



19

CITY OF DANBURY
OFFICE OF THE CORPORATION COUNSEL
155 DEER HILL AVENUE
DANBURY, CONNECTICUT 06810

(203) 797-4518
(203) 796-8043 FAX

PLEASE REPLY TO:

November 19, 2004

Honorable Mayor Mark D. Boughton
Honorable Common Council Members
City Hall
155 Deer Hill Avenue
Danbury, Connecticut 06810

Re: Ambulance and Advanced Life Support Agreement
Business Systems, Inc. and the City of Danbury

Dear Mayor and Council Members:

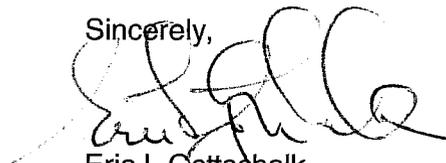
On August 6, 2003, the City of Danbury entered into an agreement with Business Systems, Inc. ("BSI") whereby BSI provides ambulance and advanced life support services to the city. In accordance with the attached letter of November 12, 2004, from Frank Kelly, President and CEO of BSI, BSI's parent company Danbury Health System ("DHS") has determined that it makes sense for all concerned to transfer the responsibilities created by this agreement from BSI to another wholly-owned subsidiary of DHS called Danbury Health Care Affiliates ("DHCA").

In his letter Mr. Kelly indicates that this shift of duties, which will transfer the work from a for-profit entity to one that is tax exempt, will have the specific advantage of eliminating any obligation that the service provider would otherwise have had to pay sales taxes, thus saving the city money. Mr. Kelly also indicates that the State Office of Emergency Medical Services has already approved this transfer.

Section 13 of our current agreement with BSI provides that BSI will, "not assign, transfer, convey or subcontract or hypothecate this Agreement or its rights, responsibilities, obligations or interests in or to or under this Agreement or any part hereof, without the prior written consent of the City." Accordingly, in order to accomplish this assignment from BSI to DHCA, common council approval is required. Please consider this matter at your earliest convenience.

If you have any questions, please let me know.

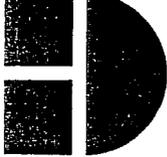
Sincerely,



Eric L Gottschalk
Deputy Corporation Counsel

Attachment

cc: Dena Diorio, Director of Finance
Frank Kelly, BSI President & CEO



RECEIVED

NOV 17 2004

CORPORATION COUNSEL

Corporate parent of:

Business Systems, Inc.

November 12, 2004

Danbury Health Care
Affiliates, Inc.

Hon. Mark D. Boughton
Mayor

Danbury Hospital

City of Danbury

Danbury Hospital
Development Fund, Inc.

155 Deer Hill Avenue
Danbury, CT. 06810

Danbury Visiting Nurse
Association, Inc.

RE: Business Systems Inc. (BSI); Agreement with City of Danbury

Regional Hospice of
Western Connecticut, Inc.

Dear Mayor Boughton:

Affiliated with:

Danbury Office of
Physician Services, P.C.

The Foundation for
Community Health Care, Inc.

We recently decided that it would make sense from Danbury Health System's (DHS) organizational point of view to move all of the emergency medical services from BSI to another wholly-owned subsidiary of DHS, Danbury Health Care Affiliates (DHCA), which is tax exempt and provides medical services. The purpose of this internal DHS reorganization is to place all health care related services into one of our tax-exempt nonprofit corporations.

We emphasize that the change will not in any manner affect our operations; it will have no impact on the services we provide under our contract with the City. Nothing will change except that the services will be provided by a wholly-owned nonprofit subsidiary of DHS, rather than by a wholly-owned for-profit subsidiary of DHS. In this regard, note that the CEO of DHS, DHCA and BSI is Frank Kelly, while the CFO of all three entities is Art Tedesco.

In other words, there is the same top management. In addition, there would be no change whatsoever in BSI's operations and management - the exact same services will be provided. Mr. Cassavechia, for example, will continue in his same position of director, except that he will be on the payroll of DHCA instead of BSI.

We would, however, no longer refer to "BSI" in connection with these services, but would either refer to "DHCA" or use a trade name (perhaps something like "Danbury Health Systems Emergency Medical Services").

There is only one minor change, which, in fact, will be positive for the City. In that the services will be provided by a nonprofit tax-exempt corporation, we no longer will have to pay sales taxes. This will result in some savings to the City under our contract with you.

Hon. Mark D. Boughton

November 12, 2004

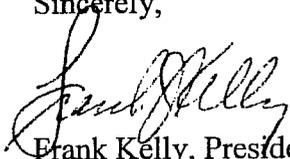
Page 2

We have received approval of this transfer from the State Office of Emergency Medical Services.

If this proposed technical change is acceptable to the City of Danbury, please sign and return a copy of this letter to me. We would be happy to answer any questions or provide you with additional information that you request.

Once we receive the City's approval, we will "assign" our Agreement with the City from BSI to DHCA.

Sincerely,



Frank Kelly, President & CEO
BSI & DHCA

Accepted this _____ day of November 2004.

By: _____

City of Danbury
Mark D. Boughton, Mayor

SMcK

cc: Rick Gottshalk, Esq.
Ms. Dena Diorio
Matt Cassavechia, EMT-P