

# TRI-TOWN AMBULANCE RETIREMENT DUE/CARRY FORWARD BALANCE/DEBT SERVICES IDEAS

Date

## OVERVIEW

### 1. Background information

In 2016, while performing a cost analysis for a full time paramedic, it was determined that the Town of Chilmark had been solely paying for the retirement costs of Tri-Town Ambulance Employees. Over the course of the following years, it was determined that that a total amount of \$282,176.95 was paid solely by the town of Chilmark, going back to FY97. Additionally, the Tri-Town Ambulance Committee voted starting with FY17 to hold any balance from the operating budget of Tri-Town Ambulance to be used to pay back that amount. Currently Tri-Town Ambulance has a carry forward balance of \$166,783.52

Furthermore, starting in FY22, Tri-Town Ambulance will start to incorporate a debt services amount in its budget to cover the debt of the new Tri-Town Ambulance Headquarters in Chilmark. Each town agreed to pay 1/3<sup>rd</sup> of the Debt Services, which is approximately \$60,000 per year.

At the Tri-Town Ambulance Committee meeting on November 19<sup>th</sup>, 2019, it was discussed to use the carry forward balance to both start paying down the Retirement debt, as well using the carry forward balance to lower the increase in the annual Tri-Town Ambulance Budget.

It was also discussed that this use would be a separate line, outside of the usual Tri-Town Ambulance Assessment to each town, to prepare the three towns, and their respective Boards of Selectmen and Finance Committees for the inclusion of the debt services for the new Tri-Town Ambulance Headquarters.

### 2. Proposal

It is proposed that for FY21, that a portion, \$28,000, be used to start the re-payment process for the Retirement debt, and that \$100,000 be used to offset the FY21 budget increase.

Going forward with FY22, it is proposed that \$28,000 of the surplus balance from the Tri-Town Ambulance Budget be used to re-pay Chilmark the balance of the Retirement debt, over the course of 10 years, until the debt has been repaid.

Additionally, a line will be added to the Tri-Town Ambulance Operating Budget starting in FY22 (**believe that's when the debt services will start**) to reflect the cost of the Debt Services for the Tri-Town Ambulance Headquarters in Chilmark, that will be paid for the next 20 years as well.

### 3. Implementation Plan

To re-pay the retirement debt as calculated by the Dukes County Retirement Board and the Town of Chilmark, as well as pay the debt services for the cost of the Tri-Town Ambulance Headquarters.

This will be accomplished by the following:

- Using the Carry forward balance from FY17, 18, and 19 to pay \$28,000 towards the Retirement debt, and \$100,000 to help to offset the FY21 Annual Operating Budget for Tri-Town Ambulance.
- Starting with the budget surplus balance from FY20, using 25% percent or \$28,000, whichever is the greater amount to pay the Retirement Debt, 25% towards offsetting future Operating Budgets, and 50% towards the debt services for the Tri-Town Ambulance Headquarters, in addition to the normal assessment for the debt services as applied to the towns.
- Have both the Retirement Debt, and the Debt Services for the Headquarters paid off after 10, and 20 years respectively.

#### **4. Affected Parties**

The affected parties are the Towns of Aquinnah, Chilmark, and West Tisbury, and their citizens and tax payers.

#### **5. Other Considerations/Requests to Change plan**

If it is determined at any time that the above percentages will not pay down the Retirement Debt or the Debt Services within the time frame, these percentages or amounts can be amended, and a new formula can be drafted.

If at any time a Town does not agree with the above plan, it can be amended.

### **APPROVAL AND AUTHORITY TO PROCEED**

We approve the Proposal as described above, and authorize Tri-Town Ambulance to proceed.

<b>Name</b>	<b>Title</b>	<b>Date</b>

**Approved By**

Date

Approved By

Date