

State of Rhode Island

County of Washington

In Hopkinton on the eighteenth day of May 2022 A.D. the said emergency meeting was called to order by Town Council President Stephen Moffitt, Jr. at 6:00 P.M. in the Town Hall Meeting Room, 1 Town House Road, Hopkinton, RI 02833.

PRESENT: Stephen Moffitt, Jr., Sharon Davis, Scott Bill Hirst, Robert Marvel, Michael Geary; Town Manager Brian Rosso; Town Clerk Elizabeth Cook-Martin.

CALL TO ORDER AND ROLL CALL

The meeting was called to order with a moment of silent meditation and a salute to the Flag.

ROLL CALL

Councilors Moffitt, Davis, Hirst, Marvel, and Geary announced they were present.

COUNCIL PRESIDENT STATEMENT AS TO WHY THE MATTER MUST BE ADDRESSED IN LESS THAN FORTY-EIGHT (48) HOURS PURSUANT TO RIGL 42-46-6(C)

Council President Moffitt explained the reason why this matter had to be scheduled as an emergency was due to Ashaway Ambulance Association stating that they would have to close their doors on Friday should they not receive immediate funds and the Council felt this was a potential health issue for the residents of Hopkinton.

PUBLIC COMMENT

No one spoke during the first Public Comment.

NEW BUSINESS

ASHAWAY AMBULANCE ASSOCIATION FINANCIAL ISSUES/POSSIBLE CLOSURE

This matter was scheduled for a status report from the Ashaway Ambulance Association regarding their finances.

Eric Perrin was present. Mr. Rosso advised the Council that he has been working with Eric Perrin of the Ashaway Ambulance Association to try to come up with a solution to their problem. Mr. Rosso noted that he had received some good news from the town auditors that they could provide the Ashaway Ambulance with an

advance of funds that were allocated in the FY 2022/2023 budget, to be classified as a prepaid expense. This would assist them with their cash flow issue, though it would not solve the problem. Mr. Rosso acknowledged that there has been a lot of talk about using ARPA funds; he has been speaking with a consulting firm with the State Pandemic Office, other finance directors in the state, and found that spending this money is not as straightforward as one would think. If they gave money to the ambulance association, they would become a sub-recipient and be under federal guidance. They would have to be federally audited; the town would also have to audit them; they would have to follow Davis Bacon hourly rates; and, the town would be responsible for all of their spending, as well as other guidelines. He noted that there is a 2000 page document called the 2CRF200 document which lays out the guidance as to how you can spend this money. Mr. Rosso indicated that he was going to suggest to the Council that they hire a consultant as is being done in neighboring communities. Mr. Rosso explained that they would have to rewrite the RFP process so that it was in compliance with the federal guidelines and suggested that the Council would pick projects and earmark the funds but it will be a while before the town can spend and distribute the money. He believed that Richmond, Charlestown and Hopkinton will potentially be using the same consulting firm who is on the Master Price Agreement for the state. Mr. Rosso advised that one of the finance directors has stated to him that the simplest way that they have found to use this money was to purchase a piece of equipment. Counselor Geary asked how much was allocated in the budget for the Ashaway Ambulance Association and Mr. Rosso advised \$62,000; however, if the budget is rejected their grant would be level funded at \$52,000, so he did not feel they could offer any more than that amount. Mr. Rosso stated that he is a financial analyst by trade and offered to assist the ambulance association. He hoped that there might be some grant opportunities that they could apply for. He requested the fire districts, since they are receiving money from the town taxpayers, submit a quarterly budget to actual report to him and that way if there was going to be a huge shortfall he can be aware of that and possibly provide some assistance. Council President Moffitt requested Ashaway Ambulance provide the Town Manager with any reports that he felt he needed

