

Py 250

CITY COUNCIL MEETING

cc-22(a)

JULY 21, 1982

DISCOUNT RATE PRO-
POSED ON NUMBER OF
PATIENTS IN LODI
AMBULANCE SERVICE
AMBULANCES

City Clerk Reimche presented a letter which had been received from the Lodi Ambulance Service regarding a rate adjustment and proposing a discount base rate based on the number of patients being transported in the ambulance.



**Lodi
Ambulance
Service, Inc.**

1709 SOUTH STOCKTON STREET
LODI, CALIFORNIA 95240
(209) 334-0830

6-2

RECEIVED
1982 JUL 12 AM 9:03
ALICE M. REINCHE
CITY CLERK
CITY OF LODI

July 9, 1982

Lodi City Council
City Hall
221 W. Pine St.
Lodi, CA 95240

RE: Lodi Ambulance Service
Rate Adjustment

Council Members:

After consideration and much thought we believe that the rate structure for our multiple transport patients is not acceptable to our billing practices or to the patients themselves. Our request is to allow us to discount the ambulance Base Rate per number of patients in the ambulance. Currently we charge the Base Rate and all prevailing service to each patient.

Our proposal is to discount the Base Rate per patient transported.

EXAMPLE: Base Rate 95.00 each 1 Patient
80.75 each 2 Patients
76.60 each 3 Patients

We request the council to review this adjustment and take action to accept our request.

Respectfully,

Mike Nilssen

CITY COUNCIL

FRED M. REID, Mayor
ROBERT G. MURPHY,
Mayor Pro Tempore
EVELYN M. OLSON
JAMES W. PINKERTON, Jr.
JOHN R. (Randy) SNIDER

CITY OF LODI

CITY HALL, 221 WEST PINE STREET
POST OFFICE BOX 320
LODI, CALIFORNIA 95241
(209) 334-5634

HENRY A. CLAVES, Jr.
City Manager

ALICE M. REIMCHE
City Clerk

RONALD M. STEIN
City Attorney

July 13, 1982

Mr. Michael Nilssen
Lodi Ambulance Service Inc.
1709 South Stockton Street
Lodi, CALIFORNIA 95240

Dear Mr. Nilssen:

This letter will confirm the actions of the Lodi City Council taken at its regular meeting of July 7, 1982 whereby following receipt of a request for a rate increase, the Council, following a lengthy discussion, granted to the Lodi Ambulance Service, effective July 15, 1982, a 12% rate increase with the stipulation that a Profit and Loss Statement is to be prepared by the auditors as of December 31, 1982. This information is to be presented to the Council at the earliest possible time following that date for Council review. Council reserves the right to make a possible adjustment to the subject rates at that time following its review of the December 31 Profit and Loss Statement.

Should you have any questions regarding this item, please do not hesitate to call this office.

Very truly yours,

Alice M. Reimche
City Clerk

AMR/lf



**Lodi
Ambulance
Service, Inc.**

1700 SOUTH STOCKTON STREET
LODI, CALIFORNIA 95240
(209) 334-0630

RECEIVED

1982 JUN 14 AM 9:18

ALICE M. REIMCHE
CITY CLERK
CITY OF LODI

June 11, 1982

Lodi City Council
City Hall
Lodi, CA 95240

RE: Lodi Ambulance Service
Rate Increase

Council Members:

We formally advise the council of a proposed rate increase of approximately 12%. We feel that this rate increase is a fair and equitable adjustment increase to all persons using our service.

Documents are enclosed to show the cost increase on a comparison level and also the percentage write down factor of private vs. social medical care claims and the new price index.

Very truly yours,

Michael Nilssen

Enclosures
MN:bs

Enclosure 1

RE: Lodi Ambulance Service
Rate Increase

COMPARISON LEVEL

	<u>CARDIAC</u>	<u>TRAUMA</u>	<u>ARREST</u>	<u>CURRENT</u>
BASE RATE	95.00	95.00	95.00	85.00
MILEAGE	5.00	5.00	5.00	4.50
NIGHT CALL	20.00	20.00	20.00	17.75
OXYGEN	25.00	25.00	25.00	21.25
EMERGENCY	20.00	20.00	20.00	17.75
WAITING TIME	14.25	14.25	14.25	14.25
	<u>179.25</u>	<u>179.25</u>	<u>179.25</u>	<u>160.00</u>
ADVANCED LIFE SUPPORT	55.00	55.00	55.00	49.50
EKG	40.00		40.00	35.50
HEART/LUNG RESUSCITATOR			40.00	35.50
SUCTION			16.00	14.25
RESUSCITATION			16.00	14.25
INTUBATION			40.00	35.00
	<u>95.00</u>	<u>55.00</u>	<u>207.00</u>	<u>184.00</u>
SPINAL CARE				
ORTHOPEDIC STRETCHER		25.00		21.25
M.A.S.T.		34.00		28.50
		<u>59.00</u>		<u>49.75</u>
	<u>269.25</u>	<u>234.25</u>	<u>386.25</u>	<u>344.00</u>
	<u>269.25</u>	<u>293.25</u>	<u>386.25</u>	<u>393.75</u>

