

**Open Work Session**  
**April 18, 2017**  
**Fire Service Agreement**

Mr. Wayne Strausburg, Director of Administration, came before Council. Mr. Cannon said, initially there were some questions as far as the agreement itself. He said the second "Whereas" paragraph talks about the County's desire to provide services. He said it should be the City desires to provide services and vice versa. He said Council will bring any of those particulars to their attention later. Mr. Strausburg said he thought Mr. Paul Wilber's intent when he drafted the agreement was the County desires to provide services to residents outside the City in a cooperative effort with the City. Mr. Kilmer said, so the County is guaranteeing the County residents these services. Mr. Strausburg clarified the County is guaranteeing citizens who are living in the unincorporated areas, service by the City in the City's fire districts. He said the County is guaranteeing service to them through this agreement. Mr. Cannon said it is almost interchangeable, surprisingly. Mr. Strausburg said he thought that that was the intent, but he will clarify that.

Mr. Cannon said he was having trouble with the maps as he could not distinguish the actual maps. He then asked if they had hard copies they can use for future reference. Mr. Strausburg said the existing fire services map is the only fire services map. Mr. Kilmer said, in the agreement, it talks a little bit about changes to territory. He asked if Mr. Strausburg could explain the process to do that. Mr. Strausburg responded, the reference to changes in the fire service areas or the ambulance response areas, would be the traditional methodology, in other words, the Radio Committee and Fire Chiefs' Association, historically, have mentored that process. Historically, any changes in those district boundaries have been at the request of the Chiefs' involved. He said this is what he guesses they are alluding to with Station One, is a situation without precedent. Mr. Strausburg continued, he said it gets into some issues they should probably discuss once the County has gone through the agreement, to see whether or not Council has any questions or comments regarding the agreement itself, and the business terms of the agreement. Mr. Strausburg said he thought there are other issues that have to be discussed. Mr. Kilmer said, it makes sense in the agreement that the Salisbury Fire District may only be amended by agreement, of the County, the City, and Wicomico County Chiefs, this codifies it, where it was not codified before. Mr. Strausburg said it was not codified before. He said given the situation that they have, they felt that it was appropriate that it be codified. He said if the County is going to be expected to provide funding, or if the County is going to be expected to change service boundaries for County citizens in the unincorporated areas, we would like to have a say at the table.

Mr. Cannon said, in number two it says, the City agrees to provide advance operation services. He said at some point in time, it seems like there is mention about advance operation services, fire, EMS, and ALS, but it is really fragmented, it does not seem like it is all being addressed at the same time. He said it was kind of confusing as to exactly what was mentioned when it said, Advanced Operation Services. He said he was not quite sure what that entailed. Mr. Cannon continued, he asked, are you referring to payments for services for mutual aid as well, because anything outside the fire district, to which Mr. Strausburg clarified, mutual aid is excluded. Mr. Cannon said, further down it talks about mutual aid, but in number two it says that the City agrees to provide advanced operation services to areas of Wicomico County outside the fire district. He said that would be another municipality. He thought there should be some clarification on unincorporated areas, outside of the Salisbury fire district, on number A2. Mr. Strausburg said all that is saying is the City is agreeing to provide advanced operations services, which has its own definition to areas outside of the Salisbury fire districts. He said, for instance, if there is a calamitous event in an area outside their fire district, this is their agreement to provide mutual aid. Mr. Kilmer asked, for hazmats, are you saying, Mardela Springs does not have the equipment for that, Salisbury does, so if something happens they will go to Mardela Springs, to which Mr. Strausburg clarified, high angle operations, that type of thing. Mr. Kilmer said that is what the County will pay \$71,000 the first year, \$45,000 going down, and years four and five will not pay anything, to which Mr. Strausburg said, right. He said it used to be \$125,000 a year annual stipend, and the County negotiated that down to a three year phase, because the volunteer companies that are servicing the County fire districts have the capability of providing advanced operations. Mr. Strausburg said Council may recall there was a dive event down at the Ferry, and that was responded to by Westside. He said, it is simply insuring the fact the agreement does not nullify any previous inter-relationships with regard to mutual aid. Mr. Cannon asked, what does Advanced Operation Services entail outside of just divers, to which Mr. Matt Holloway said, at the top of the agreement it says "hazmat, technical rescue, and trench rescue services." He then asked is that excavating, to which Mr. Strausburg responded, yes, excavating and if you had somebody collapse. Mr. Kilmer asked for clarification on the collections. He asked are these where the County will reimburse for different things, and then the City will try and collect, in theory, and will reimburse what they do not collect, and then the County will take over the ability to collect after July 31<sup>st</sup>. Mr. Strausburg said they have the option to do that. The way this mechanically works is that the County has in the budget, appropriated funding to the City of Salisbury, based on the calendar year 2016 verified calls, first calls from 911, in each of the various categories. He said the City's average collection rate on those services that are reimbursable by insurance has been 60%. They are going to appropriate and pay in the coming year, \$950,000. He said going into the next budget cycle, the County will review the 2017 activity. They will go through

