



## **GLOUCESTER CITY COUNCIL**

9 Dale Avenue, Gloucester, MA 01930  
Office (978) 281-9720 Fax (978) 282-3051

### **Budget & Finance Committee**

Thursday, March 21, 2013 – 6:00 p.m.  
1<sup>st</sup> Fl. Council Committee Rm. – City Hall

### **AGENDA**

*(Items May be taken out of order at the discretion of the Committee)*

**1. Continued Business:**

A) Communication from EMS Coordinator, Sander Schultz, EMT-P re: recommendation for updating the Fire Department Ambulance Service Billing & Collection Policy for FY14 budget (Cont'd from 03/07/13)

**2. Supplemental Appropriation-Budgetary Transfer Request (2013-SA-116) from Chief Financial Officer**

**3. First Amendment to Memorandum of Agreement between Mass. Development Finance Agency & City for The Site Assessment Grant regarding 110 Commercial Street and Council acceptance of additional funds in The amount of \$32,329**

**4. Memo from City Auditor regarding accounts having expenditures which exceed their authorization And Auditor's Report**

### **COMMITTEE**

**Councilor Paul McGeary, Chair**  
**Councilor Joseph Ciolino, Vice chair**  
**Councilor Melissa Cox**

### **Committee members – Please bring relevant documentation**

Back-up and Supporting Documentation all on file at the City Clerk's Office, City Hall

CC: Mayor Carolyn Kirk  
Jim Duggan  
Kenny Costa  
Jeffrey Towne  
Fire Chief Eric Smith  
Sander Schultz

**The listing of matters is those reasonably anticipated by the Chair which may be discussed at the meeting. Not all items listed may in fact be discussed and other items not listed may also be brought up for discussion to the extent permitted by law.**



CITY OF GLOUCESTER FIRE DEPARTMENT  
8 SCHOOL ST.  
GLOUCESTER, MA 01930  
978-281-9760



The Honorable Carolyn Kirk  
Mayor, City of Gloucester  
9 Dale Ave.  
Gloucester, MA 01930

February 28, 2013

Dear Mayor Kirk,

I am writing to propose that we update the City of Gloucester Fire Department Ambulance Service Billing and Collection Policy in preparation for the FY 2014 Budget.

The first of these updates is to address the billing fee schedule. Our current fees are two years old and are set at **Medicare + 200%**. I am recommending that we increase our fees to the current **Medicare + 300%**. While this looks like a very high percentage increase the actual dollar amount increase is really not that much. This is due to the reduction in the Medicare reimbursement rates. This rate increase is estimated to generate an increase in revenue of around **\$125,000** above the projection based on our current rates. With Medicare and Medicaid making up over 75% of our payor mix, the decrease in Medicare reimbursements is increasing the strain on our overall collections.

The City of Gloucester Fire Department Ambulance Service currently carries an outstanding Accounts Receivable balance of just over \$1,200,000.00. Although most of this is current and will be collected, \$237,237.92 is greater than 365 days old and is considered uncollectable debt.

As stated above \$237,237.92 of our A/R is considered uncollectable debt. 281 accounts valued at \$225,091.66 is what remains of the old Comstar accounts, and 30 accounts valued at \$12,146.26 come from Intermedix.

In April of 2012 we initiated a limited agreement with a collections agency, F.H. Cann & Associates. Over the course of this agreement 107 accounts, totaling \$123,618.34 were sent to collections, with zero reimbursements recovered. Upon briefing your administration and the City Council, and in consultation with Fire Chief Eric Smith and CFO Jeff Towne, I will make a determination whether to continue these collections efforts or to terminate the agreement.

My recommendation is to write off, as uncollectible, the **\$237,237.92**. This would bring the total outstanding debt owed to the City down to \$962,832.99, all of which is less than 365 days old, and most of which is current and collectable.

Our financial hardship policy continues to work well, utilizing a write-off procedure and will require a simple updating of the write-off levels. We use an accepted formula of two times



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the federal poverty level as defined by the Federal Government Department of Health and Human Services.

Our current billing services contract is with Intermedix. The contract was initiated in April of 2011 and we are approaching the end of our second one year option. I intend to exercise the third one year option this April. Having worked with Intermedix for almost two years now I am fully satisfied that we are receiving excellent billing and collection services, and that while we are always on the lookout for improvements, our reimbursements are appropriately complete, and our revenue is as high as it should be.

I am preparing a full briefing and a draft update to the City of Gloucester Fire Department Ambulance Service Billing and Collection Policy. I will be prepared to present this briefing and draft update upon your request, and at the appointed Budget and Finance Committee meeting.

I recommend that this proposal be placed in the Mayor's Report to the City Council for their review and approval. If approved, in addition to recording the date of Council acceptance, a certified copy of the vote by the Council will be attached to the approved ambulance billing and collection policy for FY 2014.

Sincerely,

A handwritten signature in black ink, appearing to read "Sander R. Schultz".