MN: bs

June 11, 1982

K-1.

COUNCIL COMMUNICATION

TO: THE CITY COUNCIL and Honorable Mayor
FROM: THE CITY MANAGER'S OFFICE

DATE July 2, 1982

NO.

SUBJECT: Lodi Ambulance Service audit

Council directed staff to have an auditor evaluate the financial data presented to the City by Lodi Ambulance Company.

We asked the accounting firm of Ernst and Whinney, the City's auditor, to conduct such an evaluation. They procured Lodi Ambulance Service's balance sheet and statement of operations for the fiscal years ending March 31, 1981 and March 31, 1982. They prepared a comparison of the actual statement of operations and the statements prepared by Lodi Ambulance Service as justification for a rate increase. In addition, they prepared from these reports some ratio analysis. Our Finance Department, too, prepared additional ratio analysis.

Representatives of Ernst and Whinney will be at the Council meeting on July 7 to give a complete explanation of their work and to answer questions.



Jerry L. Glenn
Assistant City Manager

LODI AMBULANCE SERVICE, INC.

Current Ratio - Current assets to current liabilities. Measures the ability of a business to pay its current obligations.

	<u>3/82</u>	<u>3/81</u>
Current Assets	\$171,099	\$127,462
Current Liabilities	20,333	29,957
Working Capital	<u>\$150,766</u>	<u>\$ 97,505</u>
Current Ratio	841%	425%

Accounts Receivable Turnover - Aids in evaluating the receivable position and approximate collection time.

	<u>3/82</u>	<u>3/81</u>
Net Ambulance Fees	\$541,445	\$449,387
Net Receivables	139,207	113,775
Receivables turnover for year	3.9	3.9

Ratio of Stockholders' Equity to Total Liabilities - Indicates changes in source of business capital. Increases indicate the company is less vulnerable to a decline in business. Decreases indicate trading on equity (applying leverage) which may be a favorable position to be in.

	<u>3/82</u>	<u>3/81</u>
Stockholders' Equity	\$221,145	\$202,249
Total Liabilities	62,058	29,957
Ratio of Stockholders Equity to total liabilities	3.6	6.8

Ratio of Stockholders Equity to Land, Buildings and Equipment - An increase means acquisitions are financed through retained earnings. A decrease may suggest possible over expansion, excessive use of credit and greater vulnerability to financial difficulties if business drops off.

	<u>3/82</u>	<u>3/81</u>
Stockholders' equity	\$221,145	\$202,249
Land, buildings & equipment (net)	65,534	53,818
Ratio of stockholders equity to land, buildings, and equipment	3.4	3.8

Ratio of net sales to total assets - Indicates the relative effectiveness of asset utilization.

	<u>3/82</u>	<u>3/81</u>
Net sales	\$436,207	\$406,580
Total assets	283,203	232,206
Ratio of net sales to total assets	1.5	1.8

Rate earned on total assets

	<u>3/82</u>	<u>3/81</u>
Net Income	\$ 18,896	\$ 35,531
Total assets	283,203	232,206
Rate earned on total assets	6.67%	15.30%

Rate earned on stockholders equity

	<u>3/82</u>	<u>3/81</u>
Net income	\$ 18,896	35,531
Stockholders equity	221,145	202,249
Rate earned on stockholders equity	8.54%	17.57%

