

2020-2025 Levy Planning



KING COUNTY EMERGENCY MEDICAL SERVICES ADVISORY TASK FORCE

5/30/2018

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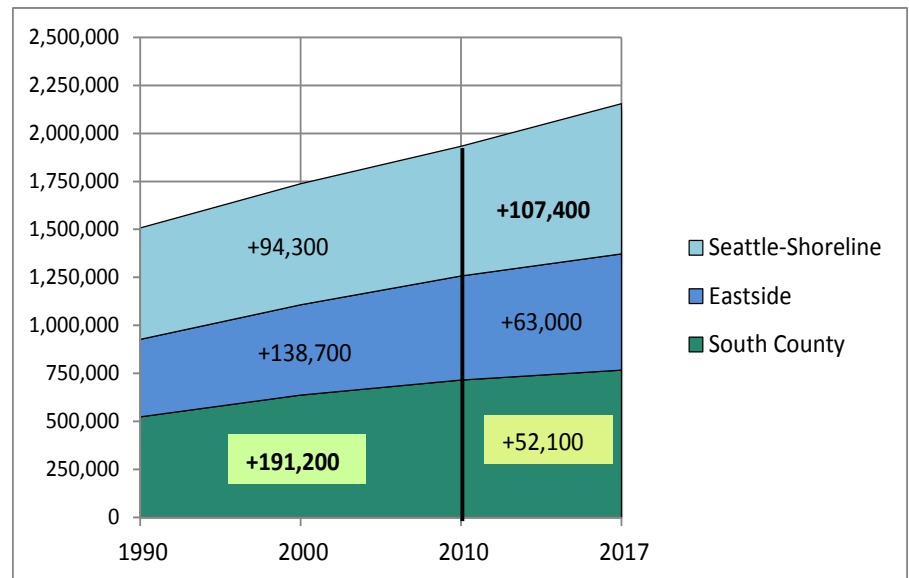
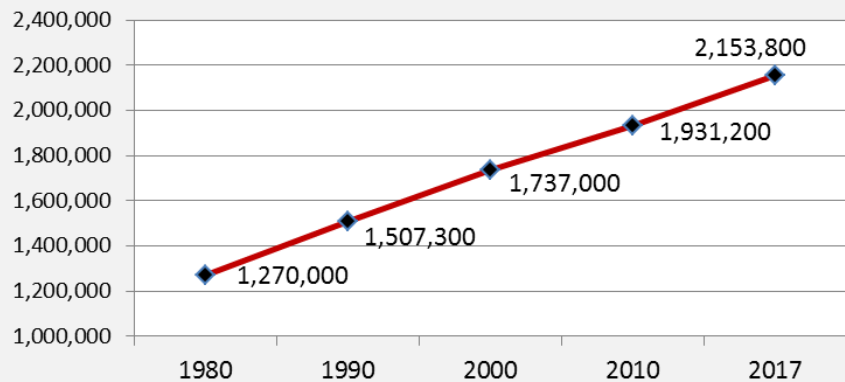
Population growth

