



SPECIAL SERVICE DISTRICT PROPOSAL

Grand County Emergency Services

ABSTRACT

This report provides a vision for long-term sustainability, viability, and reliability for Grand County Emergency Medical Services (GCEMS). This proposal reviews the details of the working groups' recommendation that GCEMS be organized as a Special Service District and includes transitional and financial planning suggestions.

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Executive Summary

Grand County is a remarkable place. Its culture and way of life has enticed residents for generations. Its unique history and scenery have put it on the map as a world-renowned tourist destination. This combination of increased tourism and rising population have brought both opportunities and challenges to the essential services that Grand County provides to its residents and visitors. This has been the case with Grand County EMS.

During the past six years, the department has experienced a 30% increase in call volume from 851 EMS calls in 2011 to 1,103 EMS calls in 2016. This puts the department twice as busy as those communities of similar size and on par with some of the state's most urban areas. In 2013, GCEMS experienced 102.9 calls per 1000 residents.

Utah EMS Agency (2013 data)	Call Volume	Population	Calls per 1000 residents
Salt Lake City Fire Department	21,766	189,899	114.6
Grand County EMS	960	9,325	102.9
Carbon County Ambulance	1,525	21,318	71.5
Sevier County EMS	1,424	20,971	67.9
Emery County EMS	575	10,944	52.5
Payson Ambulance	985	18,798	52.4
San Juan Emergency Services	710	14,821	47.9
Spanish Fork Ambulance	1,621	35,659	45.5

Though area tourism can explain a portion of this rise in call volume, there are other contributing factors. In a 2015 health ranking study published by the University of Wisconsin Population Health Institute and the Robert Wood Johnson Foundation, Grand County ranked 24th in health and wellness out of 26 reporting Utah counties.¹ This ranking compiled of vital health factors, puts additional stress on the healthcare and emergency services of Grand County. In addition to poor health, 27% of the residents of Grand County go uninsured – compared with the average 14% in Utah and across the U.S.²

Grand County EMS has continued to rely heavily on donated labor from volunteer on-call staff in an effort to contain costs. During the same period of time, 2011 through 2016, the number of active volunteer and paid staff members has remained the same – roughly 30. This has created a continuous staffing problem for GCEMS. Wages for full-time and paid on-call volunteers lag behind national averages by nearly 25 percent. The amount of donated labor is steadily declining and on-call employees are decreasingly willing to commit to long calls and shifts.³ Fifty percent of the schedule for the second ambulance consistently remains unfilled,

¹ Aaron Reinert, *Assessment of Grand County, Utah Emergency Medical Services*, September 2016

² Ibid.

³ Ibid.

forcing the administrative team to work on the ambulance in addition to completing their regular duties. This results in consistent 70+ hour work weeks for paid staff members.

In addition to the growing call volume and declining labor force, GCEMS faces financial challenges. Historically, the department has been expected to operate on the funds they have generated through collected service fees. The large amount of donated labor has made this possible. As the volunteer hours continue to decline, this expectation is becoming increasingly unrealistic. If all labor was paid labor, the true cost to run the agency has been estimated at \$2.2 million⁴, more than double the 2016 operating budget.

These mounting challenges have brought the already overburdened and understaffed department to a crossroads. While experiencing great growth, success, and momentum in its recent history, the department continues to struggle with basic needs. As currently operating, GCEMS is not reliable or sustainable long-term. The increasing tourism and predicted population growth will shortly push GCEMS beyond capacity, endangering the lives of the residents and visitors of Grand County.

In order to make the significant changes required to find solutions for these problems, the working group recommends that GCEMS should pursue and obtain Special Service District (SSD) status within Grand County. The goals and desired outcomes for this request are outlined in the Vision & Purpose section of the proposal. Much study and analysis were performed to determine the operational and financial feasibility of the SSD. The proposal concludes with a general transition plan outlining the work that needs to be completed.

In order to maintain operational and financial sustainability the following requests are outlined and explained within the proposal:

1. Current facilities be available for use by GCEMS as presently being utilized free of additional financial obligation
2. All assets and fund balances be transferred to GCEMS SSD.
3. Portion of Sales Tax income continue to be increased and by the year 2023 split equally between the Healthcare and GCEMS SSDs.
4. 10% of the Transient Room Tax available monies to mitigate the impact of tourism be utilized for GCEMS SSD operations.

