

EXHIBIT C-3
FY 2011-2012 Financial Formulas
and EMS Fees

C.1 EMS Fees for FY 2012

The third renewal term of the FY 2009 Agreement is October 1, 2011, through September 30, 2012 (2012 Renewal Term).

The FY 2012 Annual Ground EMS Fee, based on the formula outlined in Section C.2 below, equals eleven million eight hundred sixty eight thousand and four hundred seventy seven dollars (\$11,868,477). During FY 2012, County shall pay City a monthly fee of nine hundred eighty nine thousand and thirty nine dollars and seventy five cents (\$989,039.75) for the EMS Fee.

C.2 Financial Formula for FY 2012 Annual Ground EMS Fee

The Annual Ground EMS Fee is based on two components: (1) the direct service fee and (2) the application of the administrative rate to the direct service fee.

1 Direct Service Fee Components

a. Formulas

For EMS services provided during FY 2012, the direct service portions of the Annual Ground EMS Fee is calculated based on the application of the following formula to the FY 2012 Approved Budget for the City of Austin's EMS General Fund Non-Administrative Budget.

FY 2012 City EMS Personnel Budget times the *Personnel Multiplier for FY 2012*

FY 2012 City EMS Contractuals Budget minus the total amount budgeted in the line items listed below times the *Contractuals Multiplier for FY 2012*

FY 2012 City EMS Commodities Budget times the *Commodities Multiplier for FY 2012*

FY 2012 City EMS Expense Refunds Budget times the *Expense Refunds Multiplier for FY2012*

b. Personnel Multiplier, Contractuals Multiplier and Expense Refunds Multiplier for FY 2012

The Personnel Multiplier, Contractuals Multiplier and Expense Refunds Multiplier for FY 2012 shall be based on the total number of EMS ground stations located within Travis County, outside of the City's corporate limits, as a percentage of the total number of EMS ground stations located within Travis County, both within and outside the City limits. In determining the total number of EMS ground stations, peak load units are each counted as 0.5 EMS ground stations for the FY 2012 Personnel Multiplier, Contractuals Multiplier and Expense Refunds Multiplier. (A peak load unit is a roving ambulance that is not assigned to a specific station and is used on an as- needed basis in the busiest areas.) The County percentage is based upon stations with operating funds as of October 1, 2011, all of which are listed in Exhibit A. Based on this formula, the Personnel Multiplier, Contractuals Multiplier and Expense Refunds Multiplier for FY 2012 shall be 25.17%.

c. Line Items Excluded from Contractuals Budget for FY 2012

The following line items from the FY 2012 Approved EMS General Fund Budget will be excluded from the total contractuals cost for determining the portion of this budget included in the Annual Ground EMS Fee and in determining the portion of this expenditures related to this budget that will be included in calculating the true-up and County pays none (0%) of the following line items:

- Line Item Number 5520 - architectural services
- Line Item Number 5620 - legal services
- Line Item Number 6126- rental-other equipment
- Line Item Number 6160- electric service
- Line Item Number 6162- gas/heat
- Line Item Number 6165- water service
- Line Item Number 6170 - wastewater service
- Line Item Number 6174- drainage fee
- Line Item Number 6175- garbage collection
- Line Item Number 6185 - EMS interlocal services
- Line Item Number 6361- awards
- Line Item Number 6383 - building maintenance
- Line Item Number 6404- telephone base
- Line Item Number 7482 - food/ice

d. Commodities Multiplier for FY 2012

The Commodities Multiplier for FY 2012 shall be based on the total number of FY 2011 EMS responses located within Travis County, outside of the City limits, as a percentage of the total number of FY 2011 EMS responses (combined responses made within and outside the City limits). Based on this formula, the commodities multiplier for FY 2012 shall be 13.40%.

e. Application of Direct Service Fee Portion of Formula

Application of the above formula and the value of the multipliers results in a direct service fee for FY 2012 of eleven million, one hundred and forty four thousand, one hundred and ten dollars (\$11,144,110).

2 Calculation of Administrative fee

The administrative fee is to cover certain administrative costs of City. It is calculated by multiplying the direct services fee of eleven million, one hundred and forty four thousand, one hundred and ten dollars (\$11,144,110) by the administrative rate of six and a half percent (6.5%). The calculated administrative fee for FY 2012 is seven hundred and twenty four thousand, three hundred and sixty seven dollars (\$724,367).

3 Calculation of Annual Ground EMS Fee

The direct services fee of eleven million, one hundred and forty four thousand, one hundred and ten dollars (\$11,144,110) is added to the administrative fee of seven hundred and twenty four thousand, three hundred and sixty seven dollars (\$724,367) to calculate the Annual Ground EMS Fee which is stated in C.1

C.3 Capital Costs for FY 2012

In addition to those ambulances and other vehicles listed in Exhibit B, County agrees to purchase and own two (2) replacement ambulances during FY 2012 in accordance with the terms in Sections 5.1.1, 5.1.2, 5.1.3 and 5.1.4 of the FY 2009 Agreement. City EMS Director and County EMS Manager jointly determine which two ambulances to return to County, after City is given possession of the two replacement ambulances.

C.4 True Up for FY 2012 Ground EMS Fee Payments Made by County

The FY 2012 Ground EMS Fee is based upon budgeted costs for FY 2012. City shall perform a true-up following September 30, 2012. The true-up of total City EMS Department (excluding the Contractuals line item numbers listed in C.2 and Capital Costs described in C.3) costs will be available by December 31, 2012, through the Close 2 report prepared annually by the City Controller's Office. The true-up follows the true-up formula outlined in C.5 below. By January 31, 2013, City shall refund to County the County portion of any savings attributable to the City EMS Department determined by using the FY 2012 cost multipliers set forth below in Section C.5.

