



Metropolitan Area EMS Authority
2900 Alta Mere Street
Fort Worth, Texas 76116-4115
(817) 923-3700
www.medstar911.org

DATE: August 21, 2017
TO: Board of Directors, Metropolitan Area EMS Authority (MAEMSA)
FROM: Douglas Hooten, Chief Executive Officer
SUBJECT: Budget for Fiscal Year 2017-2018

Executive Summary

We are pleased to present the proposed budget to the MAEMSA Board for the fiscal year beginning October 1, 2017 and ending September 30, 2018 for your consideration. The following is how the FY 2017-2018 budget relates to the FY 2016-2017 forecasted actual revenues and expenses.

We have budgeted FY 2017-2018 revenues to be **\$49,804,313** which is an increase of **\$1,256,372** or **2.6%** over FY 2016-2017 forecasted actual. Expenses are budgeted to be **\$44,257,471**, which is an increase of **\$1,053,228** or **2.4%** over FY 2016-2017 forecasted actual. Net Retained Earnings is budgeted to be **\$5,546,842** which is an increase of **\$203,144** or **3.8%** from forecasted actual FY 2016-2017. Capital spending is budgeted to be **\$4,338,494** for a surplus of **\$1,208,348**.

Management has established 3 overriding goals for FY 2017-2018. These goals are:

1. Fully evaluate the available options regarding transitioning from the traditional single tier, all ALS response for system calls for service, providing a comprehensive plan for leadership consideration.
2. Fully evaluate the concept and risk/benefit of decentralized deployment strategies, utilizing additional deployment centers, and geographically targeted deployment plans.
3. Continue investigation and development of new programs that will enhance patient payment methodologies such as "MedStar on Demand" and others to maximize nontraditional revenue streams.

The FY 2017-2018 budget includes the funding of initiatives to accomplish these goals.

Budget Summary

Revenue

Revenue is up by **2.6%** to **\$49,804,313** for an increase of **\$1,256,372** in the FY 2017-2018 budget over the FY 2016-2017 forecasted actual due the following drivers:

- Transports will increase by 4.5 %
- HHSC cost report funding will remain constant at \$2,000,000, however Medicaid's fee for service rate will decrease by an overall 20% for a total of \$1.14million.
- Collection rate will decrease to 27.65% as a result of the Medicaid rate cut
- Subsidy provided by member cities will remain constant.

Expenses

Expenses are up by **2.4%** to **\$44,257,471** for an increase of **\$1,053,228** in the FY 2017-2018 budget over the FY 2016-2017 forecasted actual due to the drivers discussed below.

- Payroll and Benefits are up by **2.4%** or **\$775,454** and the main drivers are:
 - 6 new positions are anticipated, as follows:
 - 5 field positions based on demand
 - Data Analytics/Report Writer specialist
 - Administrative Assistance in the Training Academy
 - Reduce Business Office staff by 1
 - Incentive payments to all staff are 4% of base salaries
 - A system of behavioral testing is planned to improve the quality of staff from the outset of employment.
 - Tuition reimbursement for employees other than paramedics has been implemented. 16 staff members have applied for reimbursement at \$2,000 each.
- Professional fees have increased by **4.7%** or **\$82,960**
 - Tier 1 professional IT support has been outsourced to Fulcrum Group which will free up existing staff to participate in higher level duties
 - 2018 is a reaccreditation year for CAAS – Commission on Accreditation of Ambulance Services – with an application fee of \$15,000 plus travel expenses of the examiners.

Capital Plan – FY 2017-2021

The capital plan addresses needed infrastructure improvements over the next five years. Total capital request is summarized as follows:

FY 2018 - \$4,338,494

- Replace 10 ambulances - \$2,628,337
- Remount 6 remaining ambulances - \$420,000
- First phase ERP software implementation - \$450,000
- Logis billing software - \$250,000
- IT enhancements and replacements - \$240,157
- Replace portable radios (3 year plan) - \$150,000
- NICE recorder upgrade - \$105,000
- Cloverleaf hospital connections - \$50,000
- Image Trend Data Mart - \$35,000
- I-STAT - \$10,000

FY 2019 - \$4,076,760

- Replace 12 ambulances - \$2,700,000
- Second phase ERP software implementation - \$450,000
- Replace/refresh simulation dummies - \$250,000
- Blade chassis replacement - \$242,000
- Replace portable radios - \$150,000
- Consolidate security systems to a single vendor - \$88,760
- Evaluate Wi-Fi to replace cellular gateways - \$60,000
- Ventilator - \$30,000
- Portable Ultrasound - \$24,000
- Refresh gateways (3 year plan) - \$25,000
- Replace special event vehicles (mules) - \$25,000
- Replace highly utilized communications center chairs - \$18,000
- Temperature sensors for ambulances - \$14,000

FY 2020 – \$2,725,000

- Replace 12 ambulances - \$2,700,000
- Refresh gateways - \$25,000

FY 2021 - \$2,700,000

- Replace 12 ambulances - \$2,700,000

FY 2022 - \$2,700,000

- Replace 12 ambulances - \$2,700,000

We respectfully submit the FY 2017-2018 budget for your review.