More than 600,000 in 27 years

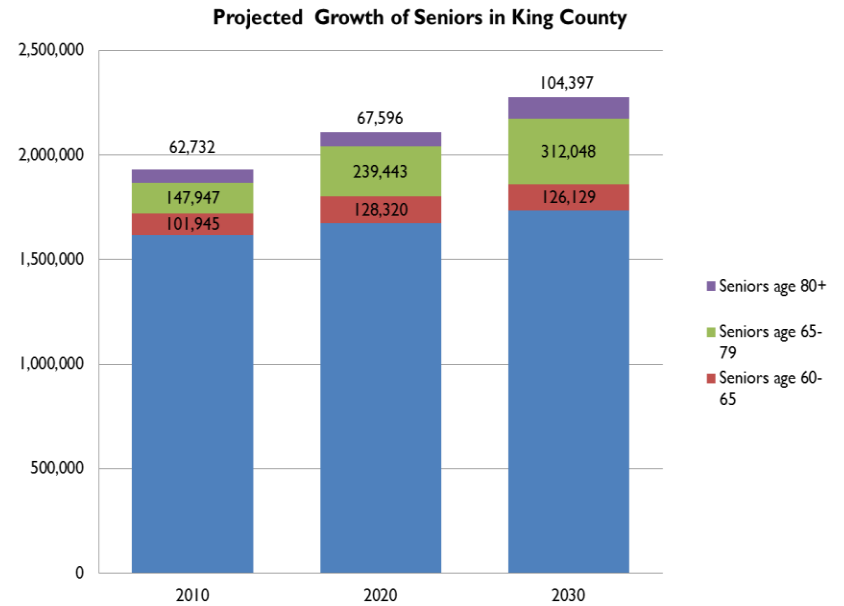
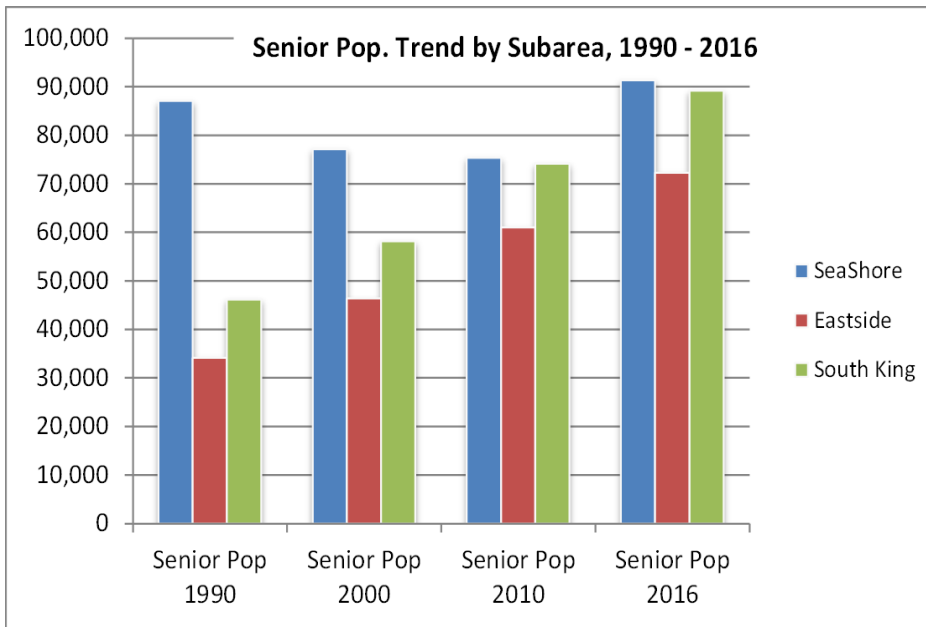
Growth shifting from South King County to Seattle