C.5 FY 2012 Ground EMS Fee True-Up Formula

There are two steps in determining the amount that the County is to receive from City as a result of City EMS Department savings.

1. Step One

The first step is to determine the portion of the total City EMS Department savings from direct services that result from applying the following FY 2012 multipliers to the total FY 2012 actual savings for each of the following types of savings in the City EMS Department:

- ◆ Personnel savings for ground services are reimbursed to County at the Personnel Multiplier rate set forth in C.2. Personnel savings include all costs and expenses incurred by City that are not anticipated, disclosed to, and approved by County before the effective date of this Agreement unless Commissioners Court agrees to these costs or expenses in a written amendment before they are incurred provided.
- ◆ Commodities savings for ground services are reimbursed to County at the Commodities Multiplier rate set forth in C.2. Commodities savings include all expense refunds received by EMS that are attributable to commodities costs.
- ◆ Contractual savings for ground services are reimbursed to County at the Contractual Multiplier rate set forth in C.2 with the exception of the following line items:
 - 5564-Collection Services: true-up will be based on actual County costs
 - 6250 –Fleet Maintenance: true-up will be based on actual County costs
 - 6255 –Fuel: true-up will be based on actual County costs

- ◆ The following line items are excluded from the total contractuals cost and County pays none (0%) of the following line items, which are expenditures for City of Austin EMS stations:
 - 5520 -architectural services
 - 5620 - legal services
 - 6126 - rental-other equipment
 - 6160 -electric service
 - 6162 - gas/heat
 - 6 165 - water service
 - 6170 - wastewater service
 - 6 174 -drainage fee
 - 6 175 - garbage collection
 - 6383 - building maintenance
 - 6185 - EMS interlocal services
 - 6361 - awards
 - 6404 - telephone base
 - 7482 - food/ice
- ◆ The cost model for reimbursement under the Agreement does not include, either directly or indirectly, any of the expenses described below. Any of the following expenses that are incurred by the City are refunded to Travis County through the true-up process described in this section.
 - a) Other Post-Employment Benefits (OPEB) for City employees, whether or not those costs are for current year benefits, prior year benefits, or future year benefits;
 - b) Employee recognition rewards or awards other than performance pay documented pursuant to Council adopted compensation schedules;
 - c) Entertainment and gifts, including meals or beverages, even if related to a business purpose. This subsection c) notwithstanding, the cost model allows for payment for meal and beverage expenses for employees incurred during out-of-town trips or conferences related to services provided under this Agreement and incurred according to the City travel policy (a current copy of which has been provided to County; copies of amendments will be provided to County whenever changes are made);
 - (d) Legislative consultant services;
 - (e) Donations/sponsorships to non-profit or private organizations;
 - (f) Legal services because the parties agree that the City has no obligation to provide legal services to County under this Agreement;
 - (g) Consulting services; this subsection (g) notwithstanding, the cost model will allow for payment for consulting services related to services provided within the scope of this Agreement.

2. *Step Two*

The second step is to acknowledge the reduction in administrative fee due during FY 2012 by multiplying the result of the calculations in step one of the True Up by the administrative rate of six and a half percent (6.5%).

Total Amount Due County as a Result of True Up Calculations

County shall receive from the City an amount equal to the results of the calculations in step one added to the results of the calculations in step two.

C.6 Quarterly Expenditure Reports and Estimates

The parties acknowledge that the Quarterly Expenditure Reports include projections for the remaining quarters in the initial term which are only estimates and the City is not able to determine if there are actual savings and the amount of any such savings until after the initial term.

C.7 Budget and New Station Planning for FY 2013

By April 1, 2012, each party shall provide the other party with the most current available estimates of all projected major costs that would relate to the Agreement for FY 2013. Budget updates shall include all plans by either party for the opening of any new stations within the EMS System. Plans for new stations should include input from the other party, before proposed budgets for new stations are submitted.

C.8 Financial Formula for FY 2012 STAR *Flight Services Fee*

For STAR *Flight* services provided during the 2012 Renewal Term, the Annual STAR *Flight Services Fee* is equal to nineteen thousand and eight hundred dollars (\$19,800) which is 100% of the budgeted costs for the following line items in the City STAR *Flight* Budget:

- Object 5005- Overtime for Only STAR Flight Training and STAR Flight meetings for
- Aero-medical Communications Specialists
- Object 5114- Aero-medical Communications Specialist (ACS) Stipends
- Object 5190 - FICA Tax (related to charges in objects 5005 and 5114)
- Object 5191 - Medicare Tax (related to charges in objects 5005 and 5114) Object 6408 - Emergency systems telephone (800-531-STAR)

C.9 True Up for FY 2012 STAR *Flight Services* Fee Payments Made by County

The FY 2012 STAR *Flight Services* Fee is based upon budgeted costs for FY 2012. City shall perform a true- up following September 30, 2012. A true-up of the costs and expenses properly incurred against the City's **STAR *Flight*** Budget for FY 2012 shall be available no later than December 31, 2012 from the City Controller's Office. If the amount of costs and expenses properly incurred against the City's **STAR *Flight*** Budget FY 2012 is less than the City's **STAR *Flight*** Budget, the excess of City's **STAR *Flight*** Budget over properly incurred costs and expenses in this Budget shall be paid in full by the City to County by January 31, 2013. If there is a holdover, the true-up provisions shall be implemented as if there had been no holdover.