino County CSA estimate
- **Cost of living adjustment (COLA) at 3%**
  - No CLSD COLA increases in FY10 & FY11
  - Other area districts have had 3-5% COLA increases in each of last 3 years, and have salary levels significantly in excess of CLSD's
- **Budget \$100K for possible AHUC projects**
  - Subject to Board approval before proceeding
- **Other expenses consistent with FY11 budget/actual**
- **Capital budget (next slide)**

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### FY12 Capital Expenditures

- Replace one ALS ambulance (deferred from FY11)
  - Options:
    - New medium-duty ALS (\$180K-\$200K) -or-
    - Re-chassis Big White (\$100K-\$120K) – will do this if feasible
      - Assume \$150K mid-year, 100% financed (5%, 5 years)
- Cardiac monitor (\$30K) (possible donation; assume \$30K mid-year)
- Tactical Network Installation
  - One or both towers:
    - Seaview (\$16K)
    - Oakridge (\$16K)
      - Assume \$25K mid-year

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### FY11 (Budget/Estimate) vs FY12 Preliminary Budget Comparison

5000	FY11		VARIANCE (AVG)(UNAV)	FY12	% change from FY11	
	BUDGET	ESTIMATE			BUDGET	BUDGET
<b>INCOME</b>						
Special Taxes	667.7	667.7	0.0	667.1	2%	2%
Ambulance income	541.3	551.2	107.0	565.2	4%	(13%)
Other	15.0	8.4	(5.6)	7.0	(53%)	(17%)
	1,423.0	1,527.4	103.4	1,439.3	2%	(5%)
<b>EXPENSES</b>						
Personnel	921.0	954.1	(43.1)	988.6	7%	3%
Ambulance Operations	127.3	122.0	35.5	127.2	(6%)	20%
Third-party expenses	50.3	66.8	(15.5)	66.7	33%	1%
Training	17.6	0.9	15.6	14.6	(17%)	1443%
ALLIC	159.0	50.9	147.1	150.0	(24%)	196%
Interest and depreciation	72.8	75.5	(3.0)	64.2	30%	25%
	1,357.7	1,250.0	132.7	1,437.7	5%	14%
<b>NET INCOME / (LOSS)</b>	<b>59.4</b>	<b>267.4</b>	<b>(20.1)</b>	<b>15.0</b>	<b>(49%)</b>	<b>(54%)</b>

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## EMS vs. AHUC

	FY08	FY09	FY10	FY11	FY12
(\$000)	ACTUAL	ACTUAL	ACTUAL	ESTIMATE	BUDGET
<b>EMS vs AHUC - Actual/Estimate/Budget</b>					
<b>EMS</b>					
Revenues (estimated split)	1,162.2	1,179.9	1,170.6	1,324.9	1,254.8
Expenditures	1,146.9	1,169.7	1,188.4	1,209.1	1,287.1
Net	15.2	10.2	(17.8)	115.8	(32.3)
<b>AHUC</b>					
Revenues (estimated split)	198.5	198.5	198.5	198.5	198.5
Expenditures	170.2	133.1	64.0	50.9	150.5
Net	28.3	65.4	134.5	147.6	48.0
<b>TOTAL</b>	<b>43.5</b>	<b>75.6</b>	<b>116.7</b>	<b>263.4</b>	<b>15.6</b>

Projected EMS deficit for FY12 results from conservative ambulance income assumptions; there will be no deficit if FY12 actual ambulance income matches current FY11 estimate.

Projected FY12 EMS deficit is funded from cumulative prior year EMS surpluses (\$123.4K FY08-11), consistent with (but earlier than) long-range projections prepared in FY08.

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## Budget Guidance Summary - Execution

- *Maintain a leadership role in community emergency medical response.*
  - Continuing program of training through district-area fire departments.
  - Expanded CPR/AED training program, to include periodic no-charge CPR courses for the lay public.
- *Maintain the highest quality CLSD staff with an active program of employee recruitment, development and retention.*
  - 3% COLA recommendation, after two year flat salary scale.
  - Support upgrades to Advanced EMT
- *Ensure the future supply of EMTs and First Responders supporting the District and other District-area agencies with ongoing training and certification opportunities.*
  - Assumes continued funding and operation of the Mendocino County occupational training program.

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## Budget Guidance Summary - Execution (cont.)

- *Provide 100% BLS coverage.*
  - The BLS program is fully funded at an activity level equal to FY11.
  - Includes impact of using BLS for transport whenever possible.
  
