

Budget & Finance Committee
Thursday, May 3, 2018– 5:30 p.m.
1st Fl. Council Committee Room – City Hall
-Minutes-

Present: Chair, Councilor Melissa Cox; Vice Chair, Councilor Scott Memhard; Councilor Ken Hecht
Absent: None.

Also Present: Councilor Lundberg; Councilor Holmgren; Jim Destino; Amit Chhayani; Joanne M. Senos; Fire Chief Eric Smith; EMS Coordinator, Sander Schultz; Gregg Cademartori

The meeting was called to order at 5:32 p.m. There was a quorum of the City Council until the departure of both Councilors Lundberg and Holmgren at 6:47 p.m. Matters were taken out of order.

1. Memorandum from Gloucester Archives Committee re: acceptance of a donation in the amount of \$150

Ms. Senos advised the Gloucester Archives Committee is in receipt of a donation from for \$150 to assist in funding their Vault Construction Fund, and in order for the Archives Committee to expend these funds the Council must accept the donation.

COMMITTEE RECOMMENDATION: On motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council accept under MGL c. 44, §53A, a donation from Lisa Lambert in the amount of \$150.00 for the Archives Department for the purpose of funding the Archives Department Vault Construction Fund in Fund 3318.

2. Special Budgetary Transfer Request 2018-SBT-11 from Personnel

Jim Destino, CAO, advised in order to cover five additional hours per week at \$175.70 for 12 weeks for the Assistant Human Resources Director to cover the absence of the Human Resources Analyst position, and to cover a current deficit of \$6,363, the Personnel Department needs to transfer a total of \$8,471 from its Workers Compensation Settlements account to the Human Resources salaries account to cover overtime and the shortage in the line item.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve Special Budgetary Transfer 2018-SBT-11 in the amount of \$8,471 from Account #0191051-517009, Worker's Compensation, Settlements to Account #0115251-511000, Human Resources, Salaries, for the purpose of funding five additional hours per week at a rate of \$175.70 for twelve weeks for Assistant HR Director to cover absence of the HR Analyst position and to cover a current account deficit for FY2018.

3. Special Budgetary Transfer Request 2018-SBT-12 from the DPW

Mr. Destino explained that funds are needed for street light electrical bills for the rest of the fiscal year because actual costs have been higher than projected. Funds are coming from the Solid Waste Disposal account as the tonnage amount projected for the rest of the fiscal year is lower than anticipated, which means people are recycling more, he pointed out. **Councilor Cox** touched on what the Solid Waste Disposal line was used for with **Mr. Destino** who indicated the account paid for such things as tipping fees.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend that the City Council approve Special Budgetary Transfer 2018-SBT-12 in the amount of \$50,000 from Account #0140352-529004, DPW-Solid Waste Disposal Contract to Account #0149952-521000, DPW-Central Services, Energy, for the purpose of funding street light electrical bills to June 30, 2018.

4. Proposal from EMS Director re: updating the City of Gloucester Fire Department Ambulance Billing and Collection Policy

Proposed Ambulance Service Billing Changes for FY2019

Sander Schultz, EMS Coordinator, Firefighter/Paramedic, reported to the Committee the following: The recommended fee increase for FY19 is slight from FY18 (on file). The ALS 1 Emergency Service Charge is up from \$1,797.44 to \$1,823.88; BLS Emergency Service Charge is up from \$1,513.64 to \$1,535.92; ALS 2 Emergency Service Charge goes from \$2,601.56 to \$2,639.84; Specialty Care Transport is up from \$3,097.23 to \$3,119.80 (a very rare occurrence). These increases are to keep the department on par with standard increases based on national trends. Based on these increases and projections provided by the billing company Intermedix the projected revenue for FY19 is \$1,320,204. **Councilor Cox** asked if the Service was on track to meet revenue expectations for FY18. **Mr. Destino** and **Mr. Chhayani** confirmed that is the case.