all of the same math again, and adjust the appropriation up or down, depending on the activity. He said the County has reserved the right to make their own collections efforts, if they believe the City's collection efforts are not robust enough. Mr. Kilmer clarified the City will not necessarily pay a penalty if their collection efforts fall to 30%. The fact that they are guaranteed this money from the County, not saying they will do that, to which Mr. Strausburg responded, that is the reason the County reserved the right, because if they saw that was occurring, there are collections companies that specialize in these type of billings, and the County would make their services available to them. He said that was imbedded in this agreement to protect the County from that downside. Mr. Matt Holloway asked if the self-dispatching is going to be paid for, to which Mr. Strausburg clarified, 911 first calls only. He said that was a lot of the data scrubbing that they did in the original Fire Service Agreement. The call data, and the discussions they had that the call data just did not make any sense, so they went through them, and this is where GIS staff and Emergency Services went through and scrubbed all of the calls, got rid of all of the self-dispatched, and got rid of mutual aid calls. He said they are only reimbursing for 911 verified first calls. That is what the County is going to pay for. Mr. Strausburg said for self-dispatch the County is not paying for mutual aid. He said first calls, if it is in their designated fire districts.

Mr. Cannon asked, where it references Service Area B–Scope of Service, on number two, it says the City shall provide Emergency Medical Service in accordance with the terms and conditions in Chapter 39 of the Wicomico County Code. He said Chapter 39 references payments to the volunteers, except for B, which says the County may appropriate annually, a sum to be paid to the City of Salisbury, to be used for the support of fire companies of said City. He said he was curious as to why Chapter 39 was even referenced as the real purpose of that is for volunteers. Mr. Strausburg said the City requested that reference as he recalls. Mr. Cannon said he did not see where there was any significance to Chapter 39 relevant to this. Mr. Cannon then asked, under Reimbursement, C, where does hazmat come into play there, to which Mr. Strausburg clarified, hazmat is advanced operations. Mr. Cannon clarified that hazmat also comes in line with the divers, etc. He asked how was this determined as far the stipend payment. He said he did not understand where the numbers came from. Mr. Strausburg said it was negotiated. He said it started at \$125,000, and the County did not see \$125,000 worth of value based on the call data over several years, so it was a negotiated figure. Mr. Matt Holloway asked why does it zero out, to which Mr. Strausburg responded, it was negotiated, it was a phase out, it gives the City time to grow into the stipend deduction. Mr. Cannon said it is a commitment of about \$135,000 over three years. He figured there would be something tangible that would say here is what this is. Mr. Strausburg said it would have been \$375,000 under the old method. Mr. Cannon asked what was that based on, to which Mr. Strausburg

responded, the whole fire service reimbursement for decades has been a "wouldyoutake," that is simply as he could put it. It has been a "wouldyoutake," and the County wanted to get away from a "wouldyoutake." He said the County wanted it to be rational, a formula to be arrived at, he said the County wanted to know they were getting value for very discreet services at reasonable and customary rates, and they were not duplicating payments for insurance. He said for a personal example, he had pneumonia, and he did not get the medical treatment he should have. He was semi-conscious on the bedroom floor, so his wife called 911 and they transported him to PRMC. He said he got an EOB (Explanation of Benefits) several weeks later from CareFirst indicating CareFirst had paid the City of Salisbury \$875 for that transport. He said a light went off, if the City of Salisbury got \$875 for transporting him to the hospital, why should County taxpayers pay anything more for that transport. He said the County taxpayers should not be supporting his medical transport if it has already been paid for. Mr. Joe Holloway asked Mr. Strausburg if he thought he reached a fair agreement in terms of monetary compensation for services provided. If so, why are you still giving a stipend? Mr. Strausburg said the advanced operation stipend was simply a negotiation. He said there are training components that are associated with that stipend, so they felt it was in fairness. It was appropriate for the City to grow into the reduction of that stipend. He said aside from the actual calls for advanced operations, there is training involved in advanced operations and there is equipment that is needed. Rather than go cold turkey, they wanted to phase it out. Mr. Joe Holloway said, to use Mr. Strausburg's example, you get a call for an ambulance and it cost \$800, how do we know that the County does not get charged for that in the end. How do they ensure the County taxpayers are not going to also pay for that call? How in this agreement is that worked out that the County will know that? Mr. Strausburg responded because the County has the right to audit the insurance premium reimbursements, and the County has the right to pursue those reimbursements. He said, if the City had chosen not to bill him, under this new agreement, the County could look at that and say this guy lives over at Nutter's Crossing, why did he not get billed, and if the City would not bill him, the County has the right to bill him. Mr. Joe Holloway clarified that any payment made before the patient makes payments in the future, there would be an audit done. Mr. Strausburg said, this has been mentioned by several Council members, the payments for fire and ambulance service, we have not traditionally been provided with audited financial statements. He said they have not done audits of how the money the County is providing with very specific grants, whether or not that money is being spent in the manner in which it was intended to be spent. He said, going forward, the Administration is requiring audits, and requiring annual reporting. They received a fire grant, show us how that money is being spent. They received an ambulance grant, show us how that money is being spent. He said, like any grant agency, if they get a statement or a federal grant, they are required to file with the grant

