

January 11, 2008

The Marion County Board of County Commissioners met in a joint session in Commission Chambers at 9:05 a.m. on Friday, January 11, 2008 at the Marion County Governmental Complex located in Ocala, Florida.

Upon roll call the following members were present: Chairman Charlie Stone, District 5; Vice-Chairman Jim Payton, District 2; Commissioner Andy Kesselring, District 1; Commissioner Stan McClain, District 3; and Commissioner Barbara Fitos, District 4. Also present were Deputy Clerk Cassandra Li, County Attorney Thomas L. Wright, County Administrator Pat Howard and members of the news media.

The following City Council members were present: President Charles Ruse, Councilman Owen, Councilman Kay, Councilwoman Rich and Councilman Guinn. Also present was Mayor Randy Ewers.

Ambulance/Budgets/Contracts & Agreements/Districts/Hospitals/Municipalities -

Chairman Stone announced the meeting was scheduled to discuss the ambulance service with the event of the Emergency Medical Services Alliance, Inc. (EMSA) partnership being dissolved in the near future.

Chairman Stone stated the County was charged with the responsibility of providing ambulance service for the citizens of Marion County once the EMSA partnership was dissolved, therefore a Task Force of five community leaders was established to develop a study that was presented to the Board of County Commission (BCC) on December 19, 2007. The report contained several options for consideration and avoidance, in addition to recommendations. Chairman Stone noted the discussion would focus on the best avenue to provide the highest level of ambulance service to all the citizens, so as not to end up with a program that provided a higher level of service for a select few and very poor service for the remaining citizens. He addressed one important recommendation from the Task Force, which was to avoid privatization of ambulance services due to the population and the size of the area of responsibility. The two main recommendations were: 1) consolidate EMSA in with Marion County Fire Rescue (MCFR) to make it a Countywide fire based ambulance service, and 2) have the ambulance service as a stand-alone department of the County since there were areas that shared some responsibility with MCFR such as not needing two Human Resource (HR) departments or Fleet Maintenance Departments. Chairman Stone stated there would be some common areas even if it was a stand-alone department that could still work with the Fire Rescue Department. He noted the Ocala City Council and the BCC needed to come together as a group and decide which option was best for the citizens of Marion County so direction could be provided to staff to be completed with all the agreements and necessary licensing because it was a process that would take time to transition. Chairman Stone noted public comment would be allowed.

Mayor Ewers commented on the recommendations and funding through a Municipal Service Taxing Unit (MSTU) as an option, questioning how the hospitals would be involved, as they should be a strong partner, and if there was a basis for measuring whether or not the level of service (LOS) was good or bad in comparison. Chairman Stone stated one of

the first recommendations from the Task Force was to establish a Countywide LOS, which had not been done in the past, but would be adopted, although there was a guideline used as the standard. One of the first challenges was to establish that LOS since it influenced the budget and a whole array of other elements. Chairman Stone commented on MCFR and EMSA working on an agreement of the LOS in certain areas (urban, suburban and rural). Once the LOS was formally adopted, no matter which service was provided, it would have to be maintained. Mayor Ewers addressed funding sources as well as the impact an MSTU would have on the City. Councilman Kay expressed that he had no preference as to it being public or private and hoped to gain efficiency, but questioned how integrating EMSA into MCFR and implementing a Countywide MSTU would be different from how EMSA currently was structured, with the exception of the MSTU. Chairman Stone noted one of the goals of the Task Force was to find the most cost effective process, since the amount of savings depended on the LOS and type of operation implemented. He stated it should be a Countywide service, funded by a Countywide MSTU to spread the cost over a large number of residents since it would be a uniform service. Chairman Stone commented on the City's funding source, noting the difference. Councilman Kay stated he understood the strategy as it was shared since building efficiencies was the goal, but was not clear of the tactic and direction EMSA would take. He questioned the need to add another level of taxation, since budgeting accordingly and cutting back on non-essentials due to efficiencies gained should be ample as fire, police and ambulatory services were priority. Councilman Kay noted another MSTU would only shift some of the burden. Chairman Stone noted the City was currently funding the EMSA program through the General Fund, which were taxes collected from property owners within the City's jurisdiction, but an MSTU would spread the burden although an Interlocal Agreement could be executed to allow the City to fund EMSA as it was traditionally. He commented on being more productive by sending out an MSTU to every parcel owner as it was more efficient. Councilman Kay noted the same method could be implemented for the Sheriff, Police and Fire Departments, but the only difference was the County was mandated to provide ambulance service. He advised that the City of Ocala held discussions with EMSA concerning the costs and collections as well as having to fund more money since that was an issue that needed to be controlled. Councilman Kay expressed his concern with moving forward with the MSTU as he was not convinced it was the best plan of action.