Mr. Schultz briefly described for **Councilor Hecht** the definition of ALS as “advanced life support” which is provided by EMT Paramedics for things like intubation, IV, cardiac pacing, administration of medications which are examples of advanced skills. BLS was described as Basic Life Support skills provided by EMT-Basic’s. He noted the example of the Rockport Ambulance Service is a BLS volunteer ambulance. If Rockport has a need for ALS service they have to call back-up, which for the town is Beauport Ambulance. He also touched upon how the Fire Department staffs their ambulances and that if they go further than two calls deep, they have a contract with no funds exchanged for back up to be provided by Beauport Ambulance. Beauport in turn takes that business and bills for it, in essence the same as what the city does for its transports.

Proposed Annual Write-off of Bad Debt:

Referring to a memo and an addendum to the Council’s information on the Fire Department Ambulance Service’s annual write off of bad debt (on file), **Mr. Schultz** explained that: This year’s write-off request is for \$510,355.27 from a total of 321 accounts. Account information was forwarded to the CFO and City Auditor. For these accounts, they don’t write off any bill that is less than 300 days old; in some cases accounts go back to 2013, ranging from different payers--auto insurance, Medicare, private insurance, self-pay. He noted that his memo speaks about collection agencies, noting that many companies and services that have accounts which go into arrears hire a collection agency to pursue payment. He recounted that for about two years the Ambulance Service employed a collections agency, F.H. Curran, to pursue uncollected funds; and after two years no money was collected and the collections agency netted no income (income by a collections agency is derived from a portion of all paid collections, typically 50%). Due diligence was satisfied but it netted no revenue. There are many changes in billing collections having to do with insurance reimbursements, he explained. Due to the increase in costs in providing ambulance services, insurance companies are changing the way in which they reimburse these expenses by increasing co-pays and deductibles which increases the load on private citizens sometimes including placing the entire bill on the insured. The Service’s billing company, Intermedix, doesn’t do collections of this nature. Were they to hire a collections agency, Intermedix has an interface that would work with that agency. He also touched on briefly some of the parameters the Service is allowed to bill under by law. He advised demographic criteria would be set to have a collection agency pursue account collections, giving several examples. He pointed out that under the Medicare rules, the Service isn’t allowed to balance bill. Having spoken with the City Auditor, it is time to take another look at a collections agency moving into FY19. He suggested it is an important step to consider. There is no retainer, and the collections agency is only paid if they are successfully collecting money, he reiterated.

Councilor Cox discussed with **Mr. Schultz** that the accounts to be written off were not able to be collected by standard means. He noted there was a time when there was a larger pool of self-pay, and those patients were getting paid out of state funds, and private insurance companies paid about whatever they were billed for. Secondary to the mandatory insurance in the State of Massachusetts, with the adoption of the Affordable Care Act it forced changes across all insurance providers. They also discussed that if a bill is in process it is not considered in arrears. No bill that is younger than 300 days would go to a collections agency because they’re still using conventional avenues for repayment. They also touched on a cut-off date for when bills in arrears are pursued or are eligible for write off. Responding to an inquiry by **Councilor Cox**, **Mr. Schultz** noting a HIPAA compliant document which he submitted for the record showing a breakdown of the 321 accounts, he reviewed that of the 321 accounts, \$5,975.92 is represented from Auto Insurance; \$60,169.67 from Medicare; \$84,884.30 from Private Insurance and \$359,325.38 from Self-Pay/Unknowns (patients they don’t know their identity, that may not have an address, or identify a payment source. The oldest account in that category dates back to June 2013. **Councilor Cox** suggested at some point they’d like more detail on it. **Mr. Destino** pointed out the unknowns will be a part of that list.

Councilor Memhard pointed out the City’s Fire Department Ambulance Service is providing a service is provided to constituents and residents with two ambulances kept on standby, and if a third isn’t available, that call