With these asset and income sources in place, GCEMS will have the opportunity to grow into a healthy, sustainable department and service the needs of the residents and visitors of Grand County for many years to come.

⁴ Ibid.

Vision & Purpose

Due to the many challenges faced by Grand County Emergency Medical Services (GCEMS), in 2016 a partnership was established with SafeTech Solutions to undergo the completion of a comprehensive study of the GCEMS system⁵. The study focused on the reliability and long-term sustainability of the department. Two months were spent interviewing key stakeholders in and outside of the department, visiting facilities, and performing extensive research of Grand County and its Emergency Medical Services (EMS) system. In addition, financial and operational data was analyzed. The study produced the following key observations and recommendations:

SafeTech Solutions Key Observations:

1. EMS is a vital and essential element of healthcare and quality of life in Grand County and essential to Grand County being a world-class tourist destination.
2. Grand County EMS is not sustainable as operating today.
3. EMS is not prioritized in Grand County.
4. Financial performance and efficiency in Grand County are difficult to track and lead.
5. Finding and keeping an engaged workforce that is willing to provide all aspects of EMS will be a major challenge going forward.

Grand County EMS should:

1. Build a business plan for sustainable EMS in Grand County.
2. Identify possible and appropriate funding resources.
3. Identify the best and most appropriate "home" for Grand County EMS.

These recommendations initiated the formation of the concerned citizens committee in October, 2016. The goal of this committee, which meets monthly, has been to explore and evaluate possible GCEMS "homes" and appropriate business structures. The committee consists of Rarni Schultz (Moab Chamber of Commerce), Jen Sadoff (Moab Regional Hospital), Kirstin Peterson (Canyonlands Health Care Special Service District), Jason Taylor (Grand County EMS department rep), Liz Tubbs and Chris Baird (County Council, both were later replaced with Jaylyn Hawks and Evan Clapper). A representative from the Sheriff's office was requested to be part of the committee, however, the position was not filled. This proposal is the outcome of these meetings.

In order to address the observations and concerns of both the comprehensive study and of the GCEMS staff, the concerned citizens committee proposes that GCEMS pursue and obtain status as a special service district within Grand County.

⁵ Aaron Reinert, *Assessment of Grand County, Utah Emergency Medical Services*, September 2016

For several years, GCEMS has been struggling with many of the same concerns: low funding, constant leadership turnover, increasing call volumes, increasing educational demands, lack of long term planning, and loss of volunteer staff. Though in recent years, many proactive changes have been made, the department is still stuck in many ways.

Special Service District (SSD) status will allow GCEMS to:

- Engage a single focus governing board that's invested in prehospital care in Grand County.
 - Desired SSD Outcomes:
 - Engage a board who can focus on EMS and be actively involved in planning for a sustainable future.
 - Provide additional oversight and direction of the EMS department.
 - Build and provide advocacy for the service, both locally and at the State level.
 - Assist in advocating for a new facility that meets the needs of the service and the community.
- Build a comprehensive value-proposition for employee recruitment and retention.
 - Desired SSD Outcomes:
 - Better meet the needs of employees' schedules through more flexible scheduling options.
 - Build a unique benefit package that meets both full-time and paid on-call employees' needs.
 - Leverage new facility in helping attract and retain employees.
- Operate with greater fiscal transparency and efficiency.
 - Desired SSD Outcomes:
 - Financial reporting and transparency that matches the business nature of the service.
 - Board that can advocate for changes in reimbursement at the State level.
 - Better able to keep up and adjust to the ever-changing world of medical billing.
 - Establishment of unique billing and collection policies to allow for better returns.
 - Consolidating the functions of payments, billing, and collections into one office will allow for greater efficiency and less confusion for patients.

Special Service District Feasibility

In order to operate successfully and efficiently as a special service district several operational and financial needs will need to be addressed. The following outlines these needs and proposes solutions on how to move forward.

