

MEDIC ONE/EMERGENCY MEDICAL SERVICES

STRATEGIC PLAN & LEVY REAUTHORIZATION

Finance Subcommittee meeting 5/17/2018

Subcommittee members were updated on work undertaken by the other subcommittees and reviewed the draft Financial Plans based on that work. Financial drivers and policies impacting the bottom line were discussed, as was the option of pursuing a ten year levy.

Attendees

Chair: John Marchione, City of Redmond

Andy Adolfson, Bellevue Fire

Bob Baggett, City of Auburn

Dave Beste, Bellevue Fire

Cynthia Bradshaw, KCEMS

Seth Buchanan, Kirkland Fire

Helen Chatalas, KCEMS

Jeff Clark, Eastside Fire & Rescue

Kevin Coughlin, Woodinville Fire

Matt Cowan, Shoreline Fire

Erik Friedrichsen, KCEMS

Rachel Garlini, Shoreline Fire

Jay Hagen, Bellevue Fire

Krystal Hackmeister, Bellevue Fire

Jason Hammond, KCEMS

Tracie Jacinto, KCEMS

