



**AGENDA**  
**TOWN FINANCE COMMITTEE**  
**Wednesday – October 11, 2023**

**Hybrid**

**5:00 P.M.**

**LINK TO PARTICIPATE REMOTELY:** <https://scarboroughmaine.zoom.us/j/81806500682>

**TO VIEW MEETING ONLY:** <https://www.youtube.com/channel/UCD5Y8CFy5HpXMftV3xX73aw>

**Item 1.** Call to Order.

**Item 2.** Those Present.

**Item 3.** Approval of Minutes: September 13, 2023.

**Item 4.** Discussion:

- Overview of Fire/EMS  
[Fees, Billing Procedure and review of staffing and facilities]
- Source of Funds for Option Fee – School Site Purchase

**Item 5.** Public Comment.

**Item 6.** Adjourn.

SCARBOROUGH  
MAINE



# Scarborough Fire Department

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*Fire/EMS/EMA/ Fire Prevention-  
Inspection*

Finance Committee/October 11, 2023

# Overview

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- Department manages several divisions; Fire Suppression, Emergency Medical Services, Fire Inspections/Prevention, and Emergency Management.
- Operate with (3) classifications of employees. (Full-time, Per-diem, Call FF's)
- (4) FTE Command Staff, (2)admins, (32) FTE FF/EMS, (53) Per-diem, (34) Call.



# *Overview (Cont.)*

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- Operate from main Public Safety facility and 5 additional neighborhood stations
- Fleet consists of (6) Pumpers, (2) Ladders, (3) ALS Ambulances, (1) Heavy Rescue, (4) Staff Vehicles.
- Daily target Staffing 24/day is (15) FF/EMS providers.



**NFPA 1710 Standard Requires  
15 Firefighters arrive at a Full Alarm Assignment  
within 9 minutes, 90% of the time**

- |  |  |
|--|--|
| 1 - Incident Commander                   | 1 - Fire fighter for backup line support |
| 1 - Pump operator                        | 2 - Fire fighters for search and rescue  |
| 2 - Fire fighters on attack lines        | 2 - Fire fighters for ventilation        |
| 2 - Fire fighters on backup lines        | 2 - Fire fighters to serve as IRIC       |
| 1 - Fire fighter for attack line support | 1 - Aerial device operator               |

**Minimum Total of 15 Personnel Required  
upon initial arrival to safely begin suppression operations**

*Per NFPA 1710 - Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments*

# Challenges

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- Significant increase in calls for service
- Continuation of residential and commercial development
- Decline in qualified and interested workforce (Per-Diem and Full-time)
- Fewer citizens willing/able to join Call-Company (work life balance)
- Need to transition positions historically filled with per diem personnel to full-time personnel



# Challenges (Cont.)

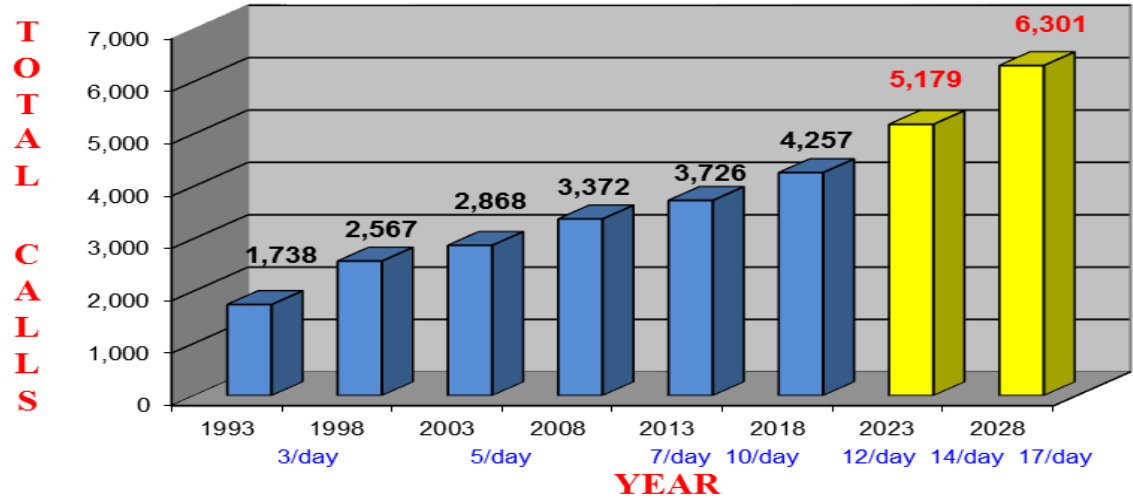
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- Specific increase demand for EMS calls
- Expansion or growth of medical facilities and short/long term care facilities
- Workforce challenges at medical facilities are resulting in reliance on 911/EMS Services
- Regional increase in use of mutual aid by all area departments

