

Minutes

Town Council Finance Committee Meeting January 9, 2023

7:00 PM

Town Hall Conference Rm. B and Virtual meeting

Video Link:

[1-9-2023 Town Council Finance Committee Meeting \(viebit.com\)](https://vimeo.com/681111111)

1. Call To Order, Roll Call:

The Meeting was called to order by Chair Robyn Gallagher at 7:00 PM

Members Present: Robyn Gallagher, Marty Milkovic, Julie Blanchard, Lisa Thomas (Council Chairwoman & Ex-Officio Member)

Members Absent: None

Also Present: Amanda Backhaus (Finance Director), John Elsesser (Town Manager), Bud Meyers (Fire Marshal), and Jimmy McLoughlin (Emergency Management Director)

2. Discussion: EMS Budget:

Meyers read a report that reviewed the status of EMS department and issues they are facing.

He stated the Town of Coventry is continuing to operate a 24/7 ambulance service that offers emergency medical care and transportation to hospitals for our citizens. In order to provide these services and meet our citizens expectations, it requires significant staffing and financial resources. Currently, the financial stability of the department is in a dire situation. Issues EMS services are facing:

- Fewer volunteers
- Lack of work force
- Aging population
- An increase in behavioral accidents and substance abuse
- Reduced current staff
- EMT field high turnover rate (20-30% annually)
- Longer commutes for rural communities, that lead to less time for volunteering
- Longer ambulance trips, as the closest hospital may not offer the care that the emergency demands. Sometimes this can be a 3-hour trip from when the vehicle was in route, to when it is back in service.
- Increased training needs with medical advancements

Without proper funding, the EMS services will not be able to meet the needs of the community. Meyers explained that this should be funded by tax dollars, like the Police Department and Public Works. There are fixed costs to have the ambulance available 24/7 like, staffing, vehicles, equipment, and supplies that keep

everything in good working order. Solutions can be tried on a trial basis, as outcomes are unknown, however, additional funding would still be needed at this time.

Ideas they have looked into are:

- Reduce Vintech staffing overnight, by 1 person, and cover the shift with a volunteer. This may cause delayed response times. It could also lead to missed calls, which also causes longer response times, or missed life-saving care. Additionally, missed calls equal missed revenue. They are also concerned with the over-stressing of volunteers as working long hours and lack of sleep are associated with adverse health consequences. It can also cause decreased awareness, decreased ability to think clearly, and depression. The nature of the EMT work, along with alarms going off at all hours, cause adrenaline rushes. These things all have the ability to affect the brain. Left untreated the stress can lead to PTSD, and even suicide.
- Regionalization. However, regionalization does not appear to have a strong influence on the success of EMS response times. Additionally, progress can be hindered through personality differences and ambulance placements, which cause longer travel time. Other issues are higher call volume towns will have greater needs and could utilize the majority of the resources. Also, each entity may have their own perceived needs of service.
- Special EMS taxing district. This still requires the taxpayers cover the required services with their tax dollars. However, with the special taxing district, it would be removed from the Town's budget process, and requires the citizens to authorize the EMS service to levy a tax to cover the required services.

McLoughin informed that they have also taken some actions toward revenue recovery which include sending unpaid balances to collections, reviewing non-transport fee collections, applied for and received fee increases from the state, and received a notice of Medicare/Medicaid fee increases.

In respect to Medicare, we are participating in a data collection survey. We hope that, at the federal level, they will take that data and understand that the approved rates are not adequate. With respect to Medicaid, we are on the legislative agenda of CCM and cost. Additionally, the general assembly of work group is aware of the staffing and funding concerns at a state-wide level.

In Coventry, we have a signed contract with Vintech who will increase 5% this year, and have guaranteed a minimum of a 20% increase the following year, if we continue to have a contract with them. If we don't agree to that increase, they will not renew the contract. We have looked at hiring on our own, which comes with the benefit of having firefighters as well as EMTs, but need more information on the fiscal costs. We have also appealed to ASM, to see what it would cost if we were to contract service with them, and they won't even provide us with a quote.