Commissioner Payton commented on the Legislature mandated tax agenda, stating the MSTU may be exempt from the overall millage factor and could allow more flexibility, which was one advantage of choosing the MSTU over the ad valorem tax base, in addition to not impacting the General Revenue usage. Chairman Stone noted the County was not going to consider privatization. Councilman Guinn asked what was the greatest fear of looking at privatization. Chairman Stone noted privatization only worked in high density areas and did not offer any benefit to the rural community as it was not cost effective. Privatization came at a fairly low rate of transporting and was done for the amount of revenue generated from transports and if it was not sufficient to grow at the LOS that the population wanted, subsidies would be requested. Councilman Guinn commented on a company operating in Orange County for 18 years and being able to save \$10,000,000 annually, noting a Request for Proposals (RFP) comparison of the current EMSA model with the privatization model could provide answers as to whether it would work. He stated there was no defined LOS and no way of measuring. Chairman Stone noted in an RFP, any interested party would ask about the LOS and if it was not set, then no bid could be quoted.

In response to Councilman Guinn, Chairman Stone noted EMSA and Fire Rescue were operating at a LOS that had been an in-house adopted LOS, which was a rule of thumb in comparison to industry standards, but was not defined and formally adopted. Councilman Kay suggested establishing a LOS that both the City and County agreed upon would be the first step in moving forward.

Commissioner Kesselring commented on the lack of a decision about consolidating the Fire Department as it had not been made, but was still an open question, noting currently the City was paying about \$1,000,000 annually and asked what it translated into as a portion (or percent) of the ad valorem. Councilman Kay stated he did not know, but it had been calculated. Commissioner Kesselring noted there was a millage raised in the City, but currently the County had dedicated 0.4 mills to EMSA and if there was a decision to go with Countywide or an MSTU, it would be applied to City residents. He questioned the comparison between the proposed and current methods as to which was most cost effective. Commissioner Kesselring commented on a proposal of having City residents as a separate unit and how it would dovetail with handling overlapping areas and who handled interfacility transports, which was a source of revenue. Councilman Kay noted the City Council did not have the answers to those questions, but if there was guidance, better decisions would be made. Commissioner Kesselring commented on separating City residents and questioned the impact on non-City residents regarding cost impacts and what change may take place. Councilman Guinn noted it was what the Council wanted to do or was asking to have implemented. Commissioner Kesselring stated it was not developed as a specific proposal to bring to the County. Councilman Kay noted it was the nexus as to making a decision on which plan of action to implement.

Commissioner McClain noted the first issue was to set the LOS, but the bigger problem was that there was about 7 or 8 months for action to be taken and the portion of funding for EMSA would increase at a higher rate than last year because the hospitals were not participating at a level as they had previously, which both governments would have to pick up, therefore, if the ambulance service was operating as it was, there would be a higher level of funding until resolved. Councilman Kay commented on the City's concerns with EMSA as time progressed and the choice to withdraw. Chairman Stone addressed the understanding that all partners knew of the five year expiration, noting a basic plan of action for funding should have been planned if a withdrawal was considered.

Commissioner Payton clarified that the County had a LOS, which was not formally adopted (and could be done quickly). Executive Director David Palmer, EMSA, and Fire Chief Stuart McElhaney could specifically address the LOS. Councilman Guinn stated he hoped to have all the facts presented to make an intelligent decision regarding the different options.