goes to a private ambulance service. He asked about the cost of providing that service versus the revenue of \$1.3 million and writing off an additional \$510,000. He suggested perhaps if the city had to reduce its stand-by ambulance service from two to one ambulance or have the private ambulance provide back up and have a private service absorb that uncollectable liability. **Fire Chief Eric Smith** pointed out this is a different issue than what is before the Committee. He advised that these firefighters have dual roles -- firefighters staffing the ambulances that also staff the ladder truck. He further advised that you can't have "wholesale cuts" on that staffing and still have the function of the fire response; and if they cut out the ambulance they're still compelled as the 911 PSAP (Public Safety Answering Point) Service to respond to those calls and service those needs for the public as a first response unit. A private company isn't going to come in and absorb and take over and they just sit in the station. He cited that it's not as if they still won't have to spend on fuel, vehicle maintenance and will be running in really big trucks instead of smaller ones to all the EMS calls. It is hard to quantify the amount of money just spent on the EMS portion except for the EMS vehicles; the supplies which may not be obvious, because if they get to the scene first they are obligated to treat and expend their supplies and then hand the call off to someone else who transports the patient. That service then bills and receives the entire revenue. **Mr. Schultz** pointed out that providing ambulance services is a "red bottom line," whether the service is provided by a municipal or private service. He highlighted that 70% of their transports are Medicare/Medicaid runs which only pays 25% of billed costs -- on a \$2,000 transport bill that comes to a \$500 reimbursement. The Service bills out over \$4 million annually with a return of \$1.2 to \$1.3 million in revenue. It is very complicated and the insurance industry is making it increasingly complicated, he noted. **Councilor Memhard** noted that he wasn't suggesting that they have it as a goal but was attempting to understand the variables. **Mr. Schultz** pointed out private ambulance services won't take up a service for a loss. **Mr. Destino** noted it is a \$9 million budget for the Fire Department. It is difficult to equate the capital costs, paying Firefighter EMT's and Firefighter Paramedics, and it is also about local people picking up local people. There are many associated intangible costs. There is an analysis whether the EMS service makes sense which has been looked at in the past, he noted. He explained that the way this department is structured it is top notch with most firefighters certified as Paramedics with two ambulances running and because of that they can bill at the highest rates. **Mr. Schultz** highlighted that the department has achieved an important benchmark of having ALS service on all engines. This means that the Magnolia, West Gloucester and Bay View Fire Stations are at the first response tier with a fully equipped Paramedic on scene within four minutes which speaks to the Service's intrinsic value of EMS being delivered to the municipality.

Councilor Hecht asked what the best practices are. **Mr. Schultz** reviewed for the Councilor how a bill is generated from the ambulance run form which is electronically uploaded to the billing company, Intermedix who get 3% of the total as their fee which equates to \$30,000 a year. This national company keeps the department up to date on the fluid regulatory environment that they need to know about. They are a good deal, **Mr. Schultz** and **Councilor Hecht** agreed. **Chief Smith** participated in a discussion on costs and how documentation assists billing processes. He advised they do educate their new EMT's and Paramedics on better documentation practices to assist in billing.

Councilors Hecht and **Memhard** touched the public perception is that this is a free service because they pay their taxes, and that there could be better educational outreach to help the public better understand what it costs to put the emergency personnel and vehicles at citizens' disposal in an emergency. It was pointed out by **Councilor Memhard** that along with the ambulance responding to a 911 call there are police who respond as well as possibly the ladder truck for additional personnel to assist in a response as a standard protocol which is consistent with state guidelines to ensure all contingencies are covered. **Mr. Schultz** pointed out a very concerning national trend of people Ubering to emergency rooms because of people being concerned of calling 911 and receiving a big bill, but by not calling 911 they're not getting the rapid professional assessment and in the field treatment that could save their lives. He pointed out they've focused on providing the highest quality emergency care possible, that the bottom line is patient care.

Councilor Cox reviewed Mr. Schultz's submitted compilation of the breakdown of uncollected debt in its categories briefly. She asked that as some point they break that down further and have a deeper discussion on that matter.

Councilor Hecht asked how they can improve their write off numbers. **Mr. Schultz** summarized that documentation training is important to get critical demographic information from the patient directly as hospitals no longer share that information due to HIPAA, and they need to look at a collection agency.

Mr. Destino expressed his thanks to Mr. Schultz for doing an excellent job during his 13 year tenure as the city's EMS Coordinator. He advised Mr. Schultz is returning to a line firefighter's position. He introduced Firefighter/Paramedic Jonathan Sanger as Mr. Schultz's replacement whom **Mr. Schultz** assured he would do a great job. **Chief Smith**, also adding his approbation of Mr. Sanger's appointment, pointed out Mr. Sanger has been

shadowing Mr. Schultz for several months now to learn as much as he can. He added that Mr. Schultz will still be on the department and will be a valuable resource from time to time.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve the Gloucester Fire Department Billing and Collection Policy as presented by the EMS Coordinator and approved by the Mayor dated April 18, 2018 and further to approve the proposed fee schedule attached to and incorporated into the policy effective July 1, 2018.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council authorize the write-off of \$510,355.27 in uncollectible, outstanding ambulance billing.