District Oversight and Organization

The proposed SSD would operate under the appointment of the Grand County Council. A board of directors (hereafter referred to as "the board") consisting of five voting members would be approved and appointed by the Council. In order to engage community members who are invested in the health and safety of the community, the following board composition is proposed:

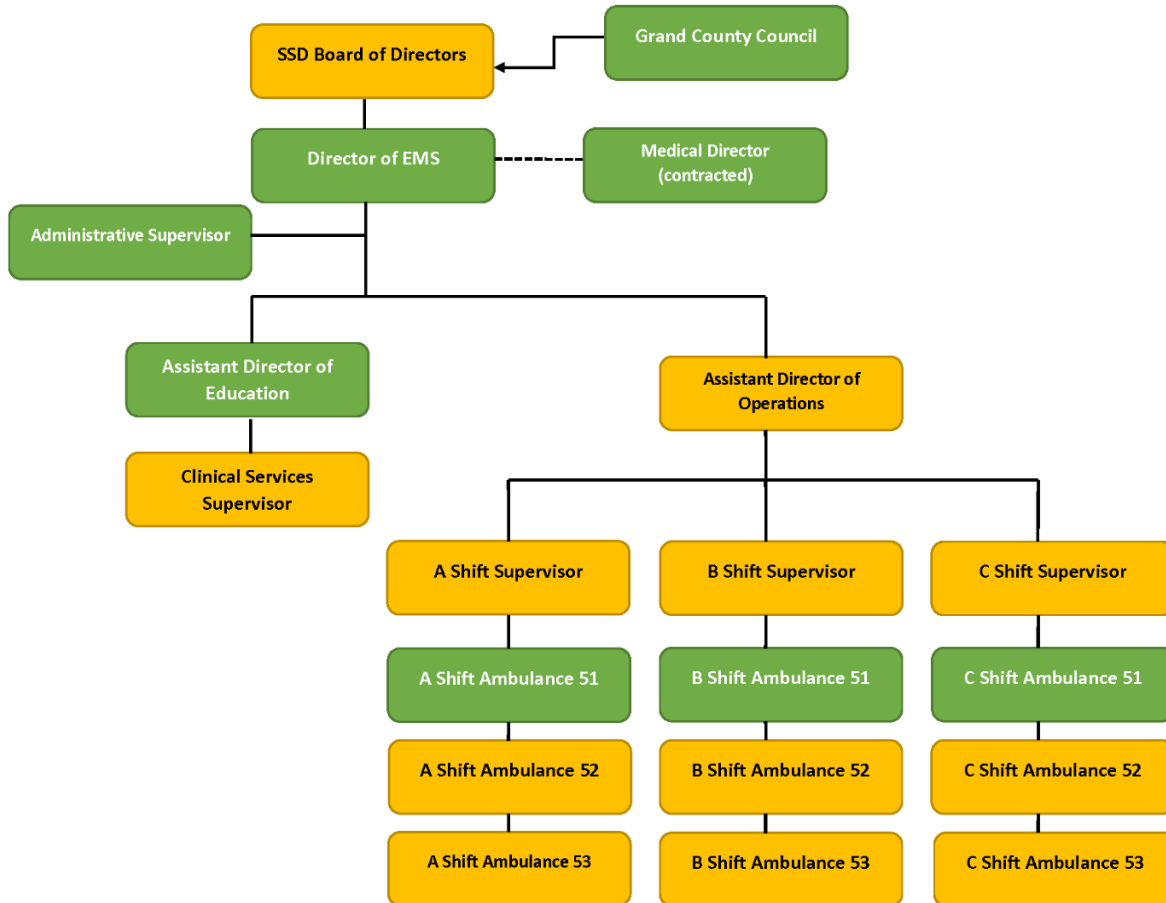
- Five voting board members as follows:
 - Moab City Council Representative
 - Grand County Council Representative
 - Public Safety Representative – a member of the public safety community, e.g. Sheriffs Office, Fire Department, Moab Police, etc., who is invested in a successful EMS partnership
 - Community at Large Representative
 - Community at Large Representative

The board would meet monthly with the EMS Director to provide consultation, direction, and oversight from both an operational and financial standpoint. This structure would allow for greater transparency and efficiency.