Assistant City Manager Bill Looney stated 1 mill earned \$4.6 million for the City. He commented on first partnering with the County on EMSA and the City having a share of \$800,000, noting an ad valorem adjustment was implemented to raise \$600,000 and the remainder came from the budget. The amount had grown to over \$1,000,000 and the City had struggled, only raising the millage slightly (one quarter) over time. Commissioner Kesselring commented on plans to subsidize \$7,000,000 next year and questioned if it would be better or worse with privatization. Councilman Kay noted if the subsidy was \$3,000,000, there would be a 50% discount. In response to Commissioner Kesselring, Chairman Stone noted there was no feedback on the subsidy, stating it was fairly easy to compute the amount of revenue, but was harder to compute the amount of expenses

unless there was an established LOS. Councilman Ruse asked what was preventing (and how long would it take to) formally adopting a LOS. He commented on the Orlando firm and privatization, noting the actions to be taken were: 1) the LOS had to be established; and 2) a funding source had to be planned as to what was in the best interest of the County. Councilman Ruse noted no company would execute a long term contract, but companies could provide service at no cost to the City's citizens and it would be better to spread the burden. Chairman Stone agreed that everyone in the County had to be represented, but the rural community should not be penalized. He advised that a transition was occurring and something had to occur by September 30, 2008, although it could be prolonged.

Councilwoman Rich asked if there was a decision as to how EMSA would operate. Chairman Stone stated no decision had been made. Councilwoman Rich stated the City would like to take part to pay a fair share and commented on the County's responsibility of providing ambulance service. She noted a LOS had to be developed to move forward and make some decisions. Chairman Stone reiterated that the current LOS was not formally approved by any Board and questioned if the County would be where it needed to be if the LOS was formally adopted by the BCC and the EMSA Board.

Mr. Palmer stated the self-imposed LOS was measured on a regular basis and published monthly to the EMSA Board of Directors. The levels of service were derived from history standards that included the Commission on Accreditation of Ambulance Services (CAAS) and the National Fire Protection Association, which first responder units followed, noting the National Highway of Traffic and Safety Administration had some input as to the levels of EMS service. He commented on response times having to be less than or equal to the standard 90% of the time. Chairman Stone commented on the LOS being established Countywide. Mr. Palmer noted there was a difference between urban, suburban and rural areas. Chairman Stone stated the LOS could be presented to the City Council and the BCC to formally adopt for both municipalities to establish. In response to Chairman Stone, Commissioner Kesselring referred to the standard times and asked if those were currently being met. Mr. Palmer stated EMSA was still slightly above the limit for urban areas and not quite close for suburban and rural areas. Commissioner Kesselring commented on being cautious when deciding upon which standard to adopt as 1 minute could indicate a difference in labor and equipment. Chairman Stone stated it was left up to the EMSA Board and EMSA partnership to decide how to adjust the LOS based on the amount of funding received. Commissioner Fitos stated designations for urban, suburban and rural had to be accurate reflections of the current population with regard to measuring service levels. In response to Commissioner Fitos, Mr. Palmer noted the services were global as it was independent of what system was in place. Commissioner Fitos noted there may be some designations that needed to be tweaked before formally adopting. Chairman Stone suggested that before there was a request to adopt the LOS, a critique be provided. Mr. Palmer clarified that it would be a recommendation with definitions appropriate to population density. Chairman Stone stated the key was to make sure to include the definitions. Commissioner Kesselring referred to the private provider in Orange County and asked if the services were provided for the whole county. Councilman Ruse noted services were provided in the concentrated residential areas. Chairman Stone commented on the fire based ambulance service not being a point of consideration as the MCFR had grown and was equipped to handle the population, whereas Orange County was not at that level when entering into the partnership. Commissioner Kesselring stated as a City resident, the question would be asked in regard to why property taxes would increase from the current