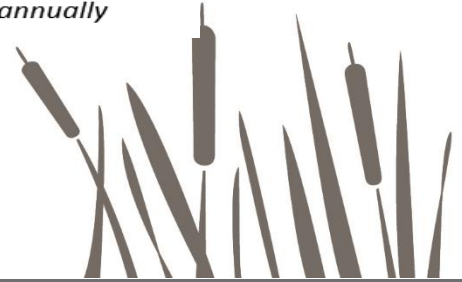


# Historical Review

## CALLS FOR SERVICE

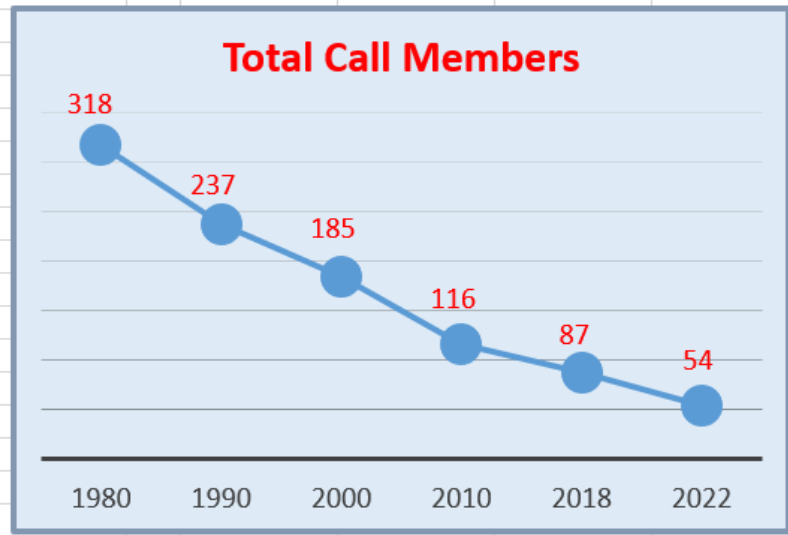


2023 & 2028 estimates based on previous 25 year average increase of 4.0% annually





# *Calls for Service v. Call Members*



# *Per-Diem/Day Firefighter Program*

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- Started over 30-years ago. Scarborough was a pioneer in using this type of workforce
- This program provided a cost effective and reliable buffer to full-time staffing.
- Over the years, many more departments adopted this model resulting in a reduced workforce and availability.
- Pandemic Impact



# *Per-Diem/Day Firefighter Program (Cont.)*

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- Workforce challenges have led to inconsistent staffing from day to day
- Workforce chose not to have additional exposures to COVID.
- Open Per-diem shift that result in increases in additional overtime to maintain safe staffing levels
- Training and education levels.



# *Department Revenues*

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Revenues collected predominantly from the following sources;

- Fire Inspection/plans review activities
- EMS response and transport activities



\*All Current Fees are found in the Town of Scarborough 311-Schedule of fees. Proposal to add a new EMS Fee in relation to “lift assist” calls at licensed medical Facilities. Increase current EMS Charges by 5% as allowed by our ordinance.

# *Department EMS Billing*

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- \* Scarborough uses a third party medical billing company to facilitate ambulance billing. (COMSTAR) since 2011.
- \* Comprehensive billing policy (Provided)
- \* Annual revenues \$1.8 million +/-
- \* FY24 GF projection is \$1.2 million. Additional revenue over projections go into Rescue Reserves to support EMS Capital investments.

# Questions & Discussion

|  |                                    |  |
|--|------------------------------------|--|
|  | <b>Scarborough Fire Department</b> |  |
|  | Scarborough, Maine                 |  |
|  | Standard Operating Guidelines      |  |

|                       |   |
|-----------------------|---|
| <b>Book:</b>          | <b>Organization</b>                         |
| <b>Chapter:</b>       | <b>Personnel, Policies &amp; Procedures</b> |
| <b>Subject:</b>       | <b>1350 - EMS Billing Policy</b>            |
| <b>Revision Date:</b> | <b>12/7/2017, 1/4/2023</b>                  |
| <b>Approved by:</b>   | <i>Rich C. Kindelan, Fire Chief</i>         |

## PURPOSE

To offset the cost of providing a comprehensive Emergency Medical System (EMS) to protect and serve the citizens and visitors of Scarborough through a system of billing patients and their insurance companies for emergency medical services rendered.

## POLICY

The Town of Scarborough recognizes the importance of providing a high quality Emergency Medical Service. In order to offset some of the cost of providing this service, the Town has instituted a Rescue Billing program that invoices the users of the EMS system for services rendered as outlined in the procedures section of this policy.

## SCOPE

All patients seen, evaluated, and or transported by the Scarborough Rescue Unit will be invoiced for services rendered except as specifically exempted in this policy.

