

**EMERGENCY MEDICAL SERVICES AUTHORITY - A Public Trust
Regular Board of Trustees Meeting**

Wednesday, July 23, 2014 at 1:00 p.m. via Conference Call

EMSA Corporate Offices

1111 Classen Drive, Oklahoma city

1417 N. Lansing Ave., Tulsa, OK

Minutes:

NOTICE AND AGENDA for the Regular Meeting of the Board of Trustees of the Emergency Medical Services Authority, a Public Trust, were posted July 21, 2014 at 10:44 a.m., in the offices of the City Clerk of Tulsa, and with the City Clerk of Oklahoma City, on July 21, 2014 at 10:51 a.m., more than 24 hours prior to the time set for the meeting.

TRUSTEES PRESENT

Mr. Clay Bird
Dr. Jim Rodgers
Dr. Jeffrey Goodloe
Mr. Stephen Rodolf
Mr. Larry McAtee
Ms. Lillian Perryman
Mr. Joe Hodges

Trustees Absent

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

OTHERS PRESENT

Steve Williamson, EMSA
Kent Torrence, EMSA
James Davis, EMSA
Kelli Bruer, EMSA
Tracy Johnson, EMSA
Sara Bovaird, EMSA
Sonny Geary, AMR
Tina Wells, AMR
Mark Kessler, AMR
Joanne McNeil, AMR
Lara O'Leary, AMR
Michael Murphy, AMR
Rick Ornelas, AMR
Kris Koepsel, Riggs/Abney

A quorum was present and the meeting was called to order at 1:00 p.m. by Mr. Clay Bird.

Mr. Williamson moves that we vote on all three (3) Consent Agenda items which are: #1 – the approval of EMSA Regular Board of Trustees Meeting dated May 28, 2014 at 12:00 p.m. #2 – Approval of Interlocal Subsidy Agreement between the City of Edmond and EMSA; and #3 – Approval of Professional Services Agreement between the City of Oklahoma City and EMSA.

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CONSENT AGENDA

1. Approval of Board Minutes from EMSA's Regular Board of Trustees Meeting on May 28, 2014 at 12:00 p.m.

UPON motion made by Mr. Joe Hodges and seconded by Dr. Goodloe, the Board of Trustees voted to Approve the Board Minutes from EMSA's Regular Board of Trustees Meeting dated May 28, 2014 at 12:00 p.m.

AYE: Mrs. Lillian Perryman, Mr. Joe Hodges, Mr. Stephen Rodolf, Mr. Clay Bird, Mr. Larry McAtee.

NAY: None

The Motion was passed.

2. Approval of Interlocal Subsidy Agreement for 2014-2015 between the City of Edmond and EMSA

UPON motion made by Mr. Joe Hodges and seconded by Dr. Goodloe, the Board of Trustees voted to Approve the Interlocal Subsidy Agreement for 2014-2015 between the City of Edmond and EMSA.

AYE: Mr. Clay Bird, Mr. Larry McAtee, Ms. Lillian Perryman, Mr. Joe Hodges and Mr. Stephen Rodolf.

NAY: None

The Motion was passed.

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3. Approval of Professional Services Agreement for 2014-2015 between the City of Oklahoma City and EMSA

UPON motion made by Mr. Joe Hodges and seconded by Dr. Goodloe, the Board of Trustees voted to Approve the Professional Services Agreement for 2014-2015 between the City of Oklahoma City and EMSA.

AYE: Mr. Larry McAtee, Ms. Lillian Perryman, Mr. Joe Hodges, Mr. Stephen Rodolf and Mr. Clay Bird.

NAY: None

The Motion was passed.

REGULAR AGENDA

1. Chairman's Report

Mr. Bird wants to thank everyone for the last year as Chairman of EMSA's Board. He feels that a lot has been accomplished and that it has been a pleasure working with all the Trustees and Steve.

Mr. Williamson wants to thank Mr. Bird for his hard work this last year in keeping communications going internally and externally with the different government offices.

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2. Election and Approval of EMSA Board of Trustees Officers for Fiscal Year 2015

Upon motion made by Mr. Clay Bird and seconded by Dr. Goodloe, the Board of Trustees voted to Approve EMSA's Board of Trustee Officers for Fiscal Year 2015 to be as follows:

Chairman:	Mr. Larry McAtee
Vice Chairman:	Mr. Stephen Rodolf
Sec/Treasurer	Mr. Joe Hodges
Asst. Secretary	Ms. Sara Bovaird

AYE: Mr. Clay Bird, Mr. Larry McAtee, Ms. Lillian Perryman, Mr. Joe Hodges and Mr. Stephen Rodolf.

NAY: None

The Motion was passed.

Mr. Bird said that we will discuss the Annual Budget – Kent will give his presentation and then the Committee will report.

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

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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 asks about the requested 3% increase in salaries across the board, except for 5 employees – 1 in accounting and 4 in the IT Department – the market adjustment for those 5 is \$11,000. Then we have two executives out of sync with the market as well – it looks like Kent Torrence, the CFO, is 17.9% below the 50th percentile. Our Committee recommends at least a 7% pay increase for the CFO this year

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Approval of 7% Pay Increase for Kent Torrence, EMSA's CFO

UPON motion made by Mr. Joe Hodges and seconded by Dr. Jim Rodgers, the Board of Trustees voted to Approve the 7% Pay Increase for Kent Torrence, EMSA's CFO.