and noted that this was a private organization but they were asking for public money. Councilor Hirst noted that the Board of Fire Commissioners adopts the budget that is presented to the voters at the annual Ashaway Fire District meeting in July and a lot of residents are not aware of this vote. Councilor Hirst also noted that the Ashaway Ambulance, over a period of years, has had financial issues and wondered how they could prevent recurrence of this in the future. He asked what percentage of their billing went to collection and Mr. Perrin indicated that he did not know the percentage but there was some. He advised that in the last fiscal year their billing company had billed out \$775,000. The process was that their crew goes to a call and has two hours thereafter to write their report. The report gets forwarded to their crews that QA them and they get sent to the state, which is the law; then it gets sent to the billing company and if you have Medicare, the reimbursement rate is approximately 14%. Out of the \$775,000 billed last year, they recouped about \$113,000 which is the Rhode Island average; Rhode Island is number fifty in the country for ambulance reimbursement rates. Mr. Perrin advised that he has written letters to their representative and senator and he has the number to the gentleman in charge of Blue Cross Blue Shield of RI who is willing to come down and meet with the ambulance association personally to discuss their reimbursement rate. The problem is decline of reimbursement and rising expenses. Mr. Perrin stated that he keeps hearing of Ashaway Ambulances continued financial troubles and he noted that the only financial troubles he has heard of from previous councils was that the last treasurer was not depositing subscription checks in a timely manner. He explained that all of their financial matters go through a CPA in Westerly and he, as Treasurer, does not even have the checkbook. They use a CPA, a billing company and someone for payroll. Mr. Perrin noted that last year they spent more than they took in because an ambulance and a generator broke down. Mr. Rosso asked if the 14% collection rate was normal for other ambulance companies and Mr. Perrin believed that once you get north of Exit 6 things change, but this area has always been the lowest of the low for reimbursement. Council President Moffitt noted that taxpayers subsidize the ambulance association for the insurance companies and by them providing them with their grant early, would not fix the problem. He advised that

he supported advancing them the money to help out but they still needed to find a solution to the problem. He also believed that the fire district was going to increase their budget to facilitate whatever the Ashaway Ambulance needed; and they would want to see their quarterly reports. Mr. Perrin noted that he had no issue with this.

Robert Greene of North Road stated that he was an Ashaway Fire District Commissioner and was disappointed that the ambulance association would not be receiving any COVID funds tonight. He appreciated the fact that they could receive their grant money early, but felt it was like putting a band aid on an open chest wound. He advised that should the Ashaway Ambulance come to the Fire District Commissioners and ask for \$250,000, the Commissioners would approve it and it would be placed on the budget for a vote in July. He believed that money would be pretty much guaranteed because in July there will be 23 people in the fire house and the budget will be voted on by the fire department and be approved. The problem is can we afford to be constantly putting this burden on the taxpayers of Ashaway. He felt that if the ambulance association did not receive the money from the town they would have to get it from the fire district. Council President Moffitt felt that since Ashaway Ambulance was a private association it was up to the people in the district of Ashaway. Mr. Greene believed that the legislators would not listen to him but they would listen to the 39 cities and towns and he asked who would get that ball rolling. Councilor Davis asked Mr. Greene what he wanted the 39 cities and towns to ask the legislature to do and Mr. Greene suggested a proclamation discussing how we are number fifty out of fifty states in insurance reimbursement. Councilor Davis noted that a rate study is being performed; however, it would not be effective until July of 2024. Mr. Rosso advised that after the last Council meeting they did send a letter in support of those two bills which was also distributed to the senator and representatives. Lastly, Mr. Greene noted that Mr. Rosso had indicated that he was a financial analyst and if there were any grants that the ambulance association could apply for, to please let them know. Council President Moffitt explained that he would like the Council to be a conduit to start the process, for this was a

medical emergency which the state is allowing to occur. Council President Moffitt asked Mr. Rosso how they were going to pay the advance to the Ashaway Ambulance and for how much and Mr. Rosso advised that the Council should determine how much they wished to advance them and then he would take care of the rest. Councilor Hirst asked how much money they would receive quarterly and Councilor Davis replied \$15,500 based on a grant of \$62,000. Councilor Hirst wondered if they should receive the first quarter payment or possibly half of their grant. Mr. Rosso felt that if it was up to him, he would ask Mr. Perrin to look at their current situation and advise us how much he would need to get through the next three months, until the next quarter; their payroll should be covered, along with any outstanding bills. Councilor Hirst offered a motion to provide the Ashaway Ambulance Association with a three month advance. There was no second to the motion. Councilor Hirst asked if this advance would be enough and Mr. Perrin did not believe it would suffice. Councilor Davis noted that they spent \$160,000 on payroll in 2021.