Regionalization is an option, as we have cooperation from neighboring towns, but funding would still be a concern. We would also be concerned with who would be getting the funds from the revenue, and where they would be going to, so there is a loss of control. There is the concern of an increase in response times too, which could be 15 minutes or longer. Currently, we are able to get to emergencies in 6-8 minutes or less, 90% of the time, which is in line with the local emergency plan that is submitted to the state. McLoughlin reiterated that volunteers are down, and state-wide certified EMTs are down. There are low numbers of EMTs for second calls, that are available to us, and it seems like we are using the same people. The same goes for the Fire

Department, and out of 15 people, 13 are pulling the weight of the department. The cost savings from going this route are still unknown.

It was brought to McLoughlin's attention that the Northeast Council of Government, has done a study, first done in 2016, and then again done in 2019 (prior to COVID). McLoughlin is still working his way through that study for additional information and recommendations. It highlighted several points that the EMS services should be funded by local taxes, as well as that EMS services cannot be covered by a low population density for 24/7 service.

McLoughlin explained if we were to stay with Vintech the cost will be much more, but we know how much more and right now we have a signed contract with them that goes up 5% in July. He also informed we have about \$200,000 is administration costs annually. They are still looking to see if hiring their own staff would be better for operations and financially. McLoughlin reiterated the pros and cons of the discussed options. He added that this issue is not specific to just Coventry, so he is hoping for regional and state input to help fix this problem.

McLoughlin discussed that most of the calls they receive are Medicare and Medicaid. The reimbursement rate for Medicare is under 50%, and Medicaid reimbursement rates are less than 30%. As these two groups are the bulk of their call volume, this is where their focus is.

Gallagher thanked them both for their work on the presentation and thoughts on this, as there is no one good solution. She felt this puts them in a very tough position, as there could be life or death situations for people, and it relies on what the taxpayers are willing to pay.

McLoughlin also noted to save on costs they are not actively seeking fulfillment on their 3 vacant Lieutenant positions. He also explained they have Chief Officers, and there is one assigned per goal of their 5-year plan that was reviewed by the Town Council. The Chief Officer assigned to this goal, of staffing and funding, was informed it was a top priority.

Gallagher discussed the costs a special tax district would have but knows it is not the ideal solution. She explained it looks to be about \$100 per median household. Backhaus noted that it would be at least \$500,000 annually, and expressed that when doing a special tax district, it can have a flat rate. Elsesser confirmed, and added that we could tax businesses on this as well. Gallagher expressed concerns with going this route, especially with Vintech raising their rates as much as they are planning, so we would have to be conservative to cover these costs.

Elsesser noted this would need to be done no matter the route. Full-time fire and EMS workers would cause increased insurance costs, and those rates are already going up. In addition, workman's comp is higher for firefighters, due to the nature of their work. Gallagher added that the special tax district to cover full-time staff might add transparency, which Milkovic agreed is an important point. Backhaus informed that the taxpayers would not have a say in the special tax district rate. They would vote to have the special taxing district, but not be able to have a say in the rate increases.

McLoughlin informed that the EMS is a part of the Fire Department, and with them being under the same umbrella, he is not sure how that would work with a special tax district only applying to the ambulance. Backhaus informed the Fire Department is funded by the general revenue, where the EMS is funded separately.

McLoughlin also discussed that he was under the impression that Vintech was supposed to be temporary, not full-time. Elsesser informed they were not anticipating to cover 24/7 with Vintech, but then came COVID.

McLoughlin touched base more on the amount of behavioral health emergencies they are responding to that are tying up resources, and often don't get reimbursed for those. Backhaus discussed the ambulance run report and reviewed the amount of 'refusal of service', or treated but did not transport there were. With these types of calls, we often do not get reimbursement. Blanchard questioned the procedures for behavior health like suicides, and the police involvement. Meyers explained the police do go first, but the ambulance still needs to be called in, as they have to be the ones who transport and take them to the hospital. This is required as soon as someone says they want to harm themselves. Meyers also explained there are behavioral situations that don't require transport from an ambulance, as a social worker can come out to assess and address. Thomas informed the social worker is not here full-time. McLoughlin added there are certain situations where they call out the police and the ambulance, and have the ambulance hang back until need, but this is still time where the ambulance is tied up. There are a lot situations that cause service tie ups, that become a problem when another call comes in. He hopes the state can come up with a behavioral response plan, to not tie up first-responders. Meyers explained there are no resources out here for those types of calls, and they have procedures they need to follow.

