

DATE: August 12, 2015  
TO: Board of Directors, Area Metropolitan Ambulance Authority (AMAA)  
FROM: Douglas Hooten, Executive Director  
SUBJECT: Budget for Fiscal Year 2015-16

Enclosed you will find the proposed budget for AMAA for the fiscal year beginning October 1, 2015 and ending September 30, 2016 for your consideration. The following is how the FY 2015-2016 budget relates to the FY 2014-2015 forecasted actual revenues and expenses. We have budgeted FY 2015-2016 revenues to be **\$45,562,488** which is an increase of **\$1,732,702** or **4.0%** over FY 2014-2015 forecasted actual. Expenses are budgeted to be **\$40,451,981**, which is an increase of **\$1,579,430** or **4.1%** over FY 2014-2015 forecasted actual. Net Retained Earnings is budgeted to be **\$5,110,507** which is an increase of **\$153,271** or **3.1%** from forecasted actual FY 2014-2015.

Management has set forth 5 strategic objectives for this next year. This budget reflects the revenue and expense required to achieve these strategic objectives. Also included is a capital improvement plan. This plan addresses needed infrastructure improvements over the next five years.

Below is a review of the strategic objectives for this next fiscal year, along with goals and timelines associated with each. We have adopted five (5) overriding strategies that reinforce our mission statement. From these strategic objectives we will evaluate managers and supervisors in all departments. This will impact their compensation based on their success or failure to meet the expectations set forth in this budget document. The five areas driving the budget for this year are:

- **Financial**

- Manage the Revenue and Expense to meet or exceed the adopted FY 2015-2016 budgeted Net Retained Earnings
- Meet or exceed the key financial indicators established by 9/30/16
- Expand StarSaver enrollment by 2,000 households by 9/30/16

- **Clinical and Administrative Quality**

- Meet or exceed established system performance standards, as defined by the Blueprint for Quality, by 9/30/16
- Conduct a minimum of 4 internal compliance audits by 9/30/16
- Improve transport percentage by 5% by 9/30/16
- Implementation of new CAD by 9/30/16
- Document two Lean Six Sigma Quality Projects with results by 9/30/16
- Fully implement First Watch Online Compliance Utility by 9/30/16

- **Community**

- Interlocal Agreement and Uniform EMS Ordinance revised and presented to elected officials by 11/30/15, approved by member cities by 3/31/16
- Initiate customer service training throughout the agency. Improve satisfaction scores by 5% on monthly EMSST data by 9/30/16



- **Growth and Development**
  - Results of approved DSRIP programs exceed goals set by the program and milestone payments received by 9/30/16
  - Feasibility test an MIH subscription program to 1 retirement community with full launch by 7/31/16
  
- **People**
  - Maintain experience modifier for workers' compensation insurance  $\leq$  by 9/30/16



# Budget Summary

## Revenue

- Revenue is up by 4.0% or **\$1,732,702** in the FY 2015-2016 budget over the FY 2014-2015 forecasted actual due the following drivers:
  - Transports will increase by 3.0 %
  - HHSC cost report funding will remain constant
  - Subsidy provided by member cities will remain constant
  - Subscriptions will increase by 34% with an emphasis on promotion of the program in this fiscal year

## Expense

- Expense is up **4.1%** or **\$1,579,430** in the FY 2015-2016 budget over the FY 2014-2015 forecasted actual due to these drivers:
- Total Payroll and Payroll Related Expense main drivers are:
  - 3.6% Increase in total payroll expense or \$1,046,243.
    - Merit increase same as FY14-15
    - Addition of 4 FTEs to cover Deployment, Fleet, IT and Logistics
    - Decrease in incentive payments to all staff from 6% to 4% related to:
      - Achievement of FY 2015 goals
      - Lost and damaged equipment
- Vehicle and Equipment Expense main drivers are:
  - 2.8 % increase or \$91,457 in total vehicle and equipment
    - All vehicle, equipment, medical supplies and oxygen expenses are expected to increase slightly based on contractual and economic events
- Station Expense main drivers are:
  - .09% increase or \$10,412 in total station expense
    - All rental, maintenance utilities are expected to increase slightly based on contractual and economic events
- Other Expense main drivers are:
  - 7.9% increase or \$314,188 in total other expense
    - EPAB fees are increased by 5%
    - 30 year anniversary events total \$30,000
    - Additional \$323,215 in computer hardware/software maintenance due to new technology at Alta Mere

## Net Retained Earnings:

- 3.1% increase, totaling \$153,271
- Total net retained earnings are \$5,110,507 or 11.2% of net revenues.



## Capital Plan – FY 2015-2020

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

### **FY 2016 - \$3,994,560**

- Special Events Building - \$1,270,848
- CAD software - \$1,051,155
- Remount ambulances - \$910,000 (on chassis purchased in FY 2015)
- ERP Software - \$160,000
- Replace 176 mobile/portable radios over 4 years - \$145,200
- IT additions/replacements - \$ 457,357

### **FY 2017 - \$3,161,027**

- Replace cardiac monitors - \$1,550,000
- Remount ambulances - \$910,000 (on chassis purchased in FY 2015)
- ERP software (remaining modules) - \$160,000
- Video telemedicine system - \$100,000
- Replace 176 mobile/portable radios over 4 years - \$145,200
- Replace supervisor vehicles - \$98,000
- It storage, additions and replacements - \$197,827

### **FY 2018 - \$1,893,027**

- Replace 12 ambulances - \$1,680,000
- Replace 176 mobile/portable radios over 4 years - \$145,200
- Tablet replacements - \$67,827

### **FY 2019 – \$1,893,027**

- Replace 12 ambulances - \$1,680,000
- Replace 176 mobile/portable radios over 4 years - \$145,200
- Tablet replacements - \$67,827

### **FY 2020 - \$1,747,827**

- Replace 12 ambulances - \$1,680,000
- Tablet replacements - \$67,827