One of the major reasons for transitioning to a Special Service District is to allow for flexibility in meeting unique staffing challenges faced by GCEMS. The growing lack of volunteerism means the department needs to be attractive to potential full-time and volunteer staff. Creating employee classifications, salaries, benefits, and incentives that meet the needs of a department that runs 24 hours a day, 365 days a year, will aid in employee recruitment and retention.

Future GCEMS SSD Structure:

The following organizational chart is proposed as the department ideal for meeting the needs of the community and the long term sustainability. The green positions represent those currently in place. The yellow positions would be added over time as needed. These positions are accounted for in the budget later proposed.



In Kind Services

GCEMS currently relies on services provided from the County to operate. The below chart outlines the identified services that will need to be replaced and provides options and estimates of costs for these services. Beginning in 2018, all budgets include the full cost of these services.

County Provided Services	Replacement Options	Est. additional Costs
Accounting		
The County Clerk/Auditor's office provides the standard accounts payable and receivable function for the department.	Many options exist for this function, e.g. contract with an outside accounting company, hire within the department, or some combination.	\$9,600.00

County Provided Services	Replacement Options	Est. additional Costs
Payroll		
The County Clerk's office currently provides payroll services. All time cards are prepared by the department and are submitted to the Clerk's office for payment.	Many options exist for this function. Time cards are already prepared internally, thus utilizing an outside payroll company for the final tax calculations and payments is the most logical.	\$9,600.00
Human Resources		
The County provides general HR services including benefit management, new hire background checks, random drug testing, and 3 rd party dispute resolution.	Most services would be absorbed by current staff members. Additional services would be contracted out on an as needed basis, such as drug testing.	\$1,000.00
Legal Services		
Currently the County provides legal review services and legal determinations.	Services would be contracted out on an as needed basis (3 times a year mainly for contract reviews).	\$2,500.00
Information Technology		
EMS is not part of the County server system. Each of the computers run independently. County IT does keep up on antivirus software and phone systems. The county also hosts the website and email.	IT services would also be contracted. Many of the current software needs are already maintained by in house personnel. A website hosting company would be established and website maintenance contracted.	\$10,000.00
Building Maintenance		
General building maintenance (light bulbs, etc.) is provided by the County, major fixes or changes are currently paid for by EMS.	The GCEMS staff would absorb any additional duties including janitorial responsibilities.	\$1,500.00
Vehicles Maintenance		
The County provides oil changes, general maintenance, and fleet planning. EMS pays for all parts and labor is free.	Vehicles maintenance would be taken care of by local dealerships and shops.	\$15,000.00

County Provided Services	Replacement Options	Est. additional Costs
Fuel		
GCEMS utilizes the bulk fuel station for roughly 80% of fuel needs. This has saved about 15% on fuel costs per year.	EMS would attempt to contract with the County for continued use of the bulk fuel station. If not available, possible fuel increase of 15%.	\$2,500.00
Insurance		
The EMS department is covered under the County's liability and workers compensation insurance. Premiums are paid for within the EMS budget, however the county provides the insurance management.	Insurance policies would separate and EMS would continue to pay for workers compensation, general liability, and vehicle insurance. This money accounts for the additional cost that might be incurred for management and oversight.	\$2,000.00
Additional Budget Needed:		\$53,700.00

GCEMS Facilities

As noted in the SafeTech Solutions assessment⁶, the current GCEMS facilities are inadequate for the needs of the department. GCEMS is currently pursuing property to build a new facility. If agreements can be made GCEMS would be submitting to CIB February 1st 2018. While this is a priority, current County facilities will need to be utilized until a new facility is completed.

In order to be fiscally responsible during this transition, it is requested that current facilities be available for use by GCEMS as presently being utilized free of additional financial obligation until new facilities are built.

Balance and Asset Transfers

Operation as a special service district requires financial independence. This will require balance and asset transfers, and the securement of regular income sources. With these conditions in place, financial independence can be secured and maintained by GCEMS.

GCEMS requests the following assets and fund balances to transfer to the possession and ownership of the GCEMS SSD:

- Major asset transfer:
 - County Vehicle Fleet currently in use by GCEMS (ambulance and med vehicles)
 - Current EMS fund balance

⁶ Ibid.