0.25 mill to 0.4 mill and what would the resident receive from the change. Councilman Kay noted there could exist a possibility to reduce the cost to the citizen, per capita. Commissioner Kesselring commented on different methods as to the City's direction and the resulting consequences for the parties involved, noting the simplest method would be to spread the costs over everything, but it may not be the most cost effective. Chairman Stone noted that as a County, it would cost about \$5,000,000 to \$6,000,000 and the projection of contribution was about \$7,000,000, which could continue to increase as it had historically done so each and every year. By consolidating, there could be some cost savings. Chairman Stone questioned whether it was rational for the County to have 2 to 4 different types of ambulance service 20 years later, since it was reasonable that there would be one uniform service. Councilman Owen asked what the City's greatest fear was for not looking at privatization and letting the County absorb the responsibility of emergency services. Councilman Guinn noted the City had a responsibility to the taxpayers and the citizens of Ocala to know all the facts before making a decision. Councilman Owen commented on the communication aspect between both the City and the County, stating the City may want to entertain the idea of asking for the Certificate of Need to "circle the wagons" because in 10 to 20 years it was unimaginable that the City of Ocala would draw an imaginary boundary where the ambulance could not pick up if someone lived on the wrong side of town. He commented on the Mutual Fire Degree, noting time and effort could be set aside to consider privatization as the transportation of a human life to a hospital in a time of need was different than most other services. Councilman Owen commented on the costs being astronomical in the future and the state of the equipment for the company in Orlando. He stated currently it was a critical time, but he was confident the right choice would be made. Councilman Owen noted it was not foreseeable that the City would have a separate ambulance service 15 years from now. Councilman Ruse stated he did not disagree, noting funding was still an issue, since a private company would provide services for free in the City because of the profits and asked why should the future EMSA require the City to pay for what could be provided without charge. He commented on the burden on citizens as there were advantages and disadvantages depending on where a residence was located. Chairman Stone commented on services being provided and accepted without charge and having the millage rate be lowered by 0.25 mill as that was the portion that was collected to pay for the EMSA partnership.

Commissioner McClain commented on the bottom line being 0.25 mill at the taxable value, noting 0.4 mills generated approximately \$1.889 million, with a contribution of \$1.79 million. The City of Ocala was currently contributing \$1.037 million, meaning the City would have to fund an estimated \$750,000 more as that would be what the residents would pay to participate. Commissioner McClain stated the County participated at 71%, while the City participated at 29%, noting the hospitals were not participating. Councilman Kay noted there may be a different method that created efficiency and commented on the differences between the private and public sector in regard to controlling expenses versus controlling revenue. He addressed the LOS and not having a plan as to what to achieve (i.e. lower expenses) and questioned how the proposal for EMSA was different from what it was currently, other than the addition of an MSTU.

Councilman Guinn asked if the County would issue a Certificate of Need for the City of Ocala. Chairman Stone noted there were no discussions held, but he would have to consider the information as he would not support the inclusion of inter-transport, since that was a source of revenue for privatization; he would support a Certificate of Need excluding

inter-transport.

Councilman Kay stated the City had not explored all avenues as to whether it would be financially or strategically realizable, noting EMSA would continue to operate as in the past. Chairman Stone noted it would not be implemented the same way since there was a partnership that paid into the alliance and the MSTU would allow everyone to be equally recognized in decision making. Councilman Kay commented on residents having to pay more for something that had not changed as the MSTU was just a formalized way of going directly to the people rather than have funds from the City be redistributed. Chairman Stone noted the County could not compete with something that was offered for free, but rather could provide every citizen with a LOS at the same level as it was more broad-based. Councilman Guinn noted he would not be interested in having a low LOS if services were offered for free.

Commissioner Fitos noted there was a unique opportunity resulting from the dissolution of EMSA, which required the members to consider how to continue to deliver an expected LOS in the key area of ambulance services. She addressed Councilman Kay's concern, noting the only difference in the dissolution and having the County gain control was that there would be an MSTU to fund rather than the mechanism currently used. Commissioner Fitos noted there was no concrete information as to the options for it being either a private organization, stand-alone or fire-based model. She stated she was confident that if there was a charge, it would only be for the best, most cost efficient service expected with the high level of expectation. Commissioner Fitos addressed her concern with privatization as there could be an expectation of no cost for the first few years, although the service needed to have synergy. It was reasonable to expect a key part of funding be removed since the hospitals were not participating, so the cost would increase. Chairman Stone noted the alternative was the LOS could decrease. Councilman Kay noted the County funded one of the hospitals. Commissioner Fitos commented on performing research regarding providing the best possible LOS that was most cost effective, noting the Board needed to move forward due to the time frame that would result in higher costs. Councilman Kay stated the plan of action was to determine what to do and how to implement the goal then the costs could be analyzed to decide how best to proceed.