A MOTION WAS MADE BY COUNCILOR GEARY AND SECONDED BY COUNCILOR HIRST TO GRANT ASHAWAY AMBULANCE A FORTY THOUSAND DOLLAR ADVANCE ON NEXT YEAR'S GRANT. Discussion on motion:

Councilor Marvel asked Mr. Perrin if he felt that this would be enough and Mr. Perrin indicated that it would depend on how they handled their bills. Councilor Davis noted that their expenses in 2021 were \$289,000 and their revenue was \$226,000 so they had a \$63,000 loss. Council President Moffitt asked Mr. Rosso for his input and he indicated that he would try to factor in what they would need to get through September. Mr. Rosso indicated that he had not had the time to review the financial records they just sent him so he did not know what they needed for spending in the next three months. Discussion ended.

IN FAVOR: Moffitt, Davis, Hirst, Geary, Marvel

OPPOSED: None

SO VOTED

Councilor Davis believed that it would be helpful to have an outside consultant assess the Hope Valley and Ashaway Ambulance situation to determine a long term solution. Councilor Hirst believed there was an inconsistency in town for if you live in Ashaway you pay for both ambulance associations and then you pay again to Ashaway Ambulance through your fire district taxes. He did not believe there was any thought by the other fire districts to fund their ambulance services.

PUBLIC COMMENT

Eric Bibler of Woodville Road wished to thank Eric Perrin, everyone at the ambulance squads, and wished to recognize the many volunteers who donate their time. He advised that he has had some experience as the treasurer of a volunteer ambulance squad and believed that what they were trying to do in manning the ambulances, providing crews 24/7, covering calls and managing expenses was extremely difficult. This was especially hard in a rural area because they may not have the volume of calls that makes it attractive to hire an outside vendor unless you subsidize the vendor. He felt it was critical for the town to try to find a way to keep our ambulance associations engaged because they were supplying so much free labor. Mr. Bibler noted that there was one ambulance call to his house about twenty-five years ago and if not for the Ashaway Ambulance crew, he believes he would have one less family member today. He stated that he did not know what would happen if they did not have the Ashaway Ambulance service; what would the solution be and what would the state require of the town; and, what would be the town's obligation? He also questioned what the annual expenses have been for both ambulance companies for the last three years and what the annual revenues have been through the combination of their private fundraising and reimbursement from insurance companies. He wished to know the size of their shortfall or what the annual deficit was, because he felt that was the core problem. Mr. Bibler believed that since the town was providing the ambulance association with these funds early, which they should require, from both ambulance companies; that they answer any questions and provide any financial information that is requested by the Town Manager. Lastly, Mr. Bibler suggested that they have a discussion with the legislators to let them know that the insurance reimbursements are crippling our town.

Holly Greene of North Road indicated that what bothered her was the disparity in taxes between the Ashaway District and the Hope Valley District. If we have to keep subsidizing the Ashaway Ambulance through the Fire District our taxes are going to go up two cents for every \$10,000 in property value; so, a \$250,000 house in Ashaway is going to cost more in taxes, if you combine your town and fire district taxes, than the same valued home in Hope Valley. She wondered how Hope Valley Ambulance was able to keep things running smoothly. Councilor Davis noted that this was why she suggested an outside study to look at the big picture. Mr. Perrin explained that the Hope Valley/Wyoming and Carolina Fire Districts do not have a provision in their charters that would allow them to run emergency services. He believed that to change that would take about a year before the legislation could be submitted. He also attempted to answer Mrs. Greene's question by noting that Hope Valley Ambulance covered two towns; they receive grants from the Towns of Richmond and Hopkinton. Their call volume was around 1,500 calls last year and Ashaway had six hundred. Both ambulance companies are running two rigs; Hope Valley's payroll was approximately \$190,000 and Ashaway Ambulance was \$160,000; Ashaway received approximately \$113,000 in billing money and Hope Valley Ambulance received approximately \$300,000. Councilor Hirst wondered if the Hope Valley/Wyoming Fire District and the Carolina Fire District will change their charters to potentially allow funding for the ambulance corps.

ADJOURNMENT

A MOTION WAS MADE BY COUNCILOR HIRST AND SECONDED BY COUNCILOR MARVEL TO ADJOURN.

SO VOTED

Elizabeth J. Cook-Martin

Town Clerk

Marita D. Murray

Deputy Town Clerk