**King County Population,
1980 - 2017**



Population growth



Economic Background Highlights



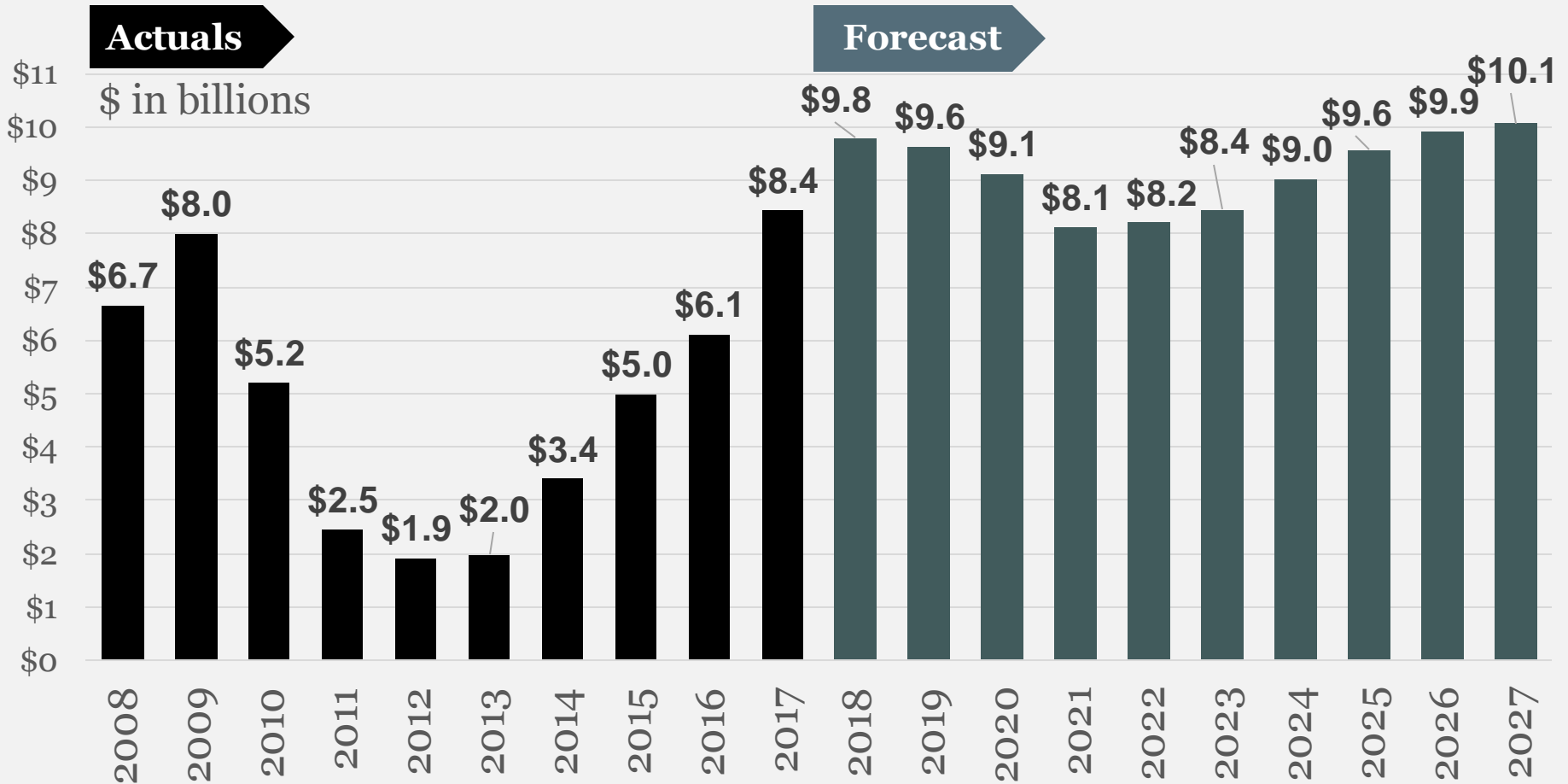
- **Local economic signals still solid (job growth; low unemployment)**
- **King County forecast calls for continued growth, but at reduced pace through next levy period**
- **Home prices and rent continue to rise**
- **In ninth year of expansion (since 2009); 2nd longest expansion on record**
- **CPI Inflation expected to be pretty stable**

