



Council – Mayor Government

THE CITY OF  
**Zanesville**

Ways & Means Committee  
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Zanesville City Council Special Ways & Means Committee Agenda  
First Floor Conference Room, 401 Market Street, Zanesville, OH  
Monday, April 24, 2023 at 5:00 p.m.

This meeting is open to the public to attend in person or remotely by using the information below. This meeting is for discussion pertaining to the upcoming Ordinances and discussion items of the Ways & Means Committee for review as follows:

**ROLL CALL**

**MINUTES** – Approval of the minutes of April 17, 2023

**RESOLUTION AND ORDINANCES**

1. **None**

**DISCUSSION**

1. **Nonprofit Policy Discussion**

The next regular scheduled meeting is 5:00 p.m., May 15, 2023.

This meeting is open to the public who may attend in person or attend by phone or Internet using the information below.

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## WAYS AND MEANS COMMITTEE MEETING

April 17, 2023 at 5:00 p.m.

Mr. Roberts: All right. It is 5 p.m. I'm going to be ahead and call this committee meeting of Zanesville City Council Ways and Means to order. Could I have roll call, please?

Committee Members present: Councilperson Andrew Roberts, Chairperson; Councilperson Brad Wolfe; Councilperson Mrs. Osborn; and Councilperson Mark Ballmer.

Others present:

Jeff Bell, Zanesville Fire Chief  
Josh Binkley, Genesis / CAS  
Billie Corns, Clerk of Council  
Chris Crook, Reporter for TR  
Kade Haddox, Budget & Finance  
Dianna LeVeck, Genesis / CAS  
Doug Merry, Public Safety Director

Michael Norman, Genesis / CAS  
Pam Page, Transitions  
Cody Pettit, Councilperson  
Bo Shirer, Genesis / CAS  
Dorothy Thomas, Transitions  
Dan Vincent, President of Council  
Heath Williams, Genesis / CAS

### APPROVAL OF MINUTES OF MARCH 20, 2023

Mr. Roberts: I will entertain a motion for approval of the minutes of March 20<sup>th</sup>.

Mr. Wolfe moved to approve the minutes as written. It was seconded by Mr. Ballmer.

Mr. Roberts: Any discussion? All those in favor, aye. Opposed, same sign.

A voice vote was taken with all present in favor. None were opposed.

Mr. Roberts: Motion carries.

### ORDINANCES AND RESOLUTIONS

**Ordinance No. 2023-38** – An Ordinance authorizing the proper city official to provide funds to Transitions, Inc., for support of operational expenses to provide shelter and programs for victims and families of domestic violence in our community. (First Reading 4/10/2023)

Mr. Roberts: Ordinance and Resolutions, we have Ordinance 2023-38 up for consideration. There was some light discussion that was had at Council the last meeting in regards to this. I just wanted to predicate that we have dealt with the city granting funds to nonprofit entities in the past, several years ago, I think 5 to 6, something like that.

Mrs. Osborn: Yes, 5 or 6.

Mr. Roberts: And there was a long-standing relationship with a very specific nonprofit that we had been giving a stipend to every year that came into question as to why we were doing it and just the municipal purpose of whether granting nonprofits, a very specific nonprofit, was in the best interest of the city as a whole. At which time when that came up, we determined as a Council that it was not. So, that being said, we have a lot of nonprofits in the City of Zanesville. We think they all do great work. Transitions especially does great work, and we recognize everything that you guys do for our community. I don't want this conversation to be pro or anti Transitions, rather is it going to be the policy of the City of Zanesville to grant monies from city funds, taxpayer derived, to nonprofit organizations. So, I just wanted to set the scene on that. Are there any comments from the committee?

Mr. Ballmer: Has there been a precedent before, other than just the one particular nonprofit?

Mr. Roberts: We've had requests from other entities, and either they've been dealt with prior to, actually I think they've all been dealt with prior to actually coming for legislation.

Mr. Wolfe: Mr. Chair?

Mr. Roberts: Mr. Wolfe.

Mr. Wolfe: Have we supported this nonprofit in the past?

Mr. Roberts: Pam, I'm sorry, I'm going to rely on you for some stuff. Has the City of Zanesville given grants to Transitions in the past?

Pam Page: Yes, sir. We had a \$25,000 one last year.

Mr. Roberts: Okay. And it's my understanding that was paid out of city funds, that that was in the mix of all the ARPA generation, and we were giving ARPA monies out or offsetting those with ARPA money somehow, correct Kade?

Kade Haddox: Yes, the \$25,000 was given through the Police Fund as its own separate line item, but obviously General Fund got reimbursed a lot of money from ARPA the last 36 months or so.

Mr. Roberts: Got you.

Mr. Wolfe: So, last year was the one and only time that we supported this group?

Kade Haddox: Since I've been here. I can't speak to before then.

Mr. Roberts: I believe decades ago there was also a relationship where the city was granting funds to Transitions. That's pure hearsay. I don't know that for a fact, but I had heard that there were grants made back in the 80's or 90's sometime.

Mr. Wolfe: And we, as a city, do not have a policy for nonprofit grants?

Mr. Roberts: Thank you for the setup. I think that no matter how this goes as far as recommendation from Council, I think that we as a city need to set some type of policy and codify it.

Mr. Wolfe: I agree.

Mr. Roberts: So that there aren't these issues of have and have nots. And that's really my biggest concern here is, okay we give money to 501(c)(3) "X." We've got, I'm not sure how many nonprofits are within the confines of the City of Zanesville; it's a lot.