BALANCE SHEET
 DECEMBER 31, 1981
 UNAUDITED

ASSETS

CURRENT ASSETS		
PETTY CASH	\$	57.50
CASH IN BANK		326.49
CASH IN SAVINGS		8259.38
ACCOUNTS RECEIVABLE		113774.73
SALARY ADVANCES		591.84
PREPAID EXPENSES		4552.21
		<hr/>
TOTAL CURRENT ASSETS	\$	127462.23
PROPERTY AND EQUIPMENT		
LAND	\$	10796.20
EQUIPMENT & FIXTURES	\$	31884.81
ALLOWANCE FOR DEPRECIATION		15918.00-
		15966.81
AUTO EQUIPMENT	\$	81073.27
ALLOWANCE FOR DEPRECIATION		54019.00-
		27055.27
		<hr/>
TOTAL PROPERTY AND EQUIPMENT		53918.28
OTHER ASSETS		
OTHER ASSETS	\$	1343.15
GOODWILL		47914.31
IMPROVEMENTS		1667.94
		<hr/>
TOTAL OTHER ASSETS		50925.40
		<hr/>
TOTAL ASSETS	\$	232205.91

LIABILITIES AND CAPITAL

CURRENT LIABILITIES		
NOTE PAYABLE-HELWIG	\$	1583.49
CONTRACTS PAYABLE		23350.51
OTHER LIABILITIES		536.78
S O I & S O I		1085.05
F I C A		1946.02
FEDERAL WITHHOLDING		2218.50
STATE WITHHOLDING		309.90
		<hr/>
TOTAL CURRENT LIABILITIES	\$	29956.70
CAPITAL		
COMMON STOCK	\$	104866.11
RETAINED EARNINGS		51852.17
EARNINGS YEAR-TO-DATE		35530.93
		<hr/>
TOTAL CAPITAL		202249.21
		<hr/>
TOTAL LIABILITIES AND CAPITAL	\$	232205.91

LOWE AMBULANCE SERVICE, INC.

STATEMENT OF OPERATIONS

PERIOD 12 MONTHS ENDED MARCH 31, 1961
UNAUDITED

	CURRENT PERIOD	%	YEAR TO DATE	%
INCOME				
AMBULANCE FEES	449387.27	110.53	449387.27	110.53
OTHER INCOME	381.09	.09	381.09	.09
LESS AMBULANCE SERVICE	43188.81	10.62	43188.81	10.62
TOTAL INCOME	406579.55	100.00	406579.55	100.00
OPERATING EXPENSES				
ADVERTISING	9316.11	2.29	9316.11	2.29
AMORTIZATION OF GOODWILL	4355.86	1.07	4355.86	1.07
GAS & OIL	12457.59	3.06	12457.59	3.06
AUTO LEASE	4370.40	1.07	4370.40	1.07
AUTO MAINTENANCE	7894.09	1.94	7894.09	1.94
DEPRECIATION	13537.00	3.33	13537.00	3.33
INTEREST	4583.47	1.13	4583.47	1.13
INSURANCE	40442.73	9.95	40442.73	9.95
LAUNDRY & CLEANING	3124.06	.77	3124.06	.77
LEGAL & ACCOUNTING	2069.70	.51	2069.70	.51
LICENSES & TAXES	4815.14	1.18	4815.14	1.18
MEDICAL SUPPLIES	2194.12	.54	2194.12	.54
MISCELLANEOUS	598.04	.15	598.04	.15
OFFICE EXPENSE	9952.31	2.45	9952.31	2.45
RADIO & MEDICAL EQUIP	6764.97	1.66	6764.97	1.66
REFUNDS	9139.77	2.25	9139.77	2.25
REIMBURSEMENT EXPENSE	13488.54	3.32	13488.54	3.32
RENT	14400.00	3.54	14400.00	3.54
SALARIES-OTHER	182792.47	44.96	182792.47	44.96
TAXES PAYROLL	14492.30	3.56	14492.30	3.56
TELEPHONE & UTILITIES	10259.96	2.52	10259.96	2.52
TOTAL OPERATING EXPENSES	371048.62	91.26	371048.62	91.26
NET PROFIT OR LOSS (-)	\$ 35530.93	8.74	\$ 35530.93	8.74

BALANCE SHEET
MARCH 31, 1962
UNAUDITED

ASSETS

CURRENT ASSETS

PETTY CASH		67.58
CASH IN BANK		6536.15-
CASH IN SAVINGS		8304.29
CASH IN FOR-PAID ACCT.		6327.65
ACCOUNTS RECEIVABLE		139207.16
ACCOUNTS RECEIVABLE-STRIKING		12447.91
SALARY ADVANCES		591.84
PREPAID EXPENSES		4352.21
LOAN TO STOCKHOLDERS		6335.78

TOTAL CURRENT ASSETS \$ 171099.27

PROPERTY AND EQUIPMENT

LAND		10795.20
EQUIPMENT & FIXTURES	\$ 41121.81	
ALLOWANCE FOR DEPRECIATION	15918.00-	25203.81
AUTO EQUIPMENT	\$ 93590.60	
ALLOWANCE FOR DEPRECIATION	64056.28-	29534.32

TOTAL PROPERTY AND EQUIPMENT 65534.33

OTHER ASSETS

OTHER ASSETS	\$ 1343.15	
GOODWILL	43558.45	
IMPROVEMENTS	1667.94	

TOTAL OTHER ASSETS 46569.54

TOTAL ASSETS \$ 283203.14

LODI AMBULANCE SERVICE, INC.