King County Dept. of Assessments

New Construction Forecast



Source: King County Office of Economic and Financial Analysis



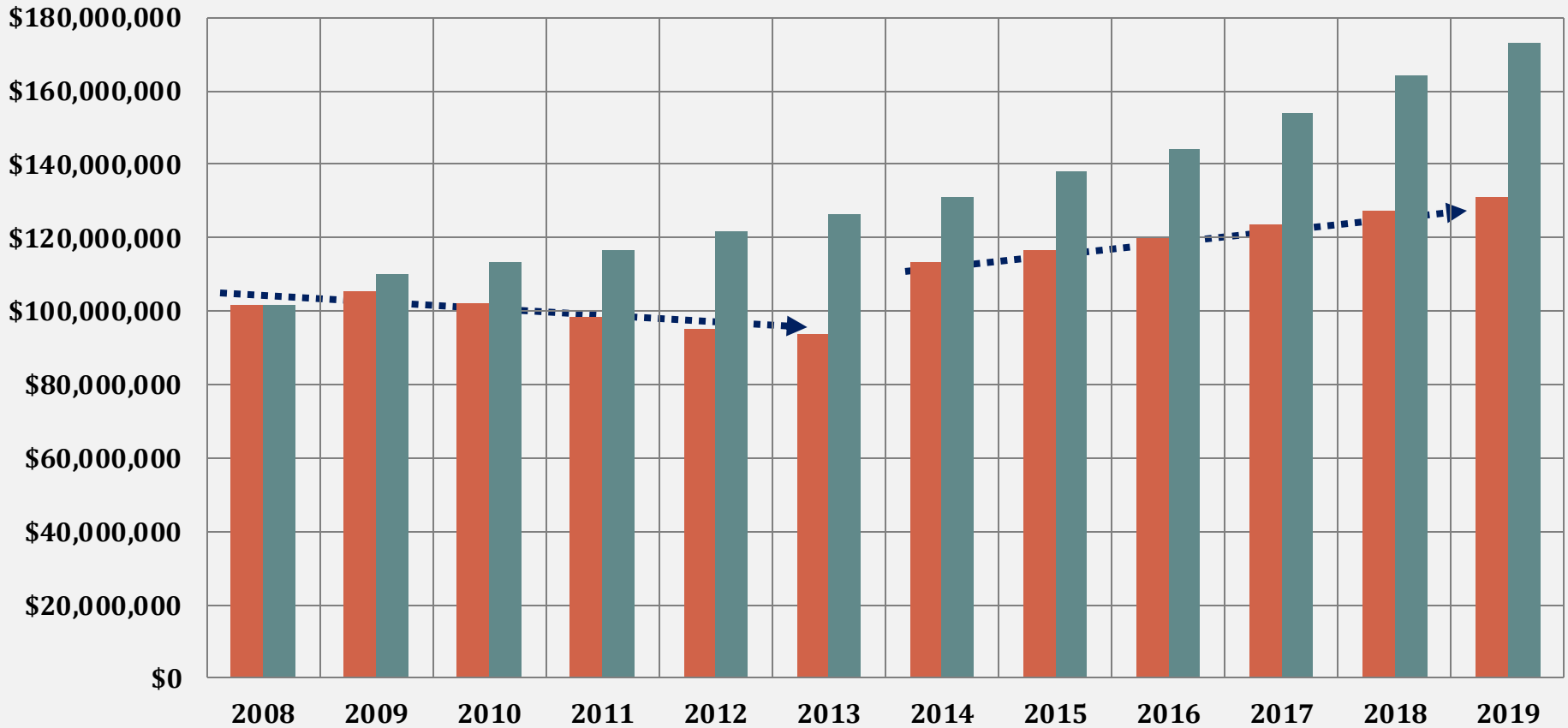
EMS Levy Amounts (2008-2019)

Actuals vs. Inflation + Population

Source: King County Office of Economic and Financial Analysis

■ EMS Actuals ■ EMS Inflation + Population

Source: KC DOA, OEFA



2014-2019 Levy Plan vs Forecast Summary



- Property taxes higher than forecast due to
 - Higher starting AV than planned
 - New construction values higher than planned.
- Expenditures & revenues both higher than planned
- Higher revenues allowed KC EMS Fund to:
 - Respond to economic challenges/increased costs
 - Allowed addition of BLS Core Services program (\$3.7m)
 - Fund reserves to comply with KC policies

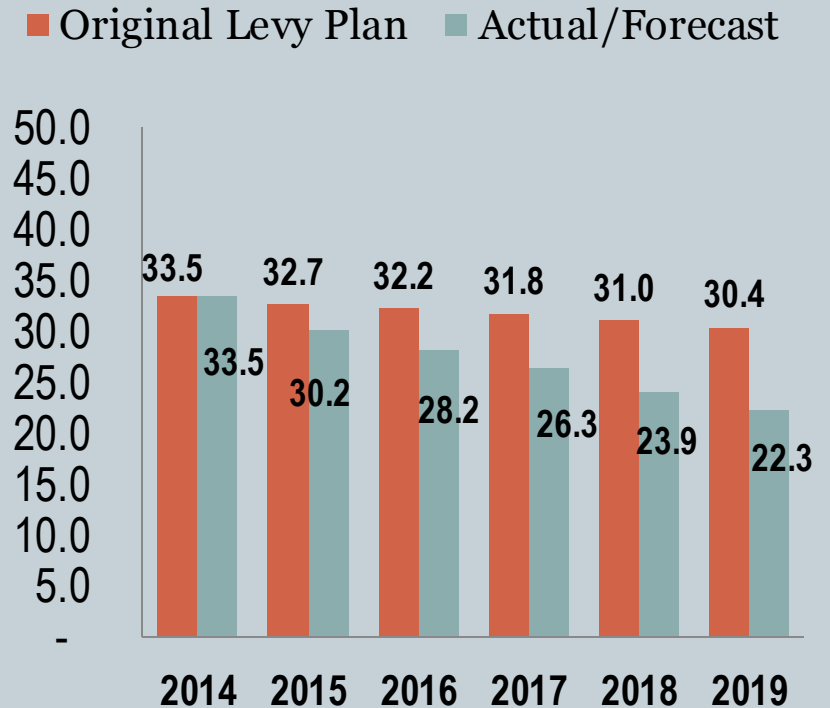
2014-2019 Levy – Seattle & KC EMS Fund

Property Taxes and Levy Rate Comparisons

Property Taxes higher than planned

Levy rate lower than plan due to increased AV

2014-2019 Levy Period (<i>\$s in millions</i>)	
Original Plan	\$678.1
Current Forecast	\$725.0
Difference	\$46.9
% Change	7%