agency how that money was spent, and provide supporting documentation. The County has not been doing that, and Administration feels going forward they should be doing that. Mr. Matt Holloway asked if they have the right to audit only the monies the County provides them. He asked doesn't the County have the right to audit the entire company finances, to which Mr. Bob Culver responded, yes, we require this next year audit with every company as to their total. Mr. Joe Holloway clarified that he was talking about the reimbursement process for the City. He said do we audit that, to which Mr. Strausburg responded, they would provide the County documentation. Mr. Cannon asked Mr. Matt Holloway if he was referring to the City, to which Mr. Matt Holloway said he was referring to all of the fire departments. He said, the example was all the companies that receive this money from the County. They had to be able to account for that money, but he thinks they need to account for their whole entire budget, because the County has the right to audit any organization that the County gives money to. Mr. Cannon said, as everybody knows, unfortunately that was supposed to have been done all along. The money should not be going out unless the data from the year before is provided. Mr. Strausburg said for 40 years the County has not done that.

Mr. Cannon said he has a question on the insurance reimbursement percentage, as it states the County and the City shall agree upon a revision, and if there is no agreement then it stays unchanged. He said in that case, whoever does not want to lose an advantage can just simply say they are not going to discuss this and nothing happens. He asked if there is another way to set some type of standard besides just saying if they do not agree it stays unchanged. Mr. Strausburg responded, they got data for the collection rates of every one of the fire companies in the County. He said when they come to the table January 31<sup>st</sup> of each year, if they are seeing a recovery rate that is lower than 60%, the County is going to have to understand why it is lower. Mr. Cannon asked if they thought it would benefit everyone to put such a number in there, and say if this number goes below 60%, something needs to be reconsidered, because how it is now, it is open-ended. Mr. Strausburg said they still reserve the right to recover, that is the County's protection. Mr. Cannon said, that is true, the County reserves the right to recover, that is not too much of an onus on the County. Mr. Strausburg said he thought the County was adequately protected on that. He said, if they saw a recovery rate that does not seem to make sense based on historical recovery rates across the County, the County has the right to step in and do their own recovery. Mr. Cannon clarified they openly can turn their bad debt over to the County. Mr. Strausburg said, yes, not that he wants that, but it is the County's protection on the downside.

Mr. Strausburg said EMS is a little different. He said, essentially, these are the districts they are talking about. He said Salisbury has one, where having the interesting activity you will see that it goes from the interior of the City, clear down to the boundaries of Worcester County and Wicomico County. He said the majority of the population you are going to encounter is pretty much up to Cardinal Drive, you have Nutter's Crossing, some development along Snow Hill Road. He said when you get to Cardinal Drive, it greens out in a big hurry. He said out near the airport it is right on the border of Station One and Station Six. He said part of their thinking in terms of looking at fire spots, if you were looking at this map, you would say this is a major activity area, the airport, and this logistically would give you quicker response to these more rural areas of District #1. He said because of what is going on with Piedmont, the airport needs fire rescue response in any event. He said they have an RFP, not on the street yet, but it is going out there to private companies that do turnkey. Mr. Cannon said that is probably going to be higher than how the County can do it themselves. Mr. Strausburg said part of the historic agreement with Piedmont was with the Piedmont maintenance hangar being on the airport grounds, and that mechanical staff being there pretty much 24 hours a day. Piedmont years ago, agreed to head up the fire service in exchange for not being charged landing fees. He said, in all fairness, if they are no longer going to cover ARF, they should be paying landing fees, because the only reason the County needs ARF is because of the passenger service. He said that is a matter of negotiation with Piedmont. He said that agreement expires in November. He said the County wants to be ahead of that, and the County will be having this discussion with Piedmont. Mr. Cannon clarified, to cover the landing fees. Mr. Strausburg said, the Airport Manager, Dawn Veatch, is searching airports similar to our County to determine what appropriate landing fees are, so she will be able to give Council better math. He said Mrs. Veatch felt fairly comfortable with \$300,000 being appropriated for this coming year.