Commissioner Kesselring noted privatization was not necessarily the key and inquired as to the City having an ambulance operating out of the Fire Department and if it was a possibility. Councilman Ruse stated that option was not explored. Commissioner Kesselring commented on the theory that the method would provide a higher chance of reimbursement like private companies, which could be more cost effective. Chairman Stone commented on the topic being part of the discussions held by the Task Force, noting the ambulance service would still be a Countywide service, through an Interlocal Agreement, but there were some technicalities. Fire Chief Dan Gentry, City of Ocala, stated the Fire Department could make any system work, noting an Automatic Aide Agreement could be executed to have a formal agreement, although there was some reluctance from the City because of the costs involved. He noted research could be performed regarding the option of providing some type of Interlocal Agreement, either paid for by an MSTU or ad valorem, that provided money to the City to fund the LOS.

Chairman Stone suggested starting with a Countywide fire-based system to operate all ambulances, including fire stations and asked if at some point in time the City wanted to own and operate the system, would they be allowed. Chief Gentry stated that was correct as any system could work, but the big issue was how it would be funded. Chief

McElhaney agreed and noted the Fire Department had been transporting for 10 years and most transports in the rural areas were implemented through an agreement with the Countywide ambulance service (EMSA), which was the entity that had the certificate to provide services. He noted the County was a subcontractor. Chief McElhaney commented on discussion entertaining the idea of EMSA being fire-based as an option. He stated both Fire Departments (City and County) could participate through an Interlocal Agreement, which was similar to what had occurred. The City could be a subcontractor of the County, which would be the Certificate holder. Chief McElhaney noted it was more cost effective to have services provided by the County as there were economies of scale. Councilman Guinn asked if Emergency Medical Technicians (EMT's) would be cross trained to be firefighters and vice-versa. Chief Gentry stated it could be accomplished for the City. Councilman Guinn noted EMT's were good EMT workers and firefighters were good firefighters. Councilwoman Rich wanted to clarify that she was not strictly for privatization and agreed that a specific LOS needed to be set before figuring out an action plan and funding sources. Chairman Stone stated the LOS would be placed on the next agenda for discussion. Councilman Ruse noted he did not agree that it was a forewarned conclusion that the current LOS would be the LOS for the future as there might be a decision to increase the expectation. Chairman Stone stated he was correct, but there was a cost factor involved since the current LOS was self imposed by funding. Councilman Ruse noted the citizens should be able to pay for the increased LOS.

Councilman Guinn was excused at 10:38 a.m.

Commissioner Payton stated there were no complaints from the citizens about the LOS, which led to the belief that City residents were generally happy with the LOS, although there should be an ongoing search for ways to improve wherever possible. Commissioner Payton clarified that the LOS was well defined and had no confidence that a private provider would improve the LOS at the same cost that it was being provided today. He commented on the LOS diminishing over time as the private provider would not be as responsive, accommodating or accessible. Commissioner Payton noted a financial negotiation was in process as the City wanted to balance the budget based on a hypothetical ambulance service. Councilman Owen stated in this financial negotiation, the City was with a business that they did not own and the City would have to step up if it wanted to be a partner. Commissioner Payton asked at what point the City was willing to step up and if it was the same level that the City was willing to pay today or was it nothing. He noted he hoped the City would be a partner in the alliance since they were an important factor because City residents needed to be well represented in the provision of services.

Councilwoman Rich stated the City did not want to participate if the costs kept increasing and addressed decreasing costs to make services affordable. Chairman Stone noted the Board received reports from EMSA on a quarterly basis that indicated the financial position (losses and expected amount of funding requested), stating part of the dilemma was that the pays for Medicare/Medicaid, etc. had been shrinking while the cost of transports had been escalating due to increased fuel, labor, etc. He commented on expenses increasing and running into a deficit as that was the problem since the partnership formed. In response to Chairman Stone, County Administrator Howard stated the quarterly reports were provided by Finance Director John Garri.