Main Drivers Revenues



- **Confidence levels (65% per KC policy)**
- **Beginning Assessed Value (AV) determines starting level of new levy (2020)**
- **New construction levels**
- **Distribution of funds between King County and City of Seattle**
- **Amount of reserves available to carry forward from 2014-2019 levy to partially fund 2020-2025 reserves**

Main Drivers Expenditures



- **Advanced Life Support Services (ALS):**
 - Number of ALS units and cost per unit
 - Number of new units and timing of new units
- **Added or changed services or funding:**
 - BLS funding level
 - Support toward Mobile Integrated Healthcare (referred to as MIH) Initiatives
 - Regional Services and Strategic Initiatives
- **Cost escalators (inflaters)**
- **Contingencies and reserves**

EMS Application of KC Policies

Current EMS Reserves



- **Expenditure Reserve**

- Placeholders for new ALS units and ALS capacity needs;
- ALS equipment plan funds
- Funds to cover future planned expenditures

- **Rainy Day Reserve**

- Call volume and disaster capacity needs not covered elsewhere
- Risk abatement issues not covered elsewhere
- *Includes end of levy requirement of 90 days operating expenses*

- **Rate Stabilization Reserve**

- Functions to provide funding for unanticipated reductions in revenue during the levy period and potentially buy down future levy rate

Financial Plans

2020-2025 PSQ Financial Plan Summary



2020-2025 EMS LEVY PRELIMINARY STATUS QUO (PSQ)

In Millions

REVENUES	Seattle	KC EMS	Total
Property Taxes	\$399.5	\$569.6	\$969.1
Other Revenue (KC EMS Fund)		\$7.1	\$7.1
TOTAL Revenue	\$399.5	\$576.7	\$976.3
EXPENDITURES			
Advanced Life Support (ALS)	\$167.3	\$342.9	\$510.2
Basic Life Support (BLS)	\$232.3	\$134.6	\$366.9
Mobile Integrated Healthcare (MIH)		\$9.5	\$9.5
Regional Services (RS)		\$76.0	\$76.0
Strategic Initiatives (SI)		\$4.5	\$4.5
TOTAL Expenditures	\$399.5	\$567.5	\$967.0