Mr. Matt Holloway asked if Administration was happy, satisfied with this agreement. Mr. Strausburg said he was very satisfied. Mr. Cannon said he thought the compensation numbers that came in were good and fair. Mr. Strausburg said yes, it was a fair agreement, and he thinks it works for both the County and the City. He said the thing he likes about it is the formula they developed is a rational formula, and it makes sense until something extraordinary would occur. He said as long as you have reasonable and customary rates for the services being provided, you have insurance recovery history, and you have verified 911 call data, those are the three components, and it works. It is a fee for service structure, as opposed to what he has been calling a "wouldyoutake," which is not necessarily grounded in discreet data. Mr. Cannon said, there are numerous questions. He said Mrs. Hurley reviewed it thoroughly for Council and had some questions, and Council will probably include that in a letter to the Administration. He said if there is any room to

tweak it, it does not hurt to get it done before everything is finalized. He said he assumes this will have to come back in a form of resolution, to which Mrs. Hurley said, it will. He asked if anything else had to be amended to Chapter 13 or 158. Do they have to be amended in order to coincide with this, to which Mrs. Hurley responded, she will take a look at that with him, and with Mr. Baker. Mr. Strausburg said he did not think so. He said the two steps are the resolution approving the agreement, and the second step is approving the appropriation, but that is imbedded in the budget. Mr. Cannon said he thought what they would end up doing is passing these both at the same time. Mr. Strausburg said, that makes sense.


Mr. Cannon said somehow they will have to work on the situation with the volunteers at Station One, and figure out where the County is headed with that. He said he knows a lot of discussion has been held with the Fire Chief's Association, etc. He said maybe Council will have a work session at the next Council meeting to try to see where they are with Station One, because a lot of people still have questions, and what options are being held open. Mr. Strausburg said he did not believe the Executive disagrees; he thought the Executive does agree. He continued, he knows Vice President Dodd has also articulated that the County should seriously consider a Fire Service Commission in this County. He said they are one in three counties in the state that does not have an independent commission. He said he thinks this entire situation, and the lack of any codification, indicates the County probably needs to take a very serious look at creating a Fire Service Commission. Mr. Cannon asked if this Fire Service Commission would then be included in these type of agreements, whereas they are talking about the City and County boundaries being established. Mr. Strausburg responded that different counties have done it differently. He said one of the most applicable models he has seen is Queen Anne's County, and he can provide that document to Council to look at and see how they have addressed it. He said they firmly believe that some form of codification of how they are going to address these issues going forward is clearly needed. Mr. Matt Holloway said his main concern is just the service area to address. He understands an agreement between the City and the County, but having the Fire Chief's Association putting the County on the hook for extra money by creating a new service district was not appropriate. He said he thinks that is where they go with this Commission. Mr. Strausburg said, a question you would ask yourselves is, if you look at these fire district maps, and you look at the locations of the stations, you would be hard pressed to believe there was the need to have the station within a mile of the existing Station One. Mr. Cannon said he thought everyone found that location very surprising. He said even though it was not necessarily their first choice, he did not think by default it should have been their last and final choice, it is redundant. Mr. Strausburg said the question is, do you need an additional station in the County, and if you do feel an additional station is needed in the County, where in the County would

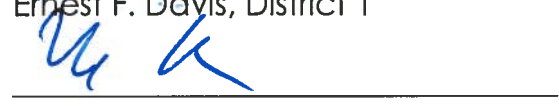
you locate it. He said they are asking County taxpayers to pay for an additional station for services, so it should be rational in terms of the approach. Mr. Matt Holloway said they have not had lack of service issues, they have not had calls that were not responded to, or tremendous wait times, they had the ego issue.

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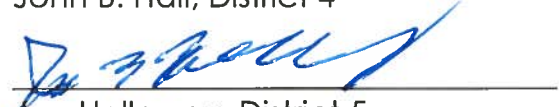
  
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John T. Cannon, President


\_\_\_\_\_(absent)\_\_\_\_\_  
Larry W. Dodd, Vice President, District 3

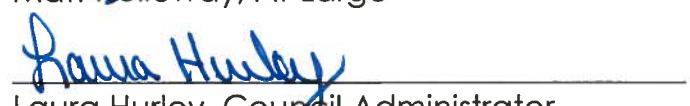
  
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Ernest F. Davis, District 1

  
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Marc Kilmer, District 2

\_\_\_\_\_(absent)\_\_\_\_\_  
John B. Hall, District 4

  
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Joe Holloway, District 5

  
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Matt Holloway, At-Large

  
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Laura Hurley, Council Administrator