Mr. Wolfe: Quite a few.

Mr. Roberts: So, how do we rightfully walk down the street, look these people in the eye and tell them, sorry we really like this one, but not you. And, going back to just pure municipal purpose, what are we here to do? What are we here to do with the taxpayer's money? Are we here to decide we're going to give it to this organization and that organization or whatever? Or should we allow those contributions to be made by the individuals and then just not? And I realize that this is a no-win situation.

David Tarbert: Mr. Chairman, this is David Tarbert.

Mr. Roberts: Mr. Tarbert.

David Tarbert: I assume someone from Transitions is there. I would love to give them, once the committee is done talking, a chance to speak because I could, as you know, I was on Council for 20 years. I agree with you in principle about using taxpayer money to choose one 501(c)(3) over another. But I believe we've done it before even with employee withdrawals from paychecks, voluntary withdrawals or some other charities. What I would ask though is that Transitions could be deemed to be in a slightly different case because they're in court every day with me. They help our Victim/Witness Coordinator arrange CPO's and TPO's. They take the victims of domestic violence from our court straight up to domestic court, and so there are some arguments to be made that this does serve a municipal purpose. But I would rather, they know a lot more about their business than I do. I would love to hear them talk about it.

Mr. Roberts: Okay. Thank you, Mr. Tarbert.

Mr. Wolfe: Mr. Chair?

Mr. Roberts: Mr. Wolfe.

Mr. Wolfe: That's very helpful information, but that still could be put into a policy.

Mr. Roberts: And I mean from, Mr. Tarbert, I'm not attempting to engage debate here, but from what you just said, that sounds like it would be more of an issue of a contractual obligation instead of a grant. Are you in agreeance with that?

David Tarbert: Well, I think, again, I don't want to speak for Transitions. I think their mission is to do what they're doing in County Court and Common Pleas Court and Municipal Court. So I don't know that it would be a contractual thing. I think that's, again, I don't, I'm speaking for Transitions, I think that's part of their mission statement to do what they're doing. I think the grant was simply to recognize them for the work they do for battered women mostly, battered spouses, battered partners here in the City of Zanesville.

Mr. Roberts: Got you. Pam, did you want to speak or did you have something? *(To Pam Page from Transitions)*. If you can come up here, just give us your name and your address.

Pam Page: My name is Pam Page, and I'm the director at Transitions. First I would like to say, did you get our letter? I sent Mayor Mason a letter requesting money for the grant and saying our three roles in the community, which as Mr. Tarbert pointed out, is in the courts and in the shelter as well as the crisis hotline. So I think if someone on the street says to you, what is this money at Transitions doing? Well, can I grab the letter to tell you how many people we serviced last year? Because I think that could make a difference.

Mr. Roberts: By all means.

Pam Page: And I'm sorry. I thought Mayor Mason was going to distribute it. That's why I wrote it. I don't know. So, in 2022, we provided 2,274 bed nights to survivors and their children. In court advocacy, we assisted 436 women, 82 men, and 47 children with court matters. Also in 2022, we fielded 2,875 crisis calls. Those aren't calls where, can we make a donation? Those are crisis calls that needed either referral or help from us. The other thing that I would like to point out very kindly is that our funding, I've been at Transitions for three and a half years. The year I started, our federal grant, our VOCA, our Victim of Crimes Act, was \$319,000. And in the three years I've been there, the federal grant money has been cut back. We now get \$90,000 from our VOCA grant. So it's been cut by 67% or approximately that. What they're telling us is they wanted us to seek out local funding.

Mr. Roberts: And I'm sorry, Pam, what was the source of that funding?

Pam Page: VOCA – Victim of Crimes Act.

Mr. Roberts: So is that federal or state?

Pam Page: Federal, that's federal.

Mr. Roberts: Okay.

Pam Page: And so we've been, as the directors in Ohio, we've been working with senators and congressmen to try to get the line items back up for funding for domestic violence. It's not going to happen this year, possibly next year. So it is a huge funding issue, and if we receive this money, it's going to go towards salaries. I have to have salaries. I have three ladies in the courts, and I have four other

people, and that includes me. We employ seven people, and we're running a 24/7 crisis shelter. So, I think it's one of the biggest contributors to the City of Zanesville, as well as Muskingum County. Any questions for me?

Mr. Roberts: Mr. Vincent.

Mr. Vincent: Mr. Chairman, if I could, please? Dan Vincent. With that, do you receive any funding from the county since you provide service there too? Are they part of the funding source?

Pam Page: From the county, from Muskingum County, we get the funding from their divorce and dissolution. And that's usually about, I want to say 10 grand a year.

Mr. Vincent: All right, thank you.

Pam Page: Anything else? Thank you very much.

Mr. Roberts: Thanks, Pam. So what is everybody thinking? I mean, I know where I stand, and I think you guys all know where I stand. If you don't, I can reiterate.

Mr. Wolfe: We need a policy, I believe.

Mr. Roberts: So, in regards to this legislation, is there an action that we want to recommend to Council or are we going to recommend an overarching policy and put this on the table until we get that policy ironed out?

Mr. Wolfe: That would be my wish. I think they would fit into a policy.

Mr. Roberts: Is that a motion?

Mr. Wolfe: I will make a motion that we explore a policy for making grants to nonprofits as a city.

Mr. Roberts: And to have it codified?

Mr. Wolfe: Yes.

Mr. Roberts: And to basically just table this so it's not going away, but to leave this stand until we can figure that stuff out.

Mr. Wolfe: Correct. Yes.

Mr. Roberts: Okay.