❖ *Reserves estimated at \$30 million*

❖ *Covered by \$23 m from 2014-2019 levy + \$7 m in revenue (above)*

Financial Plans

2020-2025 EMS Levy: Initial Proposed

In Millions

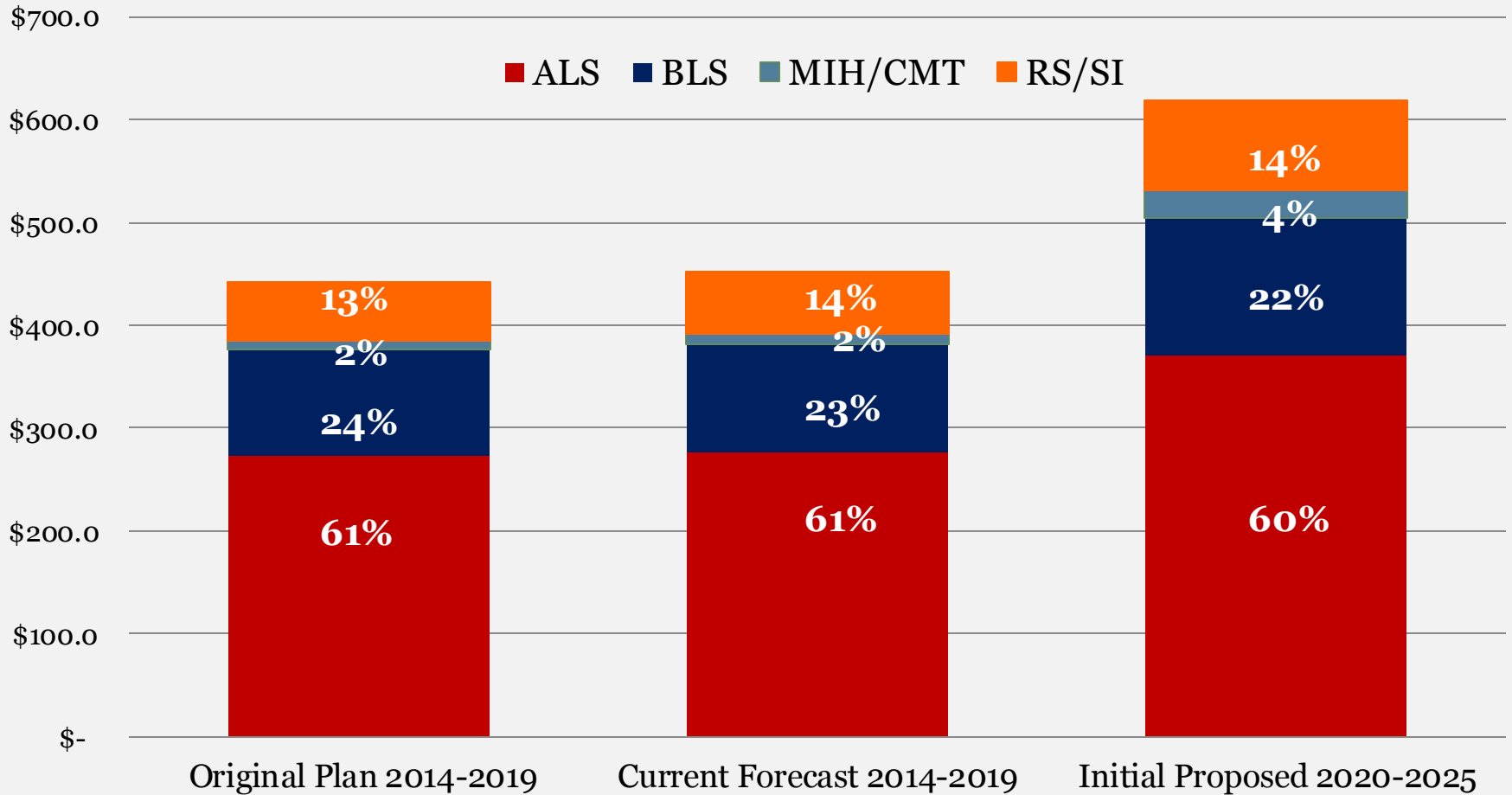
REVENUES	Seattle	KC EMS	Total
Property Taxes	\$432.1	\$616.0	\$1,048.1
Other Revenue (KC EMS Fund)		\$7.7	\$7.7
TOTAL Revenue	\$432.1	\$623.7	\$1,055.8
EXPENDITURES			
Advanced Life Support (ALS)	\$141.8	\$359.0	\$500.8
Basic Life Support (BLS)	\$290.3	\$134.5	\$424.8
Mobile Integrated Healthcare (MIH)		\$25.8	\$25.8
Regional Services (RS)		\$80.8	\$80.8
Strategic Initiatives (SI)		\$7.2	\$7.2
TOTAL Expenditures	\$432.1	\$607.3	\$1,039.4

❖ *Reserves estimated at \$37 million;*

❖ *covered by \$23 m from 2014-2019 levy + \$14 m in revenue (above)*

KC EMS Fund Financial Plans

Program Comparison by Levy Periods



Financial Plans

Next Steps/Subcommittee Plans



- ALS
 - Refinement of unit costs
 - Review potential increase in number of “placeholder units”
- BLS
 - Reset allocation at beginning of levy?
 - Add additional \$s to allocation
 - Review/refinement of MIH request
- RSSI
 - Review and refine costs
- Finance
 - Prudent reserve levels to mitigate risks

EMS Advisory Task Force

Broad Policy Decisions



- 1. Current & projected EMS system needs (Programmatic Recommendations);**
- 2. Financial Plan based on those needs; and**
- 3. Levy length, levy rate, and timing of levy ballot measure.**

EMS Advisory Task Force

Broad Policy Decisions



- **Levy Length**

- Six Years
- Ten Years
- Permanent

- **Levy Amount/Rate**

- Total budget needs
- Rate associated with budget

- **Ballot**

- **Due to changes in RCW concerning validation requirements, measure may be run (and passed) at any election.**

Next?

