

MINUTES OF SELECTMEN'S MEETING JUNE 12, 2012

Chairman Petraitis called the meeting to order in the Board of Health office at 9 AM with Mrs. Walter and Mr. Chabot also present.

Present were Finance Committee members Robert Smith and Robert Locatelli, North Brookfield Emergency Squad (NBEMS) Director Pat Kiritsy, NBEMS Board of Directors Chairman Joe Holway, Town Accountant Nancy Nykiel, Town Treasurer Anne Jannette, and Town Collector Donna Gauthier. Also present were David Dore from the Spencer New Leader, and Brad Miner from the Worcester Telegram and Gazette.

Mr. Petraitis opened by saying that at last week's Selectmen's meeting NBEMS representatives proposed a considerable increase in their contract for FY13 in order to address their financial problems. Other options discussed at various times in the past include putting the EMS under the Fire Department, or subbing EMS services out to a private vendor. Mr. Petraitis stated that all options are on the table for discussion today.

Mr. Holway stated that the squad is trying to maintain service to North Brookfield. The business runs in a deficit each year. One of the biggest problems is that insurance companies only pay 34% to 40% of what is billed to them. This year the squad did 400 911 calls, last year they did 500. The squad's vehicle insurance is over \$12,000.00 per year, and the workers' compensation bill is over \$17,000.00. The proposal from NBEMS is a \$100,000.00 contract with \$25,000.00 quarterly payments to paid after a review with the Selectmen and Finance Committee of the previous quarter's financials.

Mr. Chabot noted that other small towns must face the same problems, he asked how do other towns in the area handle this? Mr. Holway stated that they all get subsidized by their towns, at an average of over \$100,000.00.

Mr. Kiritsy noted that West Brookfield is in a unique situation because there are three nursing homes and a doctor's office in town. This enables them to do a lot of revenue generating transfers.

Mr. Holway noted that Spencer EMS called him when they saw a newspaper article about the squad's financial problems. Spencer covers the Town of Paxton for around \$150,000.00 per year. In addition, Paxton purchased a new ambulance, and pays for the cost of housing the vehicle in their facility.

Mrs. Jannette asked about replacing the squad's two ambulances. Mr. Holway stated that the squad hopes to get these ambulances through the next two years until they are paid off, and then downgrade to a single van-type ambulance with a much lower payment.

Mr. Kiritsy noted that of the 400 calls in the last year, 291 of them were Medicaid or no insurance. Out of the \$281,000.00 that was billed for these calls, only \$54,000.00 was paid. For a patient with Medicare the payment is only 18%. Mr. Kiritsy presented an "aging" report from their billing company that shows bills going back to March of 2011 that are still not paid. Mr. Kiritsy noted that of the \$82,000.00 that is currently owed to the NBEMS, they expect to only collect \$27,000.00 or so.

Mr. Holway said that approximately \$30,000.00 to \$35,000.00 is collected through the squad's annual subscription drive, with approximately \$240,000.00 in revenue from 911 calls.

Mr. Locatelli said that the long delays in payment are unconscionable, and the squad should push their state representatives on this. Mr. Holway noted that Senator Brewer has been contacted several times about this.

Mrs. Walter asked about money that the squad owes to other towns, and Mr. Holway stated that those are "intercept" fees for when the NBEMS need ALS service en route to the hospital. Mrs. Walter asked how often a call needs ALS intercept, and Mr. Kiritsy noted that it varies, but there are certain protocols for when ALS is needed, such as chest pains.

Mr. James Foyle, who joined the meeting earlier, asked who would respond if the NBEMS did not exist? Mr. Kiritsy noted that it could be East Brookfield, Spencer, Leicester, or even Ware, there is no way to know.

Mr. Holway stated that rescue squads in the area have said that they will not respond to calls here if the North Brookfield taxpayers won't support their own squad.

Town Accountant Nancy Nykiel questioned what percentage of revenue does the billing company Comstar collect, and was told that it is 5% of what is collected.

Mrs. Nykiel asked how East Brookfield covers their town, and Mr. Holway stated that they pay for ALS coverage until 6 PM, and after that other towns may respond.

Mr. Smith said that he would like to see a business plan from the NBEMS because he does not understand their financial situation. He said that he thinks they have a revenue problem, not a cash flow problem. He would like to know what the other towns are doing.

Mr. Holway reiterated that the squad needs a \$100,000.00 contract from North Brookfield, or else the squad will cease to exist after July 1st. The Town needs to invest some money if it wants to keep the service.

Mrs. Walter stated that she would like to see a five-year average of the squad's calls, which Mr. Holway and Mr. Kiritsy agreed to provide. In addition, we need information on how other area towns pay for their EMS services.

On behalf of the Selectmen, Mr. Petraitis thanked everyone for coming.

Mr. Petraitis stated that on a different subject, he is uncomfortable taking \$200,00.00 from the Stabilization Account to balance next year's budget at the June 22nd Annual Town Meeting. He asked Mr. Smith if we take money out of stabilization this year, how much will we need to take out next year? This year the school asked for an additional \$397,000.00 in their budget. If we gave them only half of that increase we would not have to take anything out of stabilization.

Mr. Smith answered that the Finance Committee has been talking about this for months, they are trying to protect Chapter 70 funds from getting cut. If Superintendent Provost is successful in his quest to stem the outward flow of students things will turn around.

Mr. Petraitis stated that he understands the budget, he just does not agree with taking money from stabilization.

Mr. Smith said that last year the School Department had no plan to deal with the out-migration, this year they do. If the Superintendent is successful, we won't have to take any more money out of stabilization. Mr. Smith said that we should know within the next two weeks if Superintendent Provost's plans will be successful in reversing the trend.

Mr. Foyle noted that if the Town takes money out of the Stabilization Account it will adversely affect the Town's bond rating, making it more expensive to borrow.

Mrs. Janette noted that the School Department's increase is 6.1%, the increase in area towns is 2% to 4%. There are underlying management issues whereby the School Committee negotiates contracts that the Town can't afford. Mr. Smith stated that he thinks the School Committee will be more hard-nosed in future contracts.

At 10:25 AM Mrs. Walter moved, and Mr. Chabot seconded, a motion to enter Executive Session to hear complaints against a public official. Roll call: Petraitis, yes; Walter, yes; Chabot, yes. So voted. Mr. Petraitis noted that the Board would exit Executive Session only to adjourn.

The Board came out of Executive Session at 11:20 AM. Mr. Chabot moved, and Mrs. Walter seconded, a motion to adjourn. So voted.

Respectfully submitted,

Leslie Scott Burton
Administrative Assistant