Milkovic asked at what point do they break even. Elsesser explained they are still looking into that. McLoughlin explained they reviewed regionally with neighboring towns, and we sit third. He discussed the call volume increase, that they have responded to 180 more calls this year, than last year, with fewer people.

Gallagher expressed one of our biggest problems is population density. Living in an urban area, we would be closer to a hospital that can offer the services needed. Meyers informed the closest hospital is Windham, but they don't offer the services most people need, so they often need to transport to Hartford Hospital or St. Francis.

Elsesser noted that most hospitals run ambulance services in urban areas, because the ambulances are bringing patients to them, which becomes a revenue source. He added with ARPA, we got a better rate with Medicaid, for being a rural town. That rate is going away, so it will hurt us financially. Elsesser also discussed that the Department of Public Health is looking into legislature, to review EMS data to come up with a new Medicaid rate. He hopes they come out with something for this legislative session. Gallagher explained she keeps hearing it is being looked at/talked about in regards to solving this problem, but it won't be in time for budget season, which is her immediate concern. She is also concerned with using ARPA, as we could use all the funds and it wouldn't be enough, as well as it not being a long-term solution. Thomas suggested we assume we won't have the information from the state for the budget season, and the bill they are looking at will mostly likely be towards the end of the legislative session.

Thomas added she is working with the State Controller's office to hold a rural health summit, to push this issue and keep it front and center. She expressed concern with not getting the services needed at the hospitals near us, and lack of knowledge of that fact. In addition, when we cannot get these services locally, we are over populating the hospitals that do offer those services.

McLoughlin informed everyone that they have a replacement schedule for their ambulances, based on age. The next one will need to be replaced in 2026. They were told by the manufacturer's that this should have been ordered 'yesterday', due to 2-3-year lead times because of supply chain issues. He expressed this is a problem, and they are facing problems all around, that don't seem to get better.

Gallagher wants to look at this in a way the community would support, and we need to find balance. Meyers explained that the last budget was voted down twice, knowing that the main reason for the increase was to supplement the ambulance services. Everyone had expressed they were for the ambulances, but felt cuts should be made elsewhere. Milkovic noted this would be an advantage to the special tax district, because you wouldn't need to cut something else, it would just be there. Gallagher was concerned, because taxpayers would not have a choice when it comes to increases in the special tax district rates. Meyers informed that it could be structured in a way where they do have a say. Elsesser explained this would involve legislature, and could become complicated.

Gallagher explained that she didn't feel that the town voted the budget down because they were against the ambulance services. There was an increase in prices for oil and groceries, which they couldn't do anything about, and it caused concerns with personal budgets. Voting on the taxes was the only place where they could say "enough is enough". She felt we are doing the best we can, and everyone is doing their due diligence to try and solve this problem.

Meyers and McLoughlin were thanked for their time, and good work. They left the meeting at 7:45 pm.

Blanchard felt that it is disappointing, when they try and put all this information out there, and people still say no. Milkovic suggested a public hearing for public input. Elsesser explained that it could be done, but thinks no one will show up. Blanchard suggested that Facebook live or Zoom was an option, so it would be more convenient and accessible to people, as a way for them to ask questions, as they had done something like that during COVID.

Milkovic discussed the lack of involvement from the community is reflected during turnout. They felt the turnout for tomorrow's HVAC vote would be small. Elsesser explained the Town could change the charter to protect themselves from that, so that the vote would pass, unless you have a certain number of votes. He explained a lot of charters require a 10% turnout, or the council's decision passes, as more people voted for the election of the council members. However, a small number is dangerous, as it doesn't represent the whole community.

3. Acceptance Of Minutes: December 12, 2022:

Milkovic moved to accept the minutes of December 12, 2022, Blanchard seconds.