## PROCEDURE

- A. All patients who require EMS evaluation, transport and/or treatment will be invoiced for services rendered each time service is provided as outlined below.
- B. Each time the Scarborough Fire Department's Rescue is called for service to evaluate, treat or transport a patient an electronic Patient Care Report (PCR) will be generated. Electronic signatures will also be collected for authorization for payment and/or refusal for treatment or transport.
- C. In cases where accurate health or automobile insurance information is available for the patient the Town of Scarborough, or its EMS billing service, will attempt to bill the appropriate insurance carrier. The Town will also bill co-insurers for unpaid balances as applicable. The billing service will access this insurance information electronically through the Maine EMS Run Reporting (MEMSRR) system.
- D. Patients are responsible for any and all outstanding balances not covered by insurance unless otherwise specifically noted in this policy.
- E. The Town will bill for no-transport calls when requested to evaluate a patient. In the case of an unattended death or if the resuscitation efforts for a cardiac arrest patient are unsuccessful, we will not pursue any balances beyond those covered by the patient's insurance plan.
- F. We accept assignment per the Center for MEDICARE/MEDICAID Services (CMS) regulations and other contractual insurance carrier agreements the Town has executed.
- G. We will not bill balances beyond what insurance covers for those patients who fall under one or more of the following criteria:

- a. Are residents of Scarborough, are covered under Medicare/Medicaid, and have no co-insurance. (Per CMS regulations).
  - b. A no or refused transport or treatment call requested by a police agency for a good intent evaluation.
  - c. A no or refused transport or treatment call requested by a third party as a good intent call.
  - d. Good intent calls such as medic alert alarms or motor vehicle crashes (MVCs) reported by a third party that are unfounded.
  - e. Walk-in patients who request to be evaluated and were not transported.
  - f. Town employees injured on the job that would be covered under a workers compensation claim.
  - g. Patients that are active or retired Scarborough fire, rescue, or fire/police members; an active member of the military; or active Scarborough police officer, at the discretion of the Fire Chief or his designee. This provision extends to those individuals' immediate family members that are domiciled with them.
- H. Each patient shall receive a separate bill for the service provided to them. If more than one patient is transported in the same ambulance at the same time, the mileage cost will be split evenly amongst the patients. Prorating of the bill is also permissible if multiple family members are transported in the same ambulance at the same time.
- I. The Town's billing service will send up to 3 bills in a 90-day period following the date of service.
- J. If no payments or payment plans have been made by the end of 120 days, the billing service will turn unpaid bills over to the Town for forwarding to the Town's contracted collection agency. The town finance department will be responsible for tracking all accounts that are turned over to the collection agency.
- K. The Town's billing service is authorized to establish reasonable payment plans as necessary. If after a payment plan has been established, three consecutive payments are missed and no additional arrangements have been made, the billing service will forward the uncollected balance over to the Town for forwarding to the Town's collection agency.
- L. In situations where an uninsured or underinsured patient is unable to pay or establish a payment plan, the patient may apply for a Rescue Bill Hardship Waiver.
- a. A Rescue Bill Hardship Waiver Form will be sent to the patient upon request and must be submitted by the patient showing evidence of an inability to pay by attaching a copy of their most recent pay stub and a copy of their last income tax return to the waiver form for review.
  - b. The Town of Scarborough uses the Hill-Burton guidelines for determining financial hardship. Those guidelines represent two times the Federal Poverty level as defined by the US Department of Health and Human Services, and the rates are adjusted annually.
  - c. Hardship waiver requests that fall within the current Hill-Burton Guidelines will be approved by the Fire Chief or his designee.
  - d. The Fire Chief, or his designee, is authorized to write-off a portion of the EMS bill down to the maximum Medicare/Medicaid rates in effect at the time for hardship waiver requests with circumstances beyond the scope of the Hill-Burton Guidelines.

## **REFERENCES**

- A. Center for Medicare/Medicaid Services (CMS) regulations



NOW THEREFORE, in consideration of the foregoing, the mutual promises and covenants contained hereinafter, and other good and valuable consideration, the Parties agree as follows:

1. **RIGHT TO PURCHASE.** Seller hereby grants to Buyer, and Buyer accepts from Seller, the exclusive and irrevocable right and option to purchase (the "Option"), on the terms and conditions contained in this Agreement, a portion of the Property located at Scarborough Downs Road in the Town of Scarborough Maine, consisting of up to approximately 21.87 acres, more or less, as more particularly depicted on Exhibit A hereto, together with and subject to all appurtenant rights and easements of record, but to be conveyed together with the rights and interests described below in Section 8(d) and 9(c) (collectively the "Premises"). The Seller covenants and agrees to take the Premises off the market and not to offer the Premises for sale or lease to any other person or entity, nor to accept, invite, or respond to offers for the purchase or leasing of the Premises, until the earlier of such time as this Agreement is terminated, or the term of this Agreement expires.