BALANCE SHEET
 MARCH 31, 1982
 UNAUDITED

LIABILITIES AND CAPITAL

CURRENT LIABILITIES		
S. D. I. & S. O. I.	\$	2465.90
F. I. C. A.		12530.81
FEDERAL WITHHOLDING		4973.55
STATE WITHHOLDING		362.65

TOTAL CURRENT LIABILITIES	\$	20332.91
LONG TERM LIABILITIES		
NOTES PAYABLE - F & M BANK	\$	30505.39
NOTES PAYABLE - GMAC		11220.12

TOTAL LONG TERM LIABILITIES		41725.51
CAPITAL		
COMMON STOCK	\$	104866.11
RETAINED EARNINGS		97383.10
EARNINGS / YEAR-TO-DATE		18895.52

TOTAL CAPITAL		221144.73

TOTAL LIABILITIES AND CAPITAL	\$	283203.15

SEE ACCOUNTANT'S COMPILATION LETTER

EMERGENCY AMBULANCE SERVICE, INC.

STATEMENT OF OPERATIONS

APRIL 1, 1981 THRU MARCH 31, 1982

UNAUDITED

	CURRENT PERIOD	%	YEAR TO DATE	%
INCOME				
AMBULANCE FEES	\$ 541445.53	124.13	\$ 541445.53	124.13
INTEREST INCOME	711.41	.16	711.41	.16
LESS ADJ. & WRITE DOWNS	105949.73-	24.29	105949.73-	24.29
TOTAL INCOME	436207.21	100.00	436207.21	100.00
OPERATING EXPENSES				
ADVERTISING & PROMOTION	5697.30	1.31	5697.30	1.31
AMORTIZATION OF GOODWILL	4355.86	1.00	4355.86	1.00
GAS & OIL	18709.29	4.29	18709.29	4.29
AUTO LEASE	3970.23	.91	3970.23	.91
AUTO MAINTENANCE	9100.41	2.09	9100.41	2.09
CONTRIBUTIONS	1671.62	.38	1671.62	.38
DEPRECIATION	16472.00	3.78	16472.00	3.78
DUES & SUBSCRIPTIONS	1062.37	.24	1062.37	.24
EMPLOYEE BENEFITS	474.00	.11	474.00	.11
INTEREST	5016.90	1.15	5016.90	1.15
INSURANCE	34825.58	7.98	34825.58	7.98
LAUNDRY & CLEANING	2986.16	.68	2986.16	.68
LEGAL & ACCOUNTING	4576.75	1.05	4576.75	1.05
ACCOUNTING- COMPUTER SERVICES	5405.10	1.24	5405.10	1.24
LICENSES & TAXES	774.00	.18	774.00	.18
MEDICAL SUPPLIES	4191.59	.96	4191.59	.96
MAINTENANCE & REPAIRS	1202.96	.28	1202.96	.28
MISCELLANEOUS	2735.50	.63	2735.50	.63
OFFICE EXPENSE	4511.74	1.03	4511.74	1.03
OFFICE EQUIP. LEASE & REPAIRS	1865.19	.43	1865.19	.43
RADIO & MEDICAL EQUIP	7883.25	1.81	7883.25	1.81
REFUNDS	8970.83	2.06	8970.83	2.06
REIMBURSEMENT EXPENSE	12150.00	2.79	12150.00	2.79
RENT	13500.00	3.09	13500.00	3.09
SALARIES-OTHER	214093.90	49.08	214093.90	49.08
TAXES PAYROLL	15662.51	3.59	15662.51	3.59
TAXES - PROPERTY	949.17	.22	949.17	.22
TAXES - OTHER	1460.00	.33	1460.00	.33
TELEPHONE & UTILITIES	13017.49	2.98	13017.49	2.98
TOTAL OPERATING EXPENSES	417311.70	95.67	417311.70	95.67
NET PROFIT OR LOSS (-)	\$ 18895.51	4.33	\$ 18895.51	4.33

SEE ACCOUNTANT'S COMPILATION LETTER