

PAID ADVERTISEMENT

What are you willing to pay for?

Unfortunately for taxpayers, the startup of this government run ambulance service has devolved into an extremely expensive operation. One of the great difficulties of managing our district has been that we are governed by elected volunteers who serve on a Board of Directors. We also have a manager or Chief as CEO.

Each director strives to do his or her best and not all have expertise in accounting, financial analysis or strategic planning. Some have past health care experience. Not all are experienced entrepreneurs or have past experience managing labor union contracts. Another difficulty is that persons can be elected to the Board of Directors who have divided or union sympathies. One director has stated "I'm here for the guys", a reference that this director has the "backs" of the unionized working staff. The same director stated, "The public doesn't care what they pay for ambulance services". We also have had directors who stated that "we didn't know what we were signing for", in terms of what the particular sections, paragraphs, and economic terms in the labor agreement would bring as total costs to the district.

The firefighters union that represents the paramedics and EMTs of our district has a long pattern of writing contracts that have "multipliers" that supercharge wages, overtime, and retirement benefits. Additionally, once you get to know the wonderful staff and the great individuals who work here, it is very difficult as a director to say "No" in a labor negotiation that disrupts the harmony and morale of the labor group. As a result, we have experienced "contract creep" as each new contract brings another raise or "gimmee" for the union.

It has also been true in the past with Chief Jim Langborg and with our current Chief Michael Schick, that our District CEO, the fire and EMS Chief, has not been a true advocate for taxpayers and has advised that "this is how things are done in government" as opposed to how things would be managed by a private business. We have seen evidence of this in costs within the budget process and with the compensation and benefits proffered to staff positions not covered by the union labor agreement. There is, in our opinion, a huge sense of entitlement throughout the entire organization.

We ask you to reflect on what the meaning of "public service" is or should be. Our belief is that those who serve the public owe a duty to keep costs low and that taxpayers reward them with a stable competitive living wage, healthcare benefits, and a retirement plan. But what happens if "government" becomes a servant of itself, constantly raising salaries, benefits and perks that are far above what is offered in the private business sector? This is exactly what has happened here in Florence.

The district failed to negotiate a labor agreement to bring labor costs back into alignment with what is offered in the private sector. The previous labor agreement was signed in March 2017 just before directors, who (like Larry Farnsworth), were elected in May 2017 and installed in office in July 2017. We had to live with that labor agreement until 2020 when the contract became open. We attempted to negotiate a new labor agreement this year. Our Board of Directors, understanding our fiscal losses in the last few years, and examining the parity of wages and benefits in this industry, unanimously came to a consensus about the economic changes we needed in this new contract. We were looking to potentially cut labor costs between \$250,000 and \$480,000 per year. This negotiating goal was reached by management and the Board after we

examined other comparable agencies and ambulance businesses and our desire to keep this district afloat. We believe that we need to operate it more like a private business in fairly representing the taxpayers who elected us. These concessions were publicly detailed and approved by line item in our budget plan for this year. We were willing to accept a minimum of \$250,000 in cuts in a one year contract only because we didn't have three of the five directors in consensus on the Board for the steeper \$350,000 in cuts that were needed. The plan and negotiating goal was to cut \$250,000 this year and get the remaining cuts in the following one-year contract.

Unfortunately, the Chief prematurely and publicly divulged our negotiating goals by line item in our budget process before we were able to approach and negotiate with our labor group and their union. He either did this intentionally to design these negotiations to fail or he was inexperienced at labor negotiations. This inflamed our labor group and employees who never see themselves as taking any cuts in their pay and benefits, which they now take for granted. They complained loudly during the budget process meetings. Their outcries of "decimating" the district were emotional. One employee described the PTSD this employee experienced in the job. As a result, a majority of three Board members caved

increases each year.

As our population increases the number of homes and businesses will increase and thereby tax revenues increase. Unfortunately, the costs at WLAD have outpaced increased billed patient care revenues and even this incremental increased property tax revenue. The Board is contemplating a strategic planning process and asking you to consider a renewal of the operating levy. Then they may be considering asking you to allow a full merger of the Siuslaw Valley Fire Department and the Western Lane Ambulance District into a new tax district, at a higher permanent tax rate that will mask over the problems in the labor agreement. We oppose this merger.

Exactly how much are our paramedics compensated? It should be noted that paramedics around the state and nation work around 2,912 hours per year. This is more than a regular full-time equivalent and is similar to firefighters. Sometimes they are very busy, sometimes not, but they are "on call" and during their duty time could be running calls, working on equipment, training, eating, resting/sleep.

Ask yourself, where can you go in the private business sector and earn \$86,850 per year after earning a two-year Associate Degree? The three shift supervisors, each earning \$122,586 have no budget authority, are not able

employees with a spouse or children, to cover their co-pay and deductible costs. This typically becomes a savings account for the employee. The health plans cost the district \$22,866 per employee plus the \$1,500 to \$3,000 contribution per employee in 2020. There are other benefits too like gym club memberships, cell phone stipends, the ability to cash in your vacation to supercharge your PERS pension. Where can you go to work in the private sector and the employer offers such generous benefits?

Speaking of PERS, the New York Times highlighted that the Oregon State PERS program was one of the most underfunded and poorly managed retirement systems in the United States. Despite changes in different tiers of retirement benefits the amount that is due by our taxpayers continues to grow each year. In the 2017 PERS Actuarial Report, the Unfunded Actuarial Liability owed by our district was \$2,870,638 and climbed to \$3,428,376 in two years' time. For comparison, private ambulance businesses typically offer a more affordable 401K type retirement plan that both the employee and employer contribute to. For the PERS Retirement program, our district pays the PERS employer obligation costs and also picks up the employee 6% obligation.