Discussion/Changes:

- Pg. 2, 4th paragraph, change "assessments" to "tax bills"
- Pg. 3, 5th paragraph starting with "Milkovic questioned", change sentence from "He expressed at minimum the state rates should be equal to Medicaid rates" to read "He expressed at minimum the Medicaid rates should be equal to Medicare rates".
- Pg. 5, #6, change "Marj" to "Marj Roach, Democratic Registrar"
- Pg. 1, #2, change date in the motion from "December 12" to "November 14"
- Pg. 2, end of 6th paragraph, change "there will be extra mail, and billing costs" to "there will be increased costs".
- Pg. 4, top of page, add into the paragraph that Blanchard had asked the Finance Director to confirm that we were advised the EMS fund could cover hiring Vintech at that time.

- Pg. 4, under BOE fiscal report, move first line “It was noted the budget is higher than it needs to be.” into the paragraph about the MBR report, as that was what it was in context too. Starting from 3rd sentence, it should read, “He noted if you go below a certain amount, the State will reduce your state aid. It was noted the budget was slightly higher than it needs to be for MBR. Gallagher noted that based on this report, the BOE is operating really close to the minimum allowed...”
- Pg. 4, same paragraph, fix spelling of Gallagher, as it is missing 2nd ‘g’.

Vote: Unanimously in favor

4. Reports:

A. Committee Chair-Robyn Gallagher:

Gallagher reminded everyone the importance to get out and vote on the HVAC referendum. She explained that if we miss approving these funds now, we will pay a lot more money down the road.

B. Committee Members: Milkovic, agreed with Gallagher’s report.

C.& D. Finance Director's Report & Monthly Finance Reports:

Total General Revenue- Tax collection is doing well at 68.87%, in line with the prior year. The tax collector is still working on setting up the tax sale, that will likely take place in FY ‘23-24, sometime around July. Backhaus informed the tax collector also sent out billings to the top 26-50, and we are seeing good movement on that, which has gotten some additional revenue in.

Expenditures- Up a little from previous years. A few accounts will have overages including, the contingency, and sand and salt, as discussed previously. The legal account is looking better than in previous years.

Board of Ed.- In line with their annual spending.

COVRRRA- Ending balance is still negative, and it is more negative than it was last month as they encumbered for the compactor contract. Collections are doing well, but we will still be presenting an increase for these fees. Blanchard questioned if the compactor was something we had before. Elsesser informed no, but the recycling container will be able to be compacted, which will bring hauling costs down. This means it is a long-term investment, that will pay for itself over time.

Sewer- Doing excellent. The WPCA will discuss their budget at their upcoming meeting. They are looking to increase fees as well, to cover their capital costs. Elsesser informed that one of their capital costs is to line their sewer lines. Recently, as they were finishing one of the sewer lines on Woodland, they ran into an issue where the line was full, and it would have started to back up into people's houses. Having this preventative maintenance was very good in this instance, and it showed the importance of doing such. Backhaus informed they have various capital improvements that need to be done over the next couple of years. Backhaus also discussed she is meeting with WPCA staff about their budget, and will advise they do not increase fees at this time.

Thomas discussed writing a letter to them to ask them to hold off on fee increases, as the budget is tight and other projects/accounts need funding more. Elsesser suggested, having a council member call would be sufficient.

Recreation- Continues to do well, and will have a high balance at the end of the year. The ARPA funds, really helped this account get to a good place of operation. Gallagher asked if Leslie's salary could be moved in to their operating budget. Elsesser and Backhaus explained that no, but the goal was to have the Assistant's salary be taken out of it, which only part of it is. Elsesser also explained that their programs are expected to lose money when first initiated, so it is important to leave a healthy revenue cushion.

EMS- Spoke about this earlier in the meeting. Last month's revenue is higher due to an increase in calls and rates, and Backhaus thought it may cover the Vintech costs. However, there are more costs charged from this account than just Vintech, including salaries, training, supplies, etc. At the end of the day, we are far from being able to cover these costs.

Backhaus is hoping that with the increase in the grand list, it can cover the 9% increase for health insurance, our \$100,000 increase in pension contributions, and still keep funding the EMS fund the same amount. Elsesser made a side note that we will desperately need people to serve on the Pension and Retirement Commission.

Blanchard asked for an explanation on the claims and losses section on the account sum document on page 19 of the report. Backhaus explained there is a big overage in expenditures due to the ACH transfer, from August. Blanchard discussed the appropriation of \$25,000 for claims and losses, then the encumbered \$1,700, and our expenditures are negative. Backhaus explained we received reimbursement checks, and this was carried from the prior year. There was an amount that we encumbered in the previous year, and then received those reimbursement checks in August, so it went against the expenditures. We have not hit a high enough amount in the account to offset this, but we will.

