EMERGENCY MEDICAL SERVICES AUTHORITY - A Public Trust
Special Meeting of the Financial, Investment, Nomination and Personnel Committee held on July 23, 2014, at 12:00 p.m., via video conference
EMSA Corporate Offices
1111 Classen Drive, Oklahoma City, OK 74103
1417 N. Lansing Ave., Tulsa, OK 74106

MINUTES:

NOTICE AND AGENDA for the Committee Meeting of the Financial Investment, Nomination and Personnel Committee of the Board of Trustees of the Emergency Medical Services Authority, a Public Trust, was posted July 21, 2014, in the offices of the City Clerk of Oklahoma City at 10:51 a.m., and with the City Clerk of the City of Tulsa on July 21, 2014, at 10:45 a.m., more than 48 hours prior to the time set for the meeting.

The meeting was called to order at 12:00 p.m., by Mr. Stephen Williamson.

TRUSTEES PRESENT

Mr. Joe Hodges
Mr. Larry McAtee
Dr. Goodloe

TRUSTEE'S ABSENT

Mr. Phil Lakin (Excused)
Mr. Larry Stevens (Excused)
Mr. Mark Joslin (Excused)

OTHERS PRESENT

Steve Williamson, EMSA
Kent Torrence, EMSA
Sara Bovaird, EMSA
James Davis, EMSA
Tracy Johnson, EMSA
Mike Murphy, AMR
Lara O'Leary, AMR

Kent Torrence started off the meeting stating that the volume will increase 1% over our 2014 actuals, which is an approximation of what occurred this year. Joint costs are allocated on the basis of unit hours, resulting in a 46/54 split. Basic emergency rate and mileage rate will remain the same at $1,300 and $12 respectively.

In the East, our budget reflects an increase on our utility bill rate from $2.64 to $5.45. Very important to note that $650,000 in additional revenue will be retained by the City of Tulsa for the Fire Department – about $200,000 for EMSA in 2015 fiscal year.

Our budget versus actual comparisons. First item is contractor costs which will decrease approximately $1.7 million or 3.3%. This comes about due to AMR's impact on the budget for a full 12 months in FY 2015.

In other operating expenses we are projecting an increase of 5% or a little over $500,000, which is for compensation benefits for COO position, consulting costs and community relations expenses of $120,000 for improving communication with EMSAcare members.

Due to the contractor costs, we project a decrease of $1,283,000. Depreciation decreases slightly as our net depreciable asset balances decreases. Overall, we are projecting $181,000 of income for 2015 versus an $823,000 loss for 2014 in the East.

In the West, very much the same just the numbers are higher because the volume is higher. Overall, net income or net loss of $4,823,000 versus the projected loss this was of $5,061,000.

Cash flow assumptions for 2015 through 2019 – assuming transports increase by 1% annually and no change in payer-service mix. We're not increasing our emergency rate or mileage rate for the five year period – remain at $1,312. The increase in utility rate remains constant for the 5 year period resulting in $650,000 for the City of Tulsa per year.

Our non-contractual operating expenses are estimated to increase 3% per year as they have done historically. Joint costs split remains 46/54 throughout the period and the East forecast includes $1,750,000 in first responder costs, $350,000 per year in addition to the foregoing $650,000 per year. A side note relating to the $350,000 – in the past the money came to us out of the utility fund and we wrote a check for these items. In the future, that $350,000 is going to come directly out of the utility fund and go to the City. So if you are comparing the expense, the utility – the supply costs on our income statement from one year to the next – you will see it going down quite a bit but that $350,000 would no longer show in our P&L.

Mr. Hodges begins discussions on payroll increases. It appears that historically EMSA employees have consistently received 3% increases annually. It appears to many that

4 out of 5 in the IT Department are below the market. We should discuss like we did last year – that the Committee recommends to the Board 3% increase to all employees at EMSA, except 10% to a staff accountant and market rate for IT employees - then we will discuss the two executives in private. This meeting is adjourned except for Mr. Hodges and Mr. McAtee to discuss executive raises.

This meeting was adjourned at 12:50 p.m.