What to do? We believe that the union has such a strong hold on labor management relations here that

The current labor agreement has the following stated wages as compared with the competing private ambulance services in our area:

WLAD Paramedics:	Private Paramedics:
Step 1: \$62,208	\$48,253
Step 2: \$65,692	\$50,202
Step 3: \$69,370	\$54,241
Step 4: \$73,255	\$56,714
Step 5: \$77,357	\$60,258
Step 6: \$81,689	\$61,865
Step 7: "	\$63,556
Step 8: "	\$65,287
Step 9: "	\$67,265
Step 10: "	\$69,078
Step 11: "	\$71,098
Step 12: "	\$73,076
Step 13: "	\$76,456

In actual budgeting, our district is also required by the union to cover first call sick leave, vacation, PTO training, etc. at overtime rates of pay. Last year this staffing of overtime cost \$303,769.

Because of this additional overtime the district budgets \$86,850 on average for each of the 12 full time positions. Supervisors earn 15% additional hourly pay and the district budgets \$122,586 for each of the 3 positions. This is far above what the Chief earns!

no elected Board will ever have the resolve to fix these economic problems. The only way to change this district and make it operate more efficiently is to deny it funding by voting against the Operating Levy.

We would be better off right now to contract out our community's ambulance ALS, BLS and transport services to a private company because the alternative is forever increasing labor costs, benefits costs, and retirement liabilities that are a tremendous burden on our taxpayers, small businesses, and retirees on fixed incomes. If

we deny the ambulance district its operating levy, it will either have to contract out the services or learn how to staff the operation like any private business would do.

on our negotiating goals. We were not proposing any operational changes, only changes in compensation and benefits. Therefore, the only changes would be economic. All staffing levels would remain the same. The same level of professional medical transport and care would continue. In the end, although the firefighters union publicly stated that they would work with the district on any economic challenges, the union would not make a single economic counter-offer during negotiations and we entered mediation. Faced with either placing our "last best and final offer" and having either a strike or lockout, the Board settled on a contract that provided no cuts in compensation or benefits but instead a freeze in wages for cost of living adjustments only. Employees would still receive step increases. This is a two-year contract. The union steadfastly denied that we have economic challenges despite losing money in three of the past four years and that these problems should, if real, be fixed only with another tax increase.

Essentially the district has been operating at an audited loss each year for three of the past four years. As a result we have been making up the shortfall by drawing against our savings and assets. We eliminated our Building Capital Budget. Our current Equipment Capital Budget forecasts exhausted resources with diminishing balances each year as we take funds that should be reserved for equipment replacement to fund the labor agreement.

Some will say that the call volume has gone up and so have the costs to operate the district. This is true in every ambulance area in our state. These same folks ignore the increases in billed patient care services revenues, increases in tax revenues due to property developments, new homes being constructed and added to tax rolls, and property tax valuation

to hire or fire personnel, and previously did no employee performance reviews. They supervise four to six other employees on a shift.

These levels of compensation are certainly far above the average wages for paramedics across the State of Oregon and across our country. The median wage for paramedics in the State of Oregon is \$43,939 and the median wage at the 90th percentile is \$55,665. (Source: Salary.com) Our staff is being compensated at a level that is 47% ABOVE the 90th percentile for their peers in the state, and they reach a salary of \$77,357 in five years of service that is greater than the private ambulance services pay at fifteen years of service at \$76,457. The same is true of the shift supervisors who each earn \$122,586 per year. Keep in mind that this is far more than the Chief earns for managing the entire department at \$113,089. This is more pay than is paid to the Director of the Port of Siuslaw Authority (\$72,000), more pay than is paid to the General Manager of the Heceta Water District PUD (Range \$69,835 to \$108,336), more pay than is paid to a Florence Police Department Commander (range \$73,266 to \$96,412), and more pay than our Florence Police Chief earns at (range \$89,055 to \$117,191). The staff pay scales at the ambulance district are certainly way above what most of our small business owners earn in Florence

Besides the pay, another issue for WLAD is the outsized level of benefits. Each employee accrues a month of vacation at the end of their first year of employment. This includes an accrual for named holidays. They receive a generous health plan where they only pay 10% of the premium cost for themselves and their family members. With low deductibles on these plans, the district also gives each employee \$1,500 in cash per year for single employees and \$3,000 per year for

We must say this: These first responders are our heroes. We respect and appreciate them. Just like our police officers, military, doctors and nurses, and our Coast Guard, who are also our heroes. However, when "hero worship" distracts us, or if we are taken unfair advantage of by those who feel entitled and who are providing "government service", or if we are being ransacked by their trade union, we must push back. Unless you believe that paying far beyond normal levels of compensation is warranted, you should vote No on any levy.

Several levies have failed recently. In the last election Oakridge taxpayers defeated a local option tax that would have supported ambulance services. The Lane Fire Authority local option levy failed as well. In Marion County, voters rejected a levy and the district laid off 12 firefighter paramedics. In each case, the costs of these services was evaluated by voters and rejected.

The WLAD Board intends to ask voters to renew the operating levy in the November 2021 election, and if voted down, to ask again in the May 2022 election.

We believe your voices should be heard by the Board as it deliberates on a strategic future for these services in our community. If the Board cannot or will not correct this, you have the final say at the ballot box. Yes or No?

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