- Other funds maintained under the EMS department (Public Treasures Investment Fund, etc.)
- Equipment and supplies
 - Current Radios, furniture, and other items on the asset and inventory list currently utilized by GCEMS

Established Income Sources

The following established income sources will be maintained during the transition. In accordance with the proposed transition timeline, money from these established sources of income would start to be deposited into Special Service District accounts as those accounts are established.

- Collected Fees for Billable Services
- Sales Tax Revenue
 - The Sales Tax income instated in 2016 to jointly fund GCEMS and Canyonlands Health Care SSD would continue to fund GCEMS as requested and agreed upon by the County, Canyonlands Health Care SSD, and GCEMS SSD. Grand County EMS requested that the following percentages be considered:
 - 35% of Sales tax money 2018
 - 40% of Sales tax money in 2019
 - 40% of Sales tax money in 2020
 - 45% of Sales tax money in 2021

It is the intent of GCEMS as a SSD to examine and pursue more flexibility in billing policies and procedures that will allow for increased collection rates from insurance companies and individuals. Other sources of increased revenue will come from being more competitive in event Medical Services, e.g. movie and commercial filming, photography shooting, outdoor races, etc.

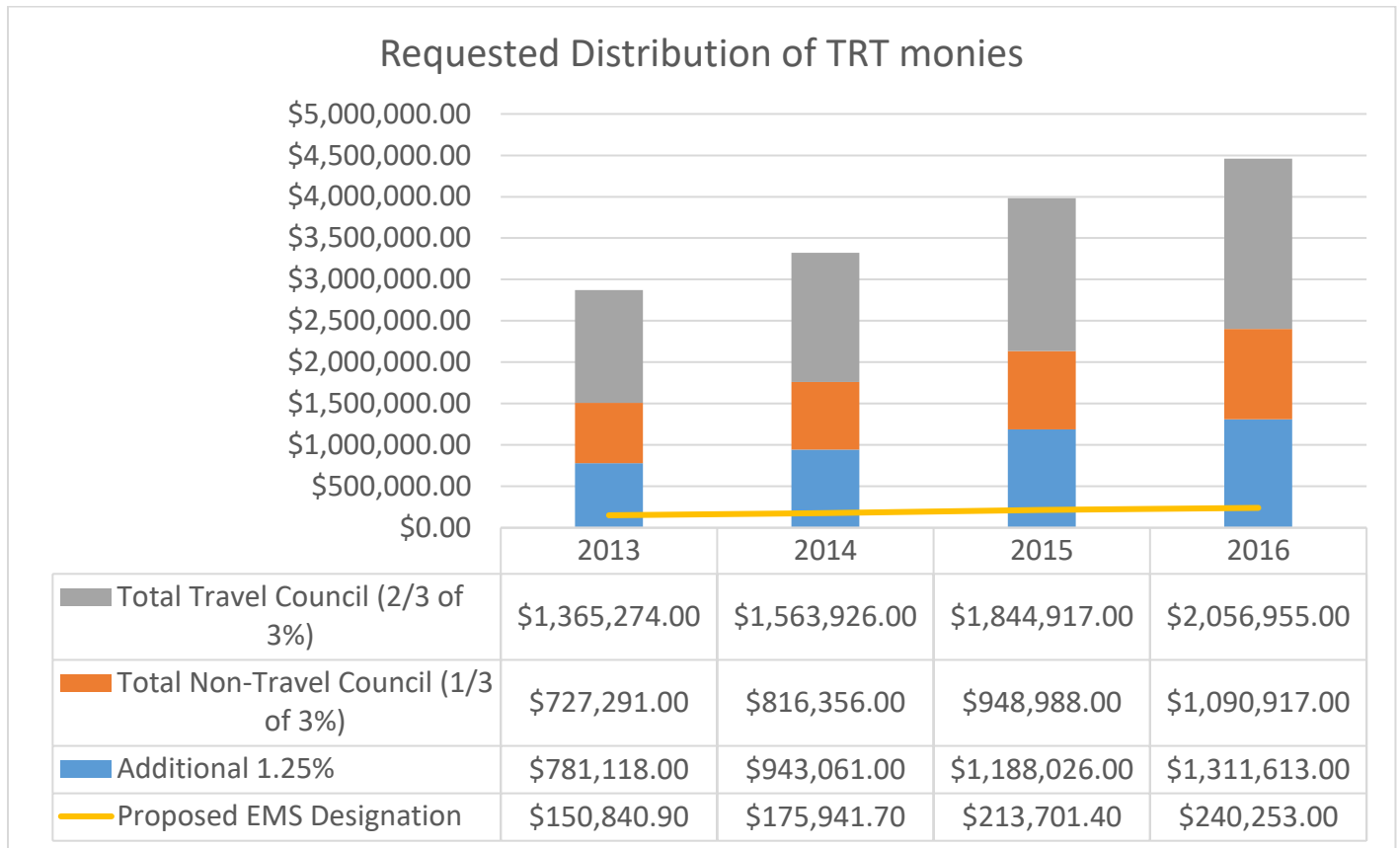
Requested Income Sources

Even with the established income sources, expected increase to collection rates, and money reclaimed from the event medical space, GCEMS will not be fully self-supporting without additional income sources.

The emergency medical services of Grand County are highly impacted by tourism. Over 40% of the annual call volume of GCEMS are not residents of Grand County but visitors and tourists. These calls generally involve longer call times and complex care. Transient Room Tax (TRT) was established to assist services such as EMS to mitigate the cost and impact of tourism. Of the 4.25% collected under TRT, just over half can be used to fund services impacted by tourism.

GCEMS is requesting a sustained 10% of the TRT available monies to mitigate the impact of tourism beginning in 2018.

According to the county travel council, the following numbers reflect the amounts collected in each category for the years 2013 – 2016, and the amount that would be designated to EMS. This sustained annual funding source will ebb and flow with the call volume of GCEMS giving much needed funding in years of high tourism and less when the call volume is lower.