Commissioner Kesselring commented on the request for a Certificate of Need for the City of Ocala and asked if the City would allow the County to impose an MSTU and what financial contribution the City was willing to lend as that impacted the County budget,

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along with other factors. Councilman Owen noted the research and time would indicate the best method would be to allow the County to implement an MSTU, stating the City could first conduct research. Councilman Kay reiterated that the first concern was the LOS, which was a decision made by the County and if the City wanted to establish a separate LOS, a Certificate of Need could be requested. Commissioner Kesselring suggested putting an item on the agenda for the Certificate of Need, if the City wanted to pursue that option. Councilman Kay asked why the City did not reach a resolution or a general consensus as to the desired LOS, since it may be better than what the County designated. In response to Councilwoman Rich, Chairman Stone directed Mr. Palmer to provide the City Council members with reports on the recommended response time recommendations and status report on the established LOS. Mr. Palmer clarified that it was the operational report for the month of January. Councilman Kay commented on the LOS being the point of comparison, noting the main issue was the financial side.

Commissioner Payton stated he would not vote to allow a Certificate of Need as it was inevitable that the County was going to operate the ambulance system. Commissioner Fitos noted her concern of not serving the interest of the citizens due to not being able to reach an impasse on the negotiations. Chairman Stone stated the Board was doing a disservice to the employees by not reaching a decision. Commissioner Fitos noted there were too many transition issues that depended upon the decision made. Commissioner McClain stated he would not be interested in issuing the Certificate of Need and commented on the hospitals' participation. Chairman Stone agreed not to support the Certificate of Need with inter-transfers included, but may entertain the idea if excluded.

Councilman Owen questioned the path to proceed as the City wanted to be owners in a business where they were not owners nor allowed to be. Chairman Stone noted the City could still be part owner if the MSTU was allowed, along with the Interlocal Agreement. He stated if the County provided the service, the City would have to pay for it, either through the General Fund or some other agreement basis that would be developed.

Upon call for public comment, Bret Cyr, NE Jacksonville Road, Anthony, agreed that a financial discussion was taking place. He stated the Board should show the citizens the costs to run the County's Sheriff and Fire Departments, which was over \$100,000,000, noting if the County had to supplement EMSA for \$6,000,000, it was a bargain and the demographics indicated there would be no problem with paying for an ambulance service. Mr. Cyr commented on privatization and how every employee from EMSA did not agree with privatization as the turnover rates for private agencies were doubled in comparison to the traditional EMS services. He addressed the fire-based model and the reaction expected from EMSA employees.

Robert Brill, SW 32<sup>nd</sup> Court, commented on EMSA being a business and having studies implemented on being cost effective, noting costs would stay the same. He addressed the three Fire Departments in Marion County, stating all should be integrated into one department to save money rather than duplicate services (three training departments, three separate Chiefs, etc.).

Captain James Banta, SE 42<sup>nd</sup> Avenue, Vice-President of Local 3169, stated the Fire Department would entertain the idea of absorbing the ambulance service as there was a belief that it could operate efficiently.

Chairman Stone noted the next step would be to determine the MSTU funding source. Councilman Ruse stated discussions would have to be held. Chairman Stone noted as soon as a determination was made, the Board would be able to decide which direction

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to approach, which was a key part to the funding side.

It was noted for the record that the Deputy Clerk received the following documents: a 180 page document entitled, "Marion County Health Needs Assessment, April 2007" prepared by Well Florida Council; a 26 page document entitled, "Key Findings"; an 8 page document entitled, "Personal Comments from Mike Sizemore" dated December 27, 2007; and a 65 page document entitled, "2007 Access to Health Care Study, Expanding the Availability of Quality Health Care in Our Community", prepared by the Public Policy Institute.

There being no further business to come before the Board, the meeting thereupon adjourned at 11:05 a.m.

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Charlie Stone, Chairman

Attest:

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David R. Ellspermann, Clerk

Adopted by the Board of County Commissioners on Tuesday, March 4, 2008.

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