Mrs. Osborn: Mr. Chair?

Mr. Roberts: Mrs. Osborn.

Mrs. Osborn: Just semantics, I'm sure, but coming from the nonprofit world, we're calling this a grant. Are we having grant cycles and grant competitions?

Mr. Roberts: That's, I think, to Brad's point, I think that's where...

Mrs. Osborn: Are you calling it a grant or are you calling it a line item support or are you calling it...

Mr. Wolfe: I would say it is financial assistance more than a grant.

Mrs. Osborn: Okay.

Mr. Roberts: I guess, to David's point, and I guess this is where this conversation is going to have to enter into, from the sounds of things, Transitions is not just acting as a 501(c)(3) as a lot of them do, but is actually giving a service to City of Zanesville, in court and outside of court. So, I don't even know if a grant, as this is presented, is the proper way for us to distribute this money.

Mrs. Osborn: No, I don't think so.

Mr. Roberts: You understand where I'm coming from?

Mrs. Osborn: Yes.

Mr. Roberts: Because I mean, if you guys are showing up to court, if you guys are doing things to help the prosecutor's office and the courts, then I think it's probably going to be better – and we've done this stuff before – enter into a contract for it. Because they are actually giving us a public service, instead of just a blanket, hey here's 25 grand.

Mr. Wolfe: I would agree with that.

Mrs. Osborn: I do too.

Mr. Roberts: And as long as we can tie it back to public service, I have no issue with it. But it's just I'm not big on just tossing money. Can we meet sometime in the next two weeks as a committee to try and get a handle on drafting this?

Mrs. Osborn: Sure.

Mr. Roberts: Okay. Billie, can you send that out tomorrow and see if we can get some dates put together?

Mr. Vincent: Mr. Chairman, if I could?

Mr. Roberts: Yes.

Mr. Vincent: Dan Vincent. With that, could we look at our...

Mr. Roberts: I'm sorry, Dan, just one second. I'll let Joey talk. Can we just get a second on that motion?

Mrs. Osborn: Second.

Mr. Roberts: Okay. Sorry, Dan. Go ahead.

Mr. Vincent: Do you need to vote on that or?

Mr. Roberts: No, you can go ahead with discussion.

Mr. Vincent: With that, based on as far as the courts, the county court is providing some funding. Can we look at the municipal court here as far as the opportunity there that some funding could come from that? I think in the past, there's been times and Kade could probably address this better that they have some revenue sources that they've been in good shape in some years. So it might be an opportunity.

Mr. Roberts: Good idea. Thank you, Dan.

Mr. Vincent: Thank you.

Kade Haddox: I think that would take a judge's order though.

Mr. Roberts: I'm sorry, Kade.

Kade Haddox: I think that would take a judge's order. I believe he sets the fees for city court.

Mr. Roberts: Okay, still something we can explore.

Kade Haddox: Yes.

Mr. Roberts: Okay, we have a motion and a second to recommend to Council tabling of this ordinance until such time that this committee can present to Council an overarching guidance on distribution of city funds to nonprofit organizations. All those in favor, aye. Opposed the same sign.

A voice vote was taken with all present in favor. None were opposed.

Mr. Roberts: Motion carries.



## DISCUSSION

### 1. Enterprise Fleet Management Virtual Presentation

Kade Haddox: Lindsey, can you hear us?

Lindsey Simpson: Yes I can. Hello everybody.

Kade Haddox: So, I'll give a little background on this. The city as a whole has just under 100 vehicles in the city fleet. That's not dump trucks, Vactor trucks, things of that nature. These are pickup trucks and down, if you will. I think our average age of the car of our 100 cars is about 14 years. So I don't know that we've done a real great job as the city replacing vehicles at optimal time, selling them on a good trade-in values as well as getting rid of junk that we have. So, Enterprise reached out. They have a fleet management system, where they do just this thing. They'll come in at a three-year point and say, hey you bought this for this and this is the optimal time to sell, let's go ahead and trade it in, get the money for it and turn around and buy another car. And they kind of manage the finances of that. We obviously have a Vehicle Maintenance Department, but they fix cars. They aren't in the car market. So I thought this was an opportunity for Enterprise to show what services they have to offer and maybe something for Council to consider before.

Mr. Roberts: So, quick question, Kade. Are we talking about, is this a lease program, purchase program?

Kade Haddox: It can be structured either way.

Mr. Roberts: Okay.

Kade Haddox: They recommend typically a lease-to-purchase which we always have the right to buy out the vehicles, which I mean we pretty much do that anyway. Just because of the number of vehicles. I mean, we need to replace, according to Enterprise, correct me if I'm wrong Lindsey, 40 to 50 vehicles over the next couple of years. So, I mean, you're talking serious capital outlay there until you get caught back up. So, typically they recommend to lease it first just so you can get more vehicles in and update the average life of the fleet. But it can be structured either way.

Lindsey Simpson: Thank you Kade. I'm going to share my screen here, if you just let me know when you can see my screen.

Mr. Roberts: I think we're good.

Lindsey Simpson: As Kade mentioned, my name is Lindsey Simpson with Enterprise. I've been working with Kade over the past couple of months to put this together for you. Kade did mention that we work on mostly the light-duty fleet, but dump trucks are also in our niche. We can help with anything up to CDL and that aftermarket, as well. The only things we're really not going to be the best fit for is like your ladder trucks or ambulance or anything like those types of specific vehicles.