E. Board Of Education Fiscal Reports - October 2022: No further discussion or questions.

5. Discussion/Possible Action: Recommendation For Assignment Of American Rescue Plan Funding:

Backhaus explained there is nothing new, and that further action is in a holding process until we find out about the HVAC grant.

Elsesser explained that they will need funds soon for the Town Manager survey, which will be around \$27,000 to \$29,000, and we may need to cover travel expenses as well. It was recommended that this item stay on the list, and we should assume that we will spend it. Thomas explained the firms will interview on February 6th, and it will be a 15-to-16-week process that will have us making an offer and hiring by June 12th. They discussed the costs associated with having the firms come here for interviews, and that recommending a "not to exceed" amount from ARPA allows us flexibility with meeting these needs, but we could always ask for more money if/when needed.

Motion: I move to recommend to the full council to use funds from ARPA, not to exceed \$40,000, for the recruitment of a Town Manager search firm, and the related expenses.

By: Milkovic

Second: Gallagher

Discussion: Blanchard questioned if this was the best use of ARPA money, and if we have it in the budget elsewhere. Gallagher explained that we did not set money aside for this in the budget last year, as they had already planned to take it from ARPA funds. Thomas added that it was a unanimous council decision. Elsesser explained that they have been trying to use ARPA funds for things like this, that are larger one-time expenses, so that they don't have to worry about working it into the budget. Thomas asked where else Blanchard might like to see it come from and suggestions. Backhaus was asked to look into other fund sources, and will have that for the next Town Council meeting for review.

Vote:

For: Gallagher and Milkovic

Against: Blanchard

Abstain: None

6. Discussion/Possible Recommendation: Veterans' Memorial Wheel Repair:

Backhaus and Elsesser informed the wheel on the cannon at the Veterans' Memorial Green is rotted out, and it will cost \$5,000 to replace the wheel. The Veteran's Memorial and Events Commission does not have the enough funds for this, as they are only allotted \$1,000 for maintenance and repair. All quotes received brought the cost of this to approximately \$5,000 with shipping costs included. The commission is hoping to have this repaired by Memorial Day, and currently there is a 3-month lead time on these orders.

Blanchard questioned if any fundraising could be done. It was explained even if they did this, they would not be able to raise the funds, and place the order in time to have this done by Memorial Day.

Gallagher discussed using the funds from CNREF, as it is a capital repair, to which everyone agreed.

Motion: I move to recommend to the full council to allocate up to \$4,500 from CNREF for repairs on the Veterans' Memorial Green cannon wheel.

By: Blanchard

Second: Milkovic

Vote: Unanimously in favor

7. Discussion: Supplemental Motor Vehicle:

Backhaus noted this was included as an FYI and discussed that this was in a good position as we budgeted around \$420,000, but with our collection rate for supplemental motor vehicles we would be around \$487,000. Milkovic asked when the change in the depreciation rates come into effect. Elsesser and Backhaus explained that it won't be in this coming year. Backhaus also informed that the grand list will be available next month for review. An increase of approximately 3%, is anticipated.

8. Discussion: FY2022 Audit Reports:

Backhaus explained the audit reports were attached to the agenda and asked if there were any questions or further discussion. She also informed that the Auditor will be at the joint meeting with the Board of Ed next month. Gallagher congratulated Backhaus on compliance.

She also discussed one issue that arose, was that the Board of Ed food service was cutting checks in June for services that were not preformed that month and holding them so that the expenditures would show up in FY '22. She mentioned this was discussed with food services in great detail, and informed that they can encumber that money. Backhaus noted she does not think that it will be a recurring issue.

9. Adjournment:

Blanchard motions to adjourn at 8:37 PM, Milkovic seconds. Meeting adjourned at 8:37 PM.

Submitted by,

Nicole Archambault

Nicole Archambault

Finance Committee Minutes Clerk

PLEASE NOTE: These minutes are not official until approved by the Finance Committee at the next Finance Committee Meeting. Please see the next Finance Committee meeting minutes for approval or changes to these minutes.