AYE: Mr. Stephen Rodolf, Dr. Jim Rodgers, Mr. Larry McAtee, Ms. Lillian Perryman, Mr. Clay Bird and Mr. Joe Hodges.

NAY: None

The Motion was passed.

Mr. Hodges continues with the pay increases, this time involving the CEO's position. We have researched the median or 50th percentile of CEO's in this size company. I also asked for a range of the 75th percentile because I doubt that many of these CEO's have 36 years of experience in working with the same company. Mr. Williamson's salary is 30% less than the 75th percentile.

A compromise is to get Mr. Williamson to the 50th percentile – which is about 3% - which is what we are paying all the other employees. Then we will have the time to discuss more in the Committee and possibly put together a draft compensation in the next 30 to 60 days.

Approval of 3% Pay Increase for H. Stephen Williamson, EMSA's CEO – with the Committee to Research a Potential Performance Incentive Program for said CEO

UPON motion made by Mr. Joe Hodges and seconded by Ms. Lillian Perryman, the Board of Trustees voted to Approve a 3% Pay Increase for H. Stephen Williamson, EMSA's CEO – with the Committee to research a potential performance incentive program for said CEO.

AYE: Mr. Joe Hodges, Mr. Clay Bird, Ms. Lillian Perryman, Mr. Larry McAtee, Dr. Jim Rodgers, and Mr. Stephen Rodolf.

NAY: None

The Motion was passed.

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3. Approval of Fiscal Year 2015 Annual Budget - with the Salary Adjustments made to the Budget

Upon motion made by Dr. Jim Rodgers and seconded by Ms. Lillian Perryman, the Board of Trustees voted to Approve the Fiscal Year 2015 Annual Budget – with the salary adjustments made to the Budget.

AYE: Mr. Stephen Rodolf, Dr. Jim Rodgers, Mr. Larry McAtee, Ms. Lillian Perryman, Mr. Clay Bird and Mr. Joe Hodges.

NAY: None

The Motion was passed.

4. President's Report

Mr. Williamson starts off discussing quality assurance. There is a bit of controversy regarding Tulsa's 911 Center and I want the Board to be reassured – we are 35th dispatch center in the world to be accredited and we have maintained that accreditation. We pick the phone up and we are there within 10 minutes and 10 seconds – we are actually doing over 90% - which is our goal. We are truly first responders and their ability to do things over the phone with the caller not only determining the severity of the call but also administering vital aid.

The next item is quality improvement and we have started the process again with different classes, courses and our implementation of our “to do quality” improvement. We are getting more into the healthcare arena, outside of just transporting as emergency patients and ambulance – we are looked at by hospitals on how we are doing as our work with the patients will be part of their measurement.

Our third item is a compliant and exclusion report for both divisions. In May the Eastern Division was at 92% - 98% on priority twos, 92% on priority threes and also 90% on priority fours. The Western Division was at 92% - 99% on priority twos, 91% of priority threes and 100% of priority fours. We had no discrimination in any area of the City.

Next is the KPI Report and we have the billing down to 7 days. But these days, with the high deductibles of \$2500, \$5,000 and \$10,000, it can make a lot of difference to how quickly we get paid. We are looking at software to determine zip codes and determining what insurance companies are heavy in those deals so we can look at their mix of higher deductible plans and others, it is a science now.

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5. Medical Director's Report

Dr. Goodloe discussed how over the last few years, not only have we enjoyed success as a system, but honestly in this day and age, we now have moved from a successful system to a significant system. We are not just advancing here in Oklahoma, but we are helping other systems advance in their communities. There are a tremendous number of advantages to the relationship that our EMS system has with the University of Oklahoma and we have more research going on right now than we have ever had.

We are able to actively research the effectiveness of certain medications for some truly unstable cardiac dysrhythmias that our medics treat; We are able to look at the effectiveness of electrical therapies; we are looking at the impact of hyperglycemic corrective measures in our community and all available health measures tell us that diabetes is certainly not a diminishing problem in our society – it is a growing problem.

I am very encouraged by the dialogue I have on a routine basis not just with the local leadership of the AMR Team, but the national leadership as well. It is a definite improvement over what we have had in years past and I am hopeful that it is going to continue to bear some great fruit.

We do have issues ongoing with some extended bed waits at hospitals in Tulsa – not with all – just a few. But we are not making substantial headway there and that does squeeze the system at times. But other than that – we are a very, very busy system, the patients are still getting good care, they don't get lost and there is a healthy and productive and objective checks and balances on the system that makes me sleep pretty easy at night.

6. New Business

There is no new business at this time.

7. Trustees Report

There is no Trustees Report at this time.

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8. **Next Meeting** is Wednesday August 27, 2014, at 1:00 p.m., at **EMSA Corporate Offices**, 1111 Classen Dr., Oklahoma City, OK 73103 and 1417 N. Lansing Avenue, Tulsa, OK 74106

9. **Adjourn**

Mr. Bird adjourned the meeting at 2:35 p.m.