So a quick snapshot of the Impact of Partnership, kind of like Kade was speaking about. I put together an analysis that takes a look at those 88 vehicles that Kade sent. And the realized 10-year conservative savings, \$661,282. So while we're saving you that money, we're going to take, to Kade's point, and reduce the average life cycle of your vehicles from about just over 12 years to 3-5 years, depending on each vehicle. This doesn't mean every single vehicle is being cycled at 3 years. Obviously some of your bigger items with specialized aftermarket, like police vehicles or things like that, typically do have a longer life cycle. But this will decrease your maintenance expenses, downtime, help with fuel costs, just create a sustainable program around cycling your vehicles at the right points, as well as having a partnership with Enterprise who is actively watching the auto industry and making recommendations for you on a regular basis.

So really quick here, just a couple of references. These are some different entities that we work with. Some you might be familiar with. In addition to, we work with Sourcewell. You might be familiar with that as like a pricing cooperative. So, a lot of our government clients take advantage of that.

And then just to cue up a really simple graph here. When you purchase a vehicle over time, it does experience economic depreciation. And you will see those operational costs, like fuel and maintenance, rise. So today the City of Zanesville fleet, we have a pretty good amount of the fleet over here in this window where those costs are high. And the analysis that I put together will show you exactly the optimal time to replace the vehicles.

So really quickly here, a big snapshot of the fleet today. Again, we're talking about 88 vehicles within the fleet today in these various categories. You'll see here we have 35 vehicles outlined that are over the age of 10 years old. So that's where we're really going to focus our efforts out the gate is taking a look at vehicles that are older and still have quite a bit of life in them that we can turn around and use equity on.

So again, those same 88 vehicles of that 13-year life cycle, let me draw your attention to this orange line. This is what the city does to date, on average replacing about 7 vehicles per year. So your purchase price we know is about \$284,000. And then what you're spending in maintenance is \$166,000, fuel \$294,000, for a total fleet budget of about \$745,000. Then you'll come down to the next year. This is our recommendation for year one, replacing 50 vehicles, meaning you still own 38 of those original 88. So the lease price you'll see here \$521,406. Selling those 50, we have an equity of about \$300,000 going back to the city. You'll see a significant positive impact to your maintenance spend; it drops down to \$97,000 you can see. And a little bit of an impact to the fuel to the positive, for a fleet budget of \$574,000. So, positive \$171,000 in year one. And you'll see we roll through this same cycle each year until we get through all of the vehicles. And what that looks like over a ten year is a savings of \$661,000. Let me pause there. Any questions on that piece before I go into the how we do what we do?

Mr. Roberts: So, quick question. From a maintenance perspective, on a leased vehicle are we required to have it maintained by the dealership or is our staff allowed to maintenance it?

Lindsey Simpson: You can continue to do maintenance as you do today. We do have programs if ever you wanted to make a change to that. We do have some government entities that choose to partner with us through the maintenance program. Otherwise, you can continue on as you do today.

Mr. Roberts: Sounds good. Thank you. Any other questions from the committee?

Mr. Ballmer: Mr. Chair?

Mr. Roberts: Mr. Ballmer.

Mr. Ballmer: What does this do to the insurance?

Lindsey Simpson: The same, you can continue to utilize what you have today in place. We just add these vehicles to that policy.

Kade Haddox: So, almost all city vehicles under \$50,000 we only carry liability insurance on. So, if a cop goes out and wrecks a police car, we're just paying for it, just because our insurance premiums would be astronomical for 200 city vehicles that we have, roughly. So, as far as insurance goes, we carry liability insurance. I think our policy right now is anything over \$50,000, we do insure just like you would for your personal car, but anything under, we just carry liability on and we wear the bill.

Mr. Ballmer: Thank you.

Mr. Roberts: I think we're all set. Go ahead.

Lindsey Simpson: Excellent. So I want to talk a little bit about the leasing. There tends to be typically questions around this piece. And Kade kind of set this up very well in the sense of we have entities that don't necessarily choose to lease the entire time. Sometimes it's a way of starting out because of the big capital outlay to replace those aging vehicles that are really dragging you down in maintenance costs and downtime, etc. So you do have the option to do leasing on the front end and then switch to cash or you can do a hybrid. It's really whatever needs to be done to follow that 10-year plan. But kind of the ins and outs of the open-ended lease. This is not your normal dealership-style lease. It works like a finance. So, essentially you pay the vehicle down to a residual. So, for just a quick example what that looks like, if we have just a typical ½ ton pickup truck and we put it on a lease term of 60 months, let's say, 5 years. You pay that, let's say it's a \$40,000 truck. You're paying it down to a residual of \$10,000. At the end of that 60 months, if we choose to sell that vehicle because the market is great and we recommend you sell that vehicle, we sell it for \$20,000, \$25,000. You true up on the \$10,000 that was owed on that remaining residual, and then the rest is your equity. So that \$15,000, if we sold it for \$25,000, then can be rolled into the next round of vehicles. So there's no mileage or wear and tear penalties on these vehicles. They are truly the entities that we're managing, and it works like a finance. Now, your other options at that point, if you do want to continue to lease that vehicle, there's flexibility to do so. You'll just continue to make the payments until it's paid down. You can pay it off at that point. So all very flexible around the open-ended lease. Any questions on that piece?

Mr. Roberts: We're good.

Lindsey Simpson: Okay and then just to further illustrate kind of that piece, paying cash, you can see in year one for an easy number if it's a \$25,000 vehicle paying that upfront, financing it to zero option two, or the open-ended lease spreading that cash flow in each year.