Special Service District Budgeting

Careful financial study, evaluation, and planning were done to test the financial feasibility of this proposal. Detailed income and expense reporting for the last six years of the department history were examined for trends and used to project the next 10 years. In-kind services were studied and estimates sought from outside entities.

There are many detailed spreadsheets that provide the data and details to explain and justify these numbers. With tax subsidies as requested and based on assumptions described above, it is financially feasible for GCEMS to operate as a SSD in a sustainable way.

GCEMS Department Budget Projections for Movement to a Special Service District

Income	2015 Actual	2016 Actual	2017 Budget	2018 Projected	2019 Projected	2020 Projected	2021 Projected	2022 Projected
Collected Billed Income	\$ 748,861.70	\$ 846,728.42	\$ 842,700.00	\$ 876,331.41	\$ 901,310.35	\$ 927,929.66	\$ 954,411.55	\$ 981,378.90
Sales Tax Contribution	\$ -	\$ -	\$ 255,300.00	\$ 560,000.00	\$ 640,000.00	\$ 640,000.00	\$ 720,000.00	\$ 720,000.00
TRT Contribution	\$ -	\$ 186,665.00	\$ -	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00
Other	\$ 11,196.00	\$ -	\$ 8,000.00	\$ 11,701.73	\$ 12,052.78	\$ 12,414.36	\$ 12,786.79	\$ 13,170.40
Total	\$ 760,057.70	\$ 1,033,393.42	\$ 1,106,000.00	\$ 1,598,033.14	\$ 1,703,363.13	\$ 1,730,344.02	\$ 1,837,198.34	\$ 1,864,549.29
Expenses	2015 Actual	2016 Actual	2017 Budget	2018 Projected	2019 Projected	2020 Projected	2021 Projected	2022 Projected
Salaries and Benefits	\$ 396,690.52	\$ 558,125.31	\$ 789,000.00	\$ 908,038.02	\$ 1,099,935.95	\$ 1,125,314.03	\$ 1,141,473.74	\$ 1,155,201.54
Maintenance and Operations	\$ 212,707.89	\$ 270,833.46	\$ 230,350.00	\$ 268,068.29	\$ 285,353.34	\$ 297,588.94	\$ 309,155.29	\$ 324,034.94
Education	\$ 35,939.49	\$ 43,359.46	\$ 47,650.00	\$ 66,800.00	\$ 47,500.00	\$ 47,550.00	\$ 47,550.00	\$ 47,750.00
Capital Buildings	\$ 3,380.00	\$ -	\$ 25,000.00	\$ 100,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00
Capital Equipment	\$ -	\$ 136,143.81	\$ -	\$ 245,000.00	\$ 122,500.00	\$ 190,000.00	\$ 42,000.00	\$ -
Total	\$ 648,717.90	\$ 1,008,462.04	\$ 1,092,000.00	\$ 1,587,906.31	\$ 1,705,289.29	\$ 1,810,452.97	\$ 1,690,179.03	\$ 1,676,986.49
Total WITHOUT estimated Tax Subsidies			\$ (241,300.00)	\$ (699,873.17)	\$ (791,926.16)	\$ (870,108.95)	\$ (722,980.69)	\$ (682,437.19)
Total WITH estimated Tax Subsidies	\$ 111,339.80	\$ 24,931.38	\$ 14,000.00	\$ 10,126.83	\$ (1,926.16)	\$ (80,108.95)	\$ 147,019.31	\$ 187,562.81