Sander R. Schultz

EMS Coordinator

Cc: Fire Chief Eric Smith

City Hall  
Nine Dale Ave  
Gloucester, MA 01930

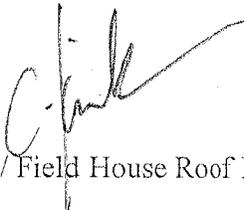


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**CITY OF GLOUCESTER**  
OFFICE OF THE MAYOR

**MEMORANDUM**

**TO:** Gloucester City Council  
**FR:** Mayor Carolyn A. Kirk  
**RE:** Gloucester High School / Field House Roof Repairs  
**DT:** March 5, 2013



Councilors,

The Administration is pleased to report to the Council that we have identified an available and existing funding source for the repairs to the Gloucester High School Field House roof as well as areas of the roof over the GHS Library. We know that you have been anxious for a proposal to come forward on this important repair.

As indicated on the enclosed supplemental appropriation form, the funds are settlement proceeds received as a result of litigation between the city of Gloucester and the architectural firm DRA. The Legal Dept., School Dept. and Auditor's office have traced the history of this account, and are all in agreement that the proceeds of this account can only be used for Gloucester High School. Further, the School Dept. and the Department of Public Works are in agreement that the roof repairs are the top priority.

Thank you in advance for your support of the supplementary appropriation request.

**City of Gloucester  
SUPPLEMENTAL APPROPRIATION - BUDGETARY REQUEST  
Fiscal Year 2013**

\*\*\*\*CITY COUNCIL APPROVAL- 6 VOTES NEEDED\*\*\*\*

APPROPRIATION # 2013-SA- 116 Auditor's Use Only

DEPARTMENT REQUESTING TRANSFER: \_\_\_\_\_ CFO

APPROPRIATION AMOUNT: \$ 347,844.55

Account to appropriate from:

Unifund Account # 284003.10.993.59600.0000.00.000.00.059

Account Description R/A-School Lit.-Trans. Out - to Cap. Proj .

Balance Before Appropriation	\$	<u>347,844.55</u>
Balance After Appropriation	\$	<u>-</u>

Account Receiving Appropriation:

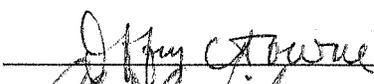
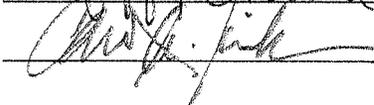
Unifund Account # 300085.10.992.49700.0000.00.000.00.040

Account Description GHS Renovations Cap. Proj. - Transfer In from S/R

Balance Before Appropriation	\$	<u>-</u>
Balance After Appropriation	\$	<u>347,844.55</u>

DETAILED ANALYSIS OF NEED(S): Funds are settlement proceeds received from the litigation, City of Gloucester v. DRA, Architect. Funds are to be appropriated to a Cap. Projects Fund for building renovations to the Gloucester High School.

**APPROVALS:**

DEPT. HEAD:	<u></u>	DATE:	<u>2/25/13</u>
ADMINISTRATION:	<u></u>	DATE:	<u>3/5/13</u>
BUDGET & FINANCE:	_____	DATE:	_____
CITY COUNCIL:	_____	DATE:	_____

**FIRST AMENDMENT TO MEMORANDUM OF AGREEMENT**  
**For Site Assessment Grant**

This **AMENDMENT TO MEMORANDUM OF AGREEMENT** (the "Amendment") hereby amends the Memorandum of Agreement dated August 1, 2012 between **MASSACHUSETTS DEVELOPMENT FINANCE AGENCY** ("MassDevelopment"), a body politic and corporate established and existing under Chapter 23G of the Massachusetts General Laws, having its principal place of business located at 160 Federal Street, 7<sup>th</sup> Floor, Boston, MA 02110, and the **CITY OF GLOUCESTER**, a Massachusetts municipality having an office at 9 Dale Avenue, Gloucester, MA 01930 ("Sponsor") ("MOA") concerning the Project located at 110 Commercial Street in Gloucester, MA (the "Project").

All capitalized terms in this Amendment not defined herein shall have the meanings given to them in the MOA.

For valuable considerations given in the MOA, the parties hereby agree as follows:

1. Section I.A. (ii) of the MOA is hereby amended to read as follows:

"Sponsor shall use good faith efforts to complete the Site Assessment on or before April 1, 2013 and shall submit all of its requests for MassDevelopment Funds (hereafter defined) no later than June 30, 2014."

2. Section I.B.(i) of the MOA is hereby amended to read as follows:

"MassDevelopment shall advance to Sponsor, provided that neither a Triggering Event nor an Event of Default (both hereafter defined) has occurred and that this Agreement has not been terminated for any reason, **an amount up to but not to exceed \$32,329** (the "MassDevelopment Funds"), to be used solely for reimbursement/payment of the estimated costs of the Site Assessment but not to be used in any event to pay any costs of the Excluded Work (defined on **Exhibit B** hereto). The sole source of the MassDevelopment Funds shall be the Brownfields Fund and the Brownfields Fund shall be the sole source for satisfaction of claims, if any, brought by Sponsor hereunder."

All terms and conditions of the MOA, as amended, remain in full force and effect and are ratified and confirmed by the parties hereto.

EXECUTED as of the 27<sup>th</sup> day of February, 2013, as a sealed instrument by the parties hereto.

MASSDEVELOPMENT FINANCE AGENCY

By: James J. Carter

CITY OF GLOUCESTER

By: Andrew Pike 2/11/13