And then just really quickly talking about how we sell the vehicles on the back end. This is really one of the big value adds for a lot of our government clients because you guys buy vehicles very well, and we sell vehicles very well. So when it comes time to replace a vehicle, we will come deliver the new vehicle that we've already planned out with you, pick up the old vehicle, remove any type of lettering, sell it on the city's behalf, and then write a check back to the city. So, very streamlined and really drives that equity back to the city because we're hand selling these vehicles. Sometimes people ask what if these vehicles are really, really beat up. A lot of our clients, we work with construction, plumbing companies, many other government entities. We understand that these vehicles are not going to be pristine. We sell around that, and we're able to do it very effectively.

Mr. Roberts: Question. So, on your guys' end, where are the fees realized? Or are you guys just working off of profit of buying back the vehicles and selling at a slightly higher margin?

Lindsey Simpson: Sure. So, there is a negotiated fee with Sourcewell. Our service charge when we sell these vehicles that when we pick it up and we sell it, it is a flat rate. So we don't take a percentage of the equity. Is that what you're asking?

Mr. Roberts: Yes, I just didn't know how the fee structure was.

Lindsey Simpson: Sure. So, it's all negotiated through Sourcewell.

Kade Haddox: Sourcewell is a cooperative that we currently use right now. We've been buying a lot of trucks. I don't know if you guys, the Council, remembers, but roughly probably two years ago, in addition to state purchase, Council approved Sourcewell, and I think there's another buying conglomerate. So, I think she's referring to, there's a negotiated price through Sourcewell because they're a member of Sourcewell. So it's a set fee that they use.

Mrs. Osborn: Mr. Chair?

Mr. Roberts: Mrs. Osborn.

Mrs. Osborn: So, is this comparable to state purchase prices or are they using state purchase prices and providing the service?

Kade Haddox: Well, that's the thing. You can do a combination of the two. I mean, Enterprise sometimes gets better prices than state purchasing. So it might save us money on that end. If it's not more advantageous, we can still use state purchase to buy vehicles. So it's kind of the best of both worlds. Obviously, a car company as large as they are, they might get better deals sometimes. I can't tell you

how many times over the last two years we've come to Council where we found better deals than state purchase price. It's not always the cheapest unfortunately.

Mr. Roberts: So, another question. She mentioned secondary market on these, and I was thinking about for like weed crew and stuff like that. Is there a possibility that we can, have we ever bought used vehicles? I mean, I know we bought the ambulance used, but like trucks?

Kade Haddox: Yes, we definitely buy used vehicles. And I'm sure we could buy used vehicles through Enterprise, as well.

Mr. Roberts: Okay. But normally Kade, we normally by and large do?

Kade Haddox: Typically we don't just because with, that being said, state purchase price usually is a decent price 90% of the time we'll say. So, you're almost better off to buy a brand new vehicle than you are a used market just because we get that government rate.

Mr. Roberts: Well and especially in this market.

Kade Haddox: The other thing is typically we're buying 4 or 5 vehicles at a time. And usually the dealerships are giving us a pretty good deal than if we are using state purchase.

Mr. Roberts: Okay. Anything else from the committee? Can we get a copy of that presentation?

Lindsey Simpson: Yes, absolutely. I'll send that through. Should I just send that to you, Kade?

Kade Haddox: Yes, just send it to me, and I can distribute. Thanks.

Lindsey Simpson: Perfect.

Mr. Roberts: Any other questions on that? No action right now. This is just for discussion.

Kade Haddox: Yes.

Mr. Roberts: We will take a look at it.

Kade Haddox: Thank you.

Lindsey Simpson: Thank you for your time.

Mr. Roberts: Yes, thank you. Moving on, we have a presentation from Community Ambulance Service on some financial matters. I'm not sure who's taking the lead on that.

## 2. Community Ambulance Discussion

Mr. Roberts: Just introduce yourself please.

Michael Norman: Yes. Mike Norman, the CFO of Genesis HealthCare System and Community Ambulance. I just wanted to kind of share some information with you regarding Community Ambulance, some of the dynamics that's changed and also some of the services they provide. And please team, correct me because you guys know the operations much better than I do. But one of the, just so everyone knows, Community Ambulance, now provides as you'll see the majority, most of the 911 service within the city. And there are some differences between city and county, which you will see. I'll start kind of just in the terms of page 2 just giving some background in terms of the state of 911 today. Like I said, it has changed over the years. Back in 2019, there were basically two providers. We provided almost 2,300 transports in 2019, capturing about 77% of those transports. Fast forward in 2022, we provided for over 4,000 transports, capturing about 94% of the actual transport volume within the city. That represented about a 78%, almost 80% increase just in city transports. We broke this presentation out really just only 911, so there's really no other transports besides 911, and it's only within the city in transports.

One of the things, and it's not unusual for any other industry, inflation has been a problem, paying for individuals to staff trucks and to provide service. It has eroded some of the financial performance of Community Ambulance. We saw a 14% inflation rate in 2022, and we saw a \$200,000 uninsured emergent transport volume. So what that really is, is there's no other payer source. I'll go through here in a minute, how does Community Ambulance get reimbursed compared to maybe county or other township-type services. But there was \$200,000 in 2022 where there was no insurance, no one other than the patient to pick up the bill, and usually the patient many times says no ability to pay for the bill. And we do offer financial assistance and policies. We do not, obviously being emergency care, just like with the hospital, we're very mission based. We do not require patients to pay before they're taken to the hospital. Or before they're treated. Many of the patients we've noticed also with COVID, trying to stay out of the hospital. They do a lot of kind of on-scene in-house treatments before and many times avoid going to the hospital altogether. So there's really no bill or no payment for those types of service.