5. Memorandum from Community Development Director re: Affordable Housing Trust Committee approval of Habitat for Humanity project at Marina Drive #5

Gregg Cademartori, Planning Director, speaking for the Community Development Director advised that the Affordable Housing Trust (Trust) at their last meeting, for which he was not present, heard a presentation on the application for funding from Habitat for Humanity (Habitat) regarding their proposed project of purchasing a property at 5 Marina Drive to build a two-unit townhouse condominiums to be sold to families at 40% to 60% AMI. The initial ask was for \$110,000 but that upon the review of the Trust it was voted to recommend funding the Habitat at \$40,000 per unit for a total of \$80,000. Noting that the minutes from the April 12 meeting were brief with most of the discussion centered on the decision of how much the Trust should fund, the Trust was supportive of the project, he advised.

Councilor Memhard reviewed that this is part of the funding for a project that was discussed at the April 24 public hearing for CPA funding for the purchase of 5 Marina Drive by Habitat. The project plans call for building a two-family with three-bedroom units; the first floor being fully accessible so residents could age in place. In a well-attended community meeting last night with many concerns aired, he advised. He suggested the recommendation of the Trust is consistent with the Trust's resources, as well as the CPA fund for Affordable Housing.

Councilor Cox noted the total property purchase price is \$250,000, and that between the CPA and the Trust funds recommendations, that brings the total recommendation to \$230,000. She pointed out had the Trust recommended the full amount it would have brought Habitat's total to \$260,000, and expressed she was pleased with the Trust's decision to recommend funding at \$80,000.

Councilor Hecht noting that the Committee voted to recommend the CPA funds for Habitat for Humanity there has been pushback. He asked what the CPA funds and Trust funds totaled for the Cameron's project. **Mr. Cademartori** pointed out that the Trust's initial funding of that project was \$10,000 but they came in for a subsequent request of \$110,000 totaling about \$120,000. **Councilor Hecht** pointed out that the city is getting two units by expending \$230,000. The Cameron's project is for 30 units at \$110,000 in funding. He indicated he understood the Habitat units are for home ownership and wanted to be sure this was in proportion, and pointed out they're investing a higher amount per unit for the Habitat project. **Mr. Cademartori** offered that most of the Trust members have been on it since it was formed. Many people look for guidance on the \$20,000 to \$30,000 subsidy per unit along those lines, if it makes sense. He advised that each individual project has to be examined on its own merits. He explained that the Cameron's project is an \$11 million project versus a \$300,000 project that's primarily looking for volunteers to do the demolition and construction. **Mr. Destino** noted that this Trust money has been sitting around for some time, and the CPA affordable housing funds sat for a great deal of time -- only recently have any applicants come forward for funding. He pointed out CPA money is taxpayer's money, but the Trust money is not taxpayer's money but is money that was paid in by a developer in lieu payment of putting in affordable housing units into their projects. The Trust does great work, he noted, and the Mayor's office supports both of these contributions. He added that it was clear from the FMUV project that affordable housing is important to the community and to the city's Housing Production Plan. He further suggested they need to talk about how they write their ordinances to spur the building of affordable housing in the city. **Councilor Cox** confirmed with **Mr. Destino** that the FMUV, LLC would likely not come back to the city for grants to build their affordable housing units. **Councilor Memhard** pointed out the Administration negotiated for the city to grant Brownsfield Funds to the FMUV for site remediation. **Mr. Cademartori** highlighted that there is a big difference between building affordable housing rental units and homeownership models in terms of funding and developing such projects within the city. It also depends on the mission of the organization coming forward for funding, he added.

Councilor Lundberg pointed out that the Trust has its own terms and conditions, and looks to see if the applicant meets their criteria for funding -- the Trust is only a conduit for the funds not a driver of the development. This project meets the Trust criteria, he added.