- *Prepare a long-range budget profile to implement the District mission through FY16 without a tax increase.*
  - Potential exists for shortfall on EMS program (\$32K, based on conservative ambulance income assumptions)
  - Choices to meet this budget goal are:
    - Propose to voters an increase in EMS taxes (*not possible for FY12; reconsider next year*)
    - Reduce EMS services (*not recommended*)
    - Other cost reductions or deferrals (*budget includes recommended reductions*)
    - Use prior year EMS surplus to cover projected FY12 deficit, if necessary (**recommended**)

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## Ambulance Rates

- Medical services CPI increased +3.5%
  
- Recommend 3.5% increase to rate structure
  - Revenue increase limited by statutory payer mix
  - Budget does not assume incremental revenue
  
- Prop 26 considerations

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## Tax Planning Options

- Defer tax restructuring proposal
  - Simplification, resident out-of-pocket
- Maintain current AHUC tax (\$18/unit)
  - AHUC options still under consideration
- No BLS staffing reduction
- Long-term shortfall (2016 target) remains
  - Reconsider options during next year

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## Long-term Projection vs. Actual

(\$000)	FY08 ACTUAL	FY09 ACTUAL	FY10 ACTUAL	FY11 ESTIMATE	FY12 BUDGET
<b>Long-term Projection</b>					
<b>LMS</b>					
Revenue (estimated split)	1,137.3	1,165.1	1,193.6	1,222.8	1,252.1
Expenditures	1,029.9	1,227.0	1,134.9	1,172.9	1,213.4
Net	107.4	(61.9)	58.8	50.1	38.7
<b>AHUC</b>					
Revenue (estimated split)	204.0	216.1	216.1	210.2	212.3
Expenditures	170.1	172.4	164.2	176.2	170.1
Net	33.9	43.7	51.9	34.0	42.2
<b>Cumulative</b>	141.3	118.0	110.7	84.1	80.9
<b>Cumulative</b>	110.9	212.0	204.6	200.9	451.2
<b>Variance from Long-term Projection</b>					
<b>LMS</b>					
Revenue (estimated split)	24.8	14.8	(25.0)	109.3	2.7
Expenditures	(27.0)	(11.9)	(91.0)	(20.1)	(73.0)
Net	(2.2)	(27.1)	(66.0)	89.2	(70.3)
<b>AHUC</b>					
Revenue (estimated split)	(9.1)	(7.0)	(3.0)	(11.7)	(13.0)
Expenditures	0.3	33.3	112.3	126.3	27.8
Net	(8.8)	26.3	109.3	114.6	14.8
<b>Cumulative</b>	(27.4)	(25.1)	24.1	170.3	(57.3)
<b>Cumulative</b>	(27.4)	(92.9)	(62.0)	110.9	13.2

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## Long-term projection shortfall

(recap of 10 Jan 2011 presentation)

- \$75K shortfall – FY11 projected vs. FY11 budget
  - (\$23K) tax revenue
    - Projected +1.2%/year, FY11 budget +0.3%/year
  - (\$21K) ambulance revenue
    - Projected +3.5%/year, FY11 budget +2.2%/year
    - Actual FY11 will be significantly higher, no shortfall
  - (\$34K) third party costs
    - Projection assumed unknown reduction
    - Actual has been consistent with prior years
  - \$3K net other items

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## Business Manager's Report

By Terry Bold

Email: [billing@clsd.ca.gov](mailto:billing@clsd.ca.gov)

June 2nd, 2011

### Vouchers:

Replenishment: A replenishment voucher for deposit to the Redwood Credit Union checking account from the Sonoma County FAMIS account for the period:

April 12<sup>th</sup> through May 5<sup>th</sup>, 2011, in the amount of \$73,231.41, was signed on May 5<sup>th</sup>, by Operations Manager, Evan Dilks.

Accounts Receivable Report: I have reviewed the April 2011 Accounts Receivable report and find it to be within normally expected parameters.

## COAST LIFE SUPPORT DISTRICT

Operations Manager's Report  
June 2, 2011

### Deployment / Staffing

ALS (M-120) was staffed 100% and second out BLS (B-121) was staffed 100%  
One third out activation

Mark Leonard received his Stars of Life Award in Sacramento

### Facilities

No major repairs pending.

### Vehicles/Equipment

Second out ALS monitor failed and a loaner is in service (Estimate around \$2000). Preventive maintenance is current. I have seen a solid pattern of costlier and smaller frequent repairs to our first out ALS (big red).

### Communications

Jim Adamski completed the narrow banding compliance on all the radios.

### Community Training

We had 4 participants in our Super saver CPR on May 14<sup>th</sup> taught by Steve McLaughlin.

An AED was placed and an initial CPR class was held at the Garcia River Casino.

The Community Grant AV and CPR equipment has been ordered and is currently arriving.

### Team Health Nurse Advice Line: the most recent twelve months.

	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	Feb	Mar	APR
Calls	21	25	34	26	25	30	18	39	19	22	25	39
Triaged	14	15	22	17	10	14	9	17	8	13	16	24
ED Now	8	5	7	2	8	4	4	7	3	6	10	11