So on the next page, page 3, just in comparison because it is a little different than how your townships or county EMS funding works. Most townships when you look across the county, I noted a few here, that kind of border the city, Falls Township is one, and some of these numbers are averages. Obviously with the property values, you don't know how much exactly. I happen to live in Falls, so I know how much that one is. But in looking at the number of housing units, for example in Falls, almost 4,000 housing units. Levy support would be around with the levy that was just passed around \$900,000 in support of fire and EMS. And that's how obviously, having used Falls' services before, that's how EMS is paid for. You make the call, EMS gets dispatched, and you never get a bill from Falls. It's paid for with the newer levy property taxes, and that's how they're paid. On average, that's about \$225 per, on the average property value per housing unit per year. So that's how much basically, you know, on my tax bill, that's roughly about what the annual amount is for fire and EMS services. I listed others. You can see when you look at Washington Township, similar. A couple townships have a little lower per housing unit cost. And then when you look at how does Community Ambulance get reimbursed in terms of the city. There's about 12,000 housing units based on the data I found in the city. Obviously, there's no levy support for

Community Ambulance. And I'll address the \$700,000 here in a minute. But the way Community Ambulance gets reimbursed today is they bill a patient's insurance where there is insurance to be billed. That doesn't really cover cost. Most insurances really pay a very low rate. Some insurances will not even pay for transport because they're used to basically that being covered out of some sort of property tax levy and so forth. We do bill insurance, collecting what we can collect, and sometimes even pushing them to sign contracts which they've not normally signed contracts with an ambulance services to provide in city type transports, emergency type transports. Does that kind of make sense? I wanted to kind of explain kind of what sets the EMS world in the city different apart from the county EMS. Any questions? I'll pause here if there are any questions.

Mr. Roberts: Any questions from the committee?

Michael Norman: So on the next page, I tried to break down and this is where the \$700,000 comes from. When you look at, these numbers are all from 2022, the complete year of 2022, the 911 cash funding deficit. So these are specifically numbers pulled out just for in-city 911 part of the business. The number, and I'll get into it in a minute, obviously Community Ambulance does other services, nursing home transports, a patient at home needs transported to dialysis, those kind of things. Those are all billed by insurance. Nursing homes have contracts that will transfer their patients. These are just 911. I did though, because we look at it as a complete business, these numbers are actually lower because I did use, you know a lot of times because the economy's a scale, productivity gets better because if that unit's not dispatched, it can go over and do something else. So, these numbers are actually, in fact, lower because of some of those. We don't look at it as just a 911 business. And these are just actually also direct costs, so it has no overhead of dispatch staff because that dispatch would still need to be in place even if the 911 business wasn't there because they support other businesses.

So, I won't read down through all of these, but you can see net revenue, which is what we've brought in from patients that paid some or all or part of their bill and insurances that actually paid for that transport. The net revenue on those trips amounted to about \$1.2 million. You can see from a personnel, that's what was hardest hit from inflation. The personnel costs about \$1.4 million just to staff the trucks for the in-city 911 transports.

Mr. Roberts: So, Mike, can I ask you a question? And Dianna, thank you for sending those numbers over last week. We reviewed how you came to these conclusions. I just had a couple questions, and Dianna answered a few of them. So, just help me understand. When you're saying you've got 911 personnel in the City of Zanesville, and I understand you have dedicated units. But are we talking 24/7 is what this number would make up?

Michael Norman: Yes, 24/7, two trucks I believe dedicated to covering those runs. That would be included. Now, I'm guessing, Bo can correct me if I'm wrong, if there's a third truck needed, we have a third truck and could dispatch a third truck. But these numbers you see here are just for the two trucks, 24/7 personnel in two trucks.

Mr. Roberts: And I'm not trying to split hairs, but those two trucks, to your point before about running transports and everything like that, so those are fully dedicated to 911, off grid for everything else?

Michael Norman: Yes. I think we always have two trucks in service for 911 all times.

Unknown person from audience: We maintain two trucks availability for the City of Zanesville.

Dianna LeVeck: They're not always the same two trucks if that's what you're asking. But there are always two dedicated trucks.

Michael Norman: Yes. Any more questions? That kind of make sense? I know it gets confusing. And so when you look at these, obviously equipment purchases are in here. That's what the \$135,000, and you go down to maintenance and fuel, insurance, supplies, personnel obviously for dispatch is in here. We did not include rent for the building, things that would be needed whether 911 was in operation or not. Leadership, management, those kind of things are not in here. Any more things to add, Bo? Did I kind of cover that? You guys kind of know the operations better than I do.

So when you add up all those, and again, I know these numbers changed a little bit from last week because Dianna sent them. I kind of took a look at them, took some things out that I felt would still be in play. So you did see that number come down a little bit. But all in, the number, the deficit is about \$700,000 to run Community Ambulance in the city. We subsidize about \$700,000 for that service. Any questions on that?