Councilor Hecht asked with respect to Affordable Housing Trust monies, if the funding was reduced would it collapse the project, and did it require this degree of funding from the Trust, or can they reduce the funding and preserve it for another day, another project. **Mr. Cademartori** recounted from the Trust's minutes of the meeting that the Trust's the initial motion was to fund at \$30,00 per unit which failed; then a second motion at the full ask of \$110,000 which failed, and then at the level of \$40,000 per unit which was voted for recommendation, now before the B&F Committee. **Mr. Destino** added that they're seeing Cameron's struggling to get their funding put together. This is being used for the purchase for the property at 5 Marina Drive, which makes it less of a reach for Habitat in that the more money given the more of a probability the project, gets built. He noted he lives right behind five Housing Authority units that are owner occupied. He suggested that there is a big difference between affordable housing home ownership than affordable housing rental units and that was why the Trust gave more money rather than less. **Mr. Cademartori** expressed concern for the permitting process if things don't look favorable and become protracted. If the permitting fails, the CPA funds stay with the fund and will move on to other projects, he noted.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council appropriate \$80,000 for an affordable housing project as requested by the Affordable Housing Trust Committee for the 5 Marina Drive, Habitat for Humanity Housing Project from Fund# 8217, Expendable - Affordable Housing Trust fund for the purpose of supporting the creation of affordable home units for households earning no more than 60 percent to Area Median Income adjusted for household size. Units shall carry a State Affordable Housing Restriction in perpetuity.

6. Memorandum & Supplemental Appropriation-Budgetary Transfer Requests 2018-SA-29, -30 & -31 from CFO

Mr. Destino explained that the following three supplemental appropriations are for the Police Department: 2018-SA-29 is to fund an Assessment Center to review and make a recommendation for a new Police Chief to replace retiring Interim Police Chief John McCarthy. They'll put an RFP out soon for the Assessment Center once the money is approved and start the process of selection of a new Police Chief. At the request of **Councilor Cox**, **Mr. Destino** described the Assessment Center as the city's consultant who does the initial work of putting out the advertisement for new Police Chief; working with the selection Committee. The Assessment Center interviews the candidates confidentially, pares the candidate list to three to five candidates for the Selection Committee's consideration; then there are public interviews. He noted the streamlined ordinance recently put in place guiding this hiring process. Responding to **Councilor Cox's** follow-up question, **Mr. Destino** advised that the Selection Committee will be able to view the entire roster of potential candidates confidentially. The Assessment Center will do all the CORI checks and whatever needs to be done to assure that the city has before it high quality candidates. It was noted that the current Police Chief is a member of the Selection Committee; that his institutional memory will be very important during this process. The final decision for the successful candidate is the Mayor's, he noted.

He advised that Supplemental Appropriations 2018-SA-30 and -31 will fund the settlement of the Patrolmen's contract for both Fiscal Years 2017 and 2018 in the Uniform Division (\$131,340.56) and the Criminal Investigation Division (\$10,000). The total of the three appropriations is \$151,340.56. The source of the funding is from the balance of the Overlay Surplus account, funds which the Council voted to release several months ago, he recounted.

In response to an inquiry by **Councilor Hecht**, **Mr. Destino** noted that both 2018-SA 30 and -31 constitutes retroactive pay as both the Patrolman and Superior's contract is for Fiscal Years 2017, 2018 and 2019.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2018-SA-29 in the amount of \$10,000.00 (Ten Thousand Dollars) from the General Fund, Fund Balance - Reserved for Overlay Surplus, Account #0001-322000, to Executive - Mayor's Office, Purchase of Services, Account #0112152-520000 for the purpose of funding the Assessment Center to review and make recommendations for a new Police Chief.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2018-SA-30 in the amount of \$131,340.56 (One Hundred Thirty One Thousand Three Hundred Forty Dollars and Fifty Six Cents) from the General Fund, Fund Balance - Reserved For Overlay Surplus, Account #0001-322000, to Police - Uniform, Salaries, Account #0121151-511000 for the purpose of funding the settlement of the Gloucester Police Department Patrolmen's Association contract for Fiscal Years 2017 and 2018.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2018-SA-31 in the amount of \$10,000 (Ten Thousand Dollars) from the General Fund, Fund Balance - Reserved For Overlay Surplus, Account #0001-322000, to Police - Criminal Investigations Department, Salaries, Account #0121251-511000 for the purpose of funding the settlement of Gloucester Police Department Superior Officer's Association contract for Fiscal Years 2017 and 2018.

7. Memorandum from CFO re: repurposing of completed General Fund Capital Project Funds

Mr. Destino explained that it is proposed to consolidate the remaining balances in six completed General Fund capital project funds dating from 1997. The total of these remaining balances is \$18,061.76 to be used for patching city roadways. He described that some funds were tied to sewer work and couldn't be consolidated for paving roads.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council authorize the following loan order:

Ordered: That in accordance with c. 44, §20 of the General Laws, the \$3,196.38 unexpended balance of Fund #5000 initially borrowed to pay the costs of CIP97 Blackburn Expansion, the \$186.27 unexpended balance of Fund #5001 initially borrowed to pay the costs of CIP04 MIS Software, the \$7,835.34 unexpended balance of Fund #5005 initially borrowed to pay the costs of CIP05 Klondike Drain/Paving, the \$4,756.00 unexpended balance of Fund #5015 initially borrowed to pay the costs of CIP10 Road Improvements Atlantic/Bray Street, the \$334.64 unexpended balance of Fund #5020 initially borrowed to pay the costs of CIP11 Road Improvement Paving Project, the \$1,753.13 unexpended balance of Fund #5025 initially borrowed to pay the cost of Fire Pumper and Ladder, which projects are complete and such amounts are no longer needed for the projects, are hereby appropriated by this Council to a new Paving Capital Projects Fund #5053 to pay the costs of Miscellaneous Paving work within the City, including the payment of any and all costs incidental and related thereto.

This matter will be advertised for public hearing for May 8, 2018.

8. CC2018-020 (Memhard/Cox/Hecht) Request City Council vote to place a proposed increase on the CPA surcharge from 1% to 3% on the November 6, 2018 ballot

The Committee discussed with **Mr. Destino** about their need to receive advice from General Counsel for appropriate ballot question language and an accompanying narrative. They touched on their need to receive information from the Assessors on the impact to taxpayers by raising the CPA surcharge. **Mr. Destino** offered that to raise more money for the CPA surcharge the Committee could consider eliminating the property exemption for the first \$100,000 in property value. **Councilor Hecht** suggested that alternatively if it were possible perhaps the Committee might wish to consider raising the cap of the property exemption to \$150,000 to assist lower income property owners. **Mr. Destino** advised that the average taxpayer is paying about \$50 a year, and if raising the CPA surcharge to 3% a year, that would increase the payment to \$150 annually. **Councilor Cox** suggested that the Committee submit a Request to the Mayor from the Committee asking for the Assessor's Office to compile the impact of raising the CPA surcharge at various levels and what the average CPA payment is by taxpayers as it is now at 1%. **Councilor Memhard** indicated that the exemption would not be his preference, and was in favor of putting forward a ballot question for increasing the CPA percentage. A second Request to the Mayor would be

forwarded by the Committee to General Counsel to learn if it is legal to raise the cap of the CPA surcharge exemption from \$100,000 to \$150,000 and if so, what would that process entail.

MOTION: On a motion by Councilor Cox, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to refer the matter to General Counsel for the development of a ballot question and narrative in order to place a proposed increase on the CPA surcharge from 1% to 3% on the November 6, 2018 ballot to return to the Committee for its May 17 regularly scheduled meeting.

9. *Memo from City Auditor regarding accounts having expenditures which exceed their authorization & Auditor's Report and other related business*

Amit Chhayani, Assistant City Auditor, reviewed his reports (on file) with the Committee.

A motion was made, seconded and voted unanimously to adjourn the meeting at 7:01 p.m.

Respectfully submitted,
Dana C. Jorgensson
Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING:

- **HIPAA Compilation of Listing of outstanding billing accounts comprising a \$510,355.27 Fire Department Ambulance Service Write Offs submitted by EMS Coordinator, Sander Schultz**