

**City of Reading City Council  
Budget Review Meeting  
Thursday, November 7, 2013**

**Council Members attending:** D. Reed, F. Acosta, M. Goodman-Hinnershitz, D. Sterner, S. Marmarou, J. Waltman

**Others attending:** L. Kelleher, C. Younger, C. Snyder, D. Cituk, G. Mogel, J. Conrad, First States, R. Johnson, M. Bembenick, C. Zale, V. Spencer, E. Lloyd, L. Murin

Ms. Reed called the budget meeting to order after the conclusion of the executive session.

**EMS**

Chief Mogel introduced Deputy Chief Conrad and the representative from First States, the firm who handles the billing for the EMS service.

Deputy Chief Conrad distributed the response to the questions posed by the City Clerk about EMS services. He stated that the 4<sup>th</sup> EMS unit will be in service on November 15<sup>th</sup> and the unit will be staffed using EMS technicians brought in through the SAFER Grant. He stated that the 4<sup>th</sup> unit is projected to generate \$600-800,000 per year.

Deputy Chief Conrad stated that 80% of the patients transported have insurance and 20% are patient pay transports. He stated that in general 7% of the amount billed is collected, which is in line with other municipalities.

Deputy Chief Conrad stated that a BLS (Basic Life Support) call is billed at \$700, an ALS1 (Advanced Life Support without medication or other measures) call is billed at \$850 and an ALS2 (with medication or other measures) is billed at \$950. Standby calls are billed at \$90 per hour with a half hour charge for transportation. He stated that the division responds to 11,000 calls per year. He explained that the division has been unable to respond to every call and depends on surrounding municipalities to assist. He stated that bringing on the 4<sup>th</sup> unit will allow the division to handle more calls and assist surrounding municipalities.

Deputy Chief Conrad stated that during 2012 and 2013 the EMS Division billed and collected the following:

	<b>Billed</b>	<b>Collected</b>
<b>2012</b>	\$8.2M	\$3.1M
<b>2013</b>	\$6.3M	\$2.3M

Deputy Chief Conrad explained that the difference between the billed rate and the rate collected is due to the contractual or negotiated rate with the insurance providers. He stated that Medical Assistance pays \$200 of an \$800 bill. Approximately 15% is charged off and sent to collection.

Deputy Chief Conrad stated that Affordable Healthcare will decrease the number of patient pay transports and that State Governors are expected to increase the amount of Medical Assistance reimbursement, although Governor Corbett has not done that yet.

Deputy Chief Conrad explained that when a call for service comes through 911, the crew responding is required to transport a patient to the hospital if they make that request. He stated that the crew is not permitted to determine if a trip to the hospital is actually required under State statute.

Deputy Chief Conrad stated that Affordable Healthcare will require hospitals to form partnerships with EMS providers so discharged patients can be monitored which should reduce repeat visits. He stated that hospitals are fined for repeat patient visits for the same conditions.

Deputy Chief Conrad stated that the responding EMS unit begins communications with the hospital while on route, which allows the hospital to begin determining the care of the patient on arrival.

Deputy Chief Conrad stated that the SAFER Grant expires in 2015 and the City will then determine if the 4<sup>th</sup> unit will stay on.

### **Auditor's Recommendations**

Mr. Cituk reviewed the revenue recommendations distributed at the October 28<sup>th</sup> regular meeting. He stated that properties coming off of the KOZ (Keystone Opportunity Zone) program in 2013 will generate \$700K in property taxes (conservatively).

Mr. Cituk stated that his recommendations will increase revenues by \$838,703.

Mr. Cituk stated that he will provide his expenditure reduction recommendations at the November 12<sup>th</sup> regular meeting.

### **Recycling**

Mr. Acosta called an executive session to discuss the recycling litigation at 6:24 pm. The executive session ended at 6:56 pm.

## **Public Works Budget Additions**

Mr. Johnson stated that the City currently owns three (3) dams: Bushong, Bernhart's and Egleman's. He stated that the State DEP is pressuring the City to drain, inspect and rehab the Bernhart's Dam. He stated that the DEP is also suggesting that the dam be breached and taken out of service. He stated that repairs to this dam could cost millions of dollars.

Mr. Johnson stated that there are unremediated safety concerns with Bushong that will need to be addressed. He noted that repairs to Egleman's Dam are not pressing.

Mr. Johnson stated that the dams have different purposes. Bushong was built to support an industrial property and Bernhart's was built as a water source. He stated that the piping to transport the water is still in place.

Mr. Johnson stated that the retaining wall around the base of the Pagoda is crumbling and the area has been fenced off. The required repairs are being assessed.

Ms. Snyder stated that the required public works repairs and the potential loss of the recycling billing will require an additional \$2.6M, after adding in \$500K of the Auditor's revenue recommendations, adding in the retention of the current resident and commuter EIT rates and eliminating the parking lot issues.

Ms. Snyder stated that options to consider are:

- Pare down recycling levels of service
- Consider the use of the funds appropriated for CPAAM
- Finance the repairs to the Pagoda and the dams over a five year period
- Reduce the Library allocation

Ms. Goodman-Hinnershitz noted that breaching and removing the Bernhart's dam could cause drainage issues for Muhlenberg Township properties. She also noted that the problem with the retaining wall at the Pagoda was identified approximately five (5) years ago, so the administration should not be surprised.

## **Other Matters**

Mr. Acosta stated that a portion of the Committee of the Whole meeting on the 12<sup>th</sup> will be used to continue budget discussions. He stated that he will review the poll taken and discuss the results with Ms. Snyder.

*Respectfully submitted by Linda A. Kelleher CMC, City Clerk*