Okay, so when you look on the next page, when you look at what, and this is something that is not, as I was researching and kind of looking at, what models. My first goal was how do we make a 911 system that is sustainable, financially and operationally? So obviously they've made it sustainable operationally. I'm trying to obviously find a way to make it sustainable financially. So I kind of did some research in models. There are various models. I know that there are other counties going through similar exercises. I know Guernsey is going through an exercise with their EMS. I believe, is it Pike County, Heath? Pike County is going through a similar exercise. They have an actual contract with an EMS service. I believe it's the EMS service co-owned by Ohio Health and Ohio State. And they're going through an exercise. I believe that contract was terminated and are looking for another solution. So, I kind of just laid out three models that I came across that were relatively local, one being obviously a city-owned model, New Philadelphia, just northeast of here. They operate a city-owned EMS. And another model was the Cumberland Trail model which is basically kind of a fire district. I'm not that familiar with it, but it's over in St. Clairsville. And it was a township-city type collaborative. And then obviously there's the outsourced model that we're operating under which is with Community Ambulance. That's a model that Guernsey is looking at or using. And obviously Pike County was also using that model. This was kind of three models that we looked at or that I found.

Obviously, we're here to provide 911 service. So as long as the city wants us to be here providing the service, and these are our three models. The three models that others deploy. We obviously are here and want to provide the service, just trying to look for ideas and ways to kind of erase that funding shortfall and make the service sustainable. Because obviously if you look outside the city and the county, and one thing I did notice but you can see. If you turn back on page 3, it's important when you look at the blue in the bottom right-hand corner, you have \$700,000. If the city had a funding source, a levy or



a funding source of \$700,000 to erase that, it would mean \$58. My calculation may be a little bit different, per housing unit per year. So you can see it would actually be still cheaper than what a resident of Falls Township or Washington Township would be paying per year.

Mr. Roberts: Just one point of clarification. Chief Bell, the current levy language as it stands, I believe reads fire and emergency services, does it not?

Chief Bell: Yes.

Mr. Roberts: I'm not trying to say you're wrong. But we are paying significantly more than that like townships in fire and EMS protection. Just that yes, we understand that you guys are providing those services. I guess, questions from the committee first?

Mr. Wolfe: Mr. Chair?

Mr. Roberts: Mr. Wolfe.

Mr. Wolfe: The bottom line is you're telling us you're providing a service that benefits the city that is costing you \$700,000?

Michael Norman: Correct, and that money has grown over the years to a number, especially in '22. You know, it was much smaller in 2019 before inflation and other expenses. But it's gotten to the point where to be sustainable, how much can we afford to put into the 911 EMS service?

Mr. Wolfe: Mr. Chair, then to the veterans of this committee, have we not tried to pass a levy or are we due to have a levy?

Mr. Roberts: We have levy funding in place that funds Fire, Kade, to the tune of...? I know, I'm just asking you random questions.

Kade Haddox: The fire levy brings in roughly between 2.5 to 3 million dollars, and general fund floats about another 3 to 4 million dollars a year out of income tax. So, the total fire budget is somewhere between 6.5 to 7.5 million typically.

Mr. Wolfe: And we don't allocate any of that to paying for Community?

Kade Haddox: So, technically our fire and EMS levy doesn't come close to covering fire expenses. .2% of the 1.9, like I said, brings in about 2.5 to 3 million. Our total fire budget is 6.5 to 7.5. So, it's all the same income tax bucket, but the 1% that goes to general fund is actually funding the gap in fire. A 3 to 4 million dollar gap that our 1% income tax is covering that the levy does not.

Mr. Roberts: So, Brad, as far as an old timer, we've had this conversation I don't know how many times. The Fire Department has given us presentations which I'm sure we'll probably hear in the course of these discussions in regards to municipal based EMS. We've talked about it before and weighed the different

options. There were points where we had two different private providers. It was, at least when Joey and I were here, our view was we didn't want to impede into the private sector when they were doing it.

Mrs. Osborn: I didn't feel like we should spend taxpayer money competing with...

Mr. Roberts: Private sector. But now we're being told that the private sector can't make money doing it. So, then the question is going to become, do we pay them to take care of it or do we take care of it ourselves?

Kade Haddox: Chief, correct me if I'm wrong, last time we did an internal study, I think it was going to take a 6 mill real estate levy to cover the projection of the city taking over EMS services as a whole. There was going to need to be about 2.5 million a year. Our 1 mill real estate, I think only brings in about \$400,000 citywide. It's not as much as most people think.

Mr. Roberts: You said 6 mill real estate levy which would generate?

Kade Haddox: Roughly about 2.5 million dollars a year, which I am going to be honest with you, I don't think there's a snowball's chance in hell that a 6 mill real estate levy passes. So I think the only feasible way for the city would have to be an income tax levy. Whether that would have any success or not, I don't know.

Mr. Roberts: Well, we're strategically placed with our income taxes as of right now. If we raise, we're going to be in the upper echelon of the rest of the state if we go much higher, which I don't know that we really want to do that. Well that answers, I guess one question for me, Kade. So you're saying, and Chief was that what your understanding was the last time we looked at municipal based EMS, it was going to be...

Chief Bell: When we were looking at how we wanted to do it and your startup costs and how you would do it, I think at that time we were looking at 3 years. You got to get the levy passed first because we would have to buy ambulances and we would have to staff additional people. We would have to hire paramedics and additional dispatchers. Right now, our dispatchers get on the line, they'll take the call and say I'm going to transfer you to Community Ambulance or I'm going to transfer you to the county. And then they hand that call off. If you are doing fire based EMS and we're doing it, that person will have to stay on the line with that. So I'm going to guess that we would need an additional dispatcher per shift.

Kade Haddox: Yes, I think it was about 14 additional fire staff and 3 additional dispatchers fulltime. I think year one costs were projected out of pocket of about \$1.9 million year one.

Chief Bell: And then everything else is going to be based on billing. Like right now, we soft bill, and it's pretty general. We collect about 35%. Like I said, nobody operates in a bubble when it comes to 911. Community is able to do what we do because we are the third ambulance. If we need a fourth ambulance, the township does us. How we know that they're doing their job is based on capture rates and how many times the townships have to come into the city to pick up runs and things like that, along with our job. That's what we look at on the EMS Committee. As they showed 2019, we were running two

different private services, and the capture rate was 77%. One of the reasons there, the runs were still there, but Community was only picking up half at that time because ValueCare was the other. One of the other things we'd have to look into also if you're going to pay for that, does that open it up for an additional private company coming in and saying we want to bid for the service.

Mr. Roberts: Yes, and I fully...

Chief Bell: Something to think of there.

Mr. Roberts: And I fully understood that when we started this conversation, it was going to end up somewhere bigger than just what we're looking at today.

Chief Bell: But even right now, and we've talked with them and we brought them to Council before, fire based EMS is going to be based on, and we look at it right now. It might take three years to get an ambulance delivered. So it's not anything that we're going to be able to do probably if you're talking about passing a levy, ordering ambulances, and hiring people. It might be four years before we would be able to completely provide that service as an entity. If we wanted to go with the model as they were talking with Newcomerstown does or a fire based system. So it's not something that we can snap our fingers and do.

Kade Haddox: I guess I had a question for you, if you don't mind. Roughly, what's your collection percentage on the ambulance service?

Michael Norman: It's about the same. So it's roughly 35, just shy of 40%, in terms of collections with insurance. And we are working, we do work really hard in getting insurance companies. We are actually taking another route in insurance companies to try to get them to up the rates a little bit. And that would all subsidize. So this would still, we still bill the insurances and see what they pay. However, after all that, we're in the shortfalls of about \$700,000. The insurance companies are very, it's very hard to get, in fact we have one insurance company that just says we do not contract for EMS services. It's a major carrier. We've never written an EMS contract because typically they're funded by another means, levy dollars, public support dollars. But I was successful in getting them to write a contract, so we can at least get something for those runs. So we do try to optimize the amount of money we bring in.

Mr. Roberts: So, Mike, like your Medicare and Medicaid runs, I assume that is a set fee as with everything else. But I mean, does that pay?

Michael Norman: It doesn't cover cost, but you do get something. So, basically for Medicaid you get about 70% of your cost for Medicaid. Now, we have one Medicaid provider, a large Medicaid provider who we don't have a contract with. We were able to get a contract with Medicaid without a Medicaid provider. It still isn't in place yet, but they have agreed with some convincing that they would do a contract with us. So that will help some of these numbers as well. However, it's still, even with Medicare, Medicare doesn't cover your costs. But they do reimburse some.

Kade Haddox: I just had one other question, just in regards to the revenue and stuff. How are you tracking that? Is it by the call address? Is it by where the person ultimately lives? Because I mean, when I looked at this, I think it's more complex than just city because the amount of cars that we have coming through the city daily; they're not all necessarily citizens. A lot of people work in the City of Zanesville, so a lot of those calls can be related to people that actually live in the county but work in the city. Car accidents happen in the city that aren't necessarily city residents. So I was just curious to how the revenues track that way.

Michael Norman: It's by, we track it...

Unknown person from the audience: So, when City Dispatch answers that line, and they determine it is EMS based, they transfer it to us. Our dispatch center will then code that as origin source city, so that we can track those calls.

Kade Haddox: Okay. So it's just based off of where the ultimate destination?

Mr. Roberts: Kade, it's probably about an 80-20 if I had to guess.

Kade Haddox: I'm just asking for curiosity more than anything.

Michael Norman: Yes, and we will bill for in those cases for example you're traveling through the city, you get in an accident, we bill that insurance, either their medical or their auto insurance. And so that's all done kind of outside of what I call the city 911.

Mr. Roberts: I do apologize. We have another meeting starting in 4 minutes, so we're going to have to try and wrap this up. Chief, you had something you wanted to add?

Chief Bell: When you were asking, a lot of ours is what we see personally that brings our 35% down is we're not getting the same return that you're getting from Medicare and Medicaid back. We see much lower. If we have an ALS run, Medicaid or Medicare says you're allowed to bill, let's say \$945. I think they just put a month. We might get a check for \$100 from them, and that tends to bring our percentage down, the Medicaid and Medicare. I would be curious to see on the 70%, we have PMMG do our billing. What they take for doing billing for us is based on our number of runs, but I think it's based on about a 5%. So they'll take 5% out of whatever our collection is. If we do more runs, it goes to 4. Even more, it goes to 3. Now we just soft bill, so we don't send it to collections or we don't follow up anything else on that. But I know I've seen the checks come in through PMMG on a run where we billed for we started an IV and they gave us \$100.

Mr. Roberts: Okay. Well we're going to continue this discussion. But thank you for all the information and all the numbers and everything. Any last questions from the committee on anything? Thank you guys. I'll entertain a motion to adjourn this meeting.

Mrs. Osborn: So moved.

Mr. Wolfe: Second.

Mr. Roberts: A first and a second. All those in favor, aye. Opposed same sign.

A voice vote was taken with all present being in favor. None were opposed.

Mr. Roberts: Motion carries. We stand adjourned.

The meeting ended about 5:56 p.m.

**Regular scheduled meetings with the next dates as follows:**

Monday, May 15, 2023

Tuesday, June 20, 2023

Monday, July 17, 2023

Monday, August 21, 2023

Monday, September 18, 2023

Monday, October 16, 2023

Monday, November 20, 2023

Monday, December 18, 2023

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Billie Corns, Clerk

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Andy Roberts, Chairperson