2. **TERM OF AGREEMENT.** This Agreement shall commence on the later date set forth below of the signatures of the Parties, and shall expire on March 29, 2024; provided, however, that if the Buyer is unable to secure the approval of the voters of the Town with respect to the Project at a referendum to be held on November 7, 2023, this Agreement shall be automatically extended to December 31, 2024, or closing on the Premises, whichever occurs sooner. Notwithstanding the foregoing, Buyer may terminate this Agreement at any time upon thirty (30) days prior written notice to Seller, whereupon this Agreement (and the Option) shall be of no further force and effect without recourse to the parties hereto, except for such obligations that by their express terms survive termination of this Agreement; provided, however, that in the event the Buyer terminates this Agreement pursuant to this Section 2, the Seller shall be released from all obligations under this Agreement and section 8.16 of the CEA. However, if the Buyer terminates due to Seller's failure to cure title issues under Paragraph 7.c, or Paragraph 14.c, or any other Seller Default, the Seller shall not be released of their obligation under Section 8.16 of the CEA. This Option Agreement does not extend the obligation under 8.15 of the CEA.

3. **OPTION FEE.** As consideration for the Option, the Buyer shall pay to Seller the sum of Twenty-Five Thousand (\$25,000) per month beginning December 1, 2023, and continuing on the 1<sup>st</sup> day of each consecutive month thereafter, until the closing date as set forth in Section 7 below (the "Option Fee"). The Option Fee shall not be refundable to Buyer (except in the event of an uncured seller default and termination of this Agreement in accord with Section 14(c) or in the event of termination pursuant to Section 10 below), provided that if Buyer closes on the acquisition of the Premises (or a portion thereof) in accordance with the terms of this Agreement, the Option Fee shall be credited against the Purchase Price on the closing date as set forth in Section 7 below. Buyer's failure to pay the Option Fee when due shall be an event of default under this Agreement. All Option Fees paid to the Seller under this Section 3 shall be the property of Seller, and shall not be held in escrow for the benefit of the Buyer.

4. **NOTICE OF EXERCISE.** The Option may be exercised by Buyer by giving written notice (the "Closing Notice") of its election to exercise the Option to Seller on or before February 1, 2024 in the event the voters of the Town approve the Project at the referendum on November 7, 2023. In the event the voters of the Town do not approve the Project at the referendum on

## Unified School Project - Purchase Option Fee

For discussion - Town Council Finance Committee, October 11, 2023

### Background:

The Purchase Option Agreement between the Town of Scarborough and Crossroads Holdings provides for a monthly option fee payment of \$25,000 per month from the Town to the owner, beginning on December 1, 2023 and continuing through November 2024, or until the Town closes on the purchase of the property. Of the total potential cost of \$300,000 (12 months x \$25,000), \$175,000 will be paid in FY24.

While the option payments will be credited against the purchase price of the land at closing, and can therefore be included in the \$160M proposed bond, a funding source for these payments must be authorized. Below is a range of options to be considered as well as a staff recommendation:

| Potential funding source   | Current available      | Comments   |
|--|------------------------|--|
| FY24 operating budgets   | n/a                    | Neither the Town nor the School Department included funding for this purpose in their approved budgets.  |
| FY24 capital budgets   | n/a                    | While the School Department has Long-Range Planning funds in their capital budget (approved in FY22 and FY23) those funds are already committed and were not added to in FY24.   |
| Town unassigned fund balance   | \$9.9M (pending audit) | Balance is governed by policy and impacts bond ratings.  |
| School unassigned fund balance (reported as Restricted Fund Balance in the ACFR) | \$2.1M (pending audit) | Available for school expenditure purposes by action of the School Board and Town Council. Intended to provide non-tax revenue in FY25 & FY26 budget development.   |
| School Capital Reserve Fund  | \$800,000              | Approved by the School Board to reduce dependence on bonding for recurring school capital expenses. Board action to fund this account specifically refers to bus replacement and cyclical repairs to the High School track/turf complex.   |
| School Impact Fees   | \$668,000              | Used to offset school debt service expenses each fiscal year. Also used for: \$300,000 to purchase portable K-2 classrooms in 2019; \$70,000 to outfit 6 additional K-2 classrooms (furnishing & equipment) in 2020; and \$286,250 in FY22 approved in the school CIP budget for Long-Range Planning (building project). |

**Recommendation:** Use School Impact fees to make FY24 required payments, with a total maximum exposure of \$175,000. Assuming the Option Fee continues to apply beyond June 30, 2024, financial arrangements will have to be made in the FY 25 budget. These funds are normally spent on debt service payments, therefore it makes sense to use them for expenditures which will ultimately be part of bonding for the building project.