Budget assumptions:

Income:

- Collected fees are calculated using the average collection from the last 5 years and anticipating a 3% increase in call volume
- Portion of Sales Tax income would continue to increase as described earlier
- All fund balances requested are transferred

Expenses:

- Beginning in 2018, the budget includes the items that the county now covers (In-kind services listed previously including increases in fuel and vehicle maintenance)
- Beginning in 2018, a \$100,000 annual bond payment is included to pay for a new facility, that payment moves to \$150,000 in 2019 to reflect a full bond payment.

Staffing:

- All full time payroll costs were calculated with a 60% payroll burden for taxes and benefits
- Addition of 2 full time paramedics in 2018, 2 full time paramedics in 2019,
- Pay raises of 10% for all employees in 2018 and 6% in 2019

Transition Plan

A transition like this requires detailed planning. A misstep could endanger the safety and lives of Grand Country residents and visitors. GCEMS has relied heavily on human resource and financial services from the County to operate. Replacement services, including financial accounts and services, will need to be contracted and established. A proposed timeline with focus areas and general objectives is included.

GCEMS Special Service District Establishment: January 1, 2018

During the 2018 year, the Board and GCEMS staff will establish all of the policies and procedures required to have GCEMS SSD function and run as its own independent entity. These objectives are detailed below.

2017: Quarter 4 Goals & Objectives

Focus Area: Special Service District Creation

- Resolution created and approved indicating the Counties intent to establish the SSD
 - District boundaries established
 - Public meeting held
 - Smaller version of the working group established

2018: Quarter 1 Goals & Objectives

Focus Area: Special Service District Creation

- Resolution creating the district approved
 - Resolution sent to Lt. Governor's office for approval
 - Board recruitment
 - 5 voting members chosen and appointed to the board
 - Bylaws written
 - Two-year strategic plan outlined

2018: Quarter 2 Goals & Objectives

Focus Area: Human Resources

- Structure organization chart
- Update job descriptions to reflect SSD oversight
- Employment policies and procedures restructured
 - Pre-employment procedures
 - Drug testing contracted
 - Payroll transition plan
 - Employee handbook written/revisited
 - Employee benefits contracted
 - Employee evaluation protocol updated
 - Executive oversight of GCEMS Director polices

Focus Area: Establishment of Financial policies

- Establish financial sustainability
 - Bank accounts created
 - Billing guidelines, policies and procedures formed

- Accounts receivable and payable contracted
- Asset management
- Spending guidelines written

2018: Quarter 3 Goals & Objectives

Focus Area: Services Contracted

- Contract services and establish policies for:
 - Information Technology
 - Vehicle Maintenance
 - Fuel/Gasoline
 - Building Maintenance
 - Legal Services
 - Website maintenance or hosting (as needed)
 - Lease Negotiation with Grand County for current facilities
- Insurance Contracted
 - Worker's compensation
 - Agency insurance
 - General liability insurance

2018: Quarter 4 Goals & Objectives

Focus Area: 2019 budget establishment and fund and asset transfers

- Establish 2019 budget with SSD board
- Transfer all remaining funds
- Transfer remaining assets

2019: Transfer of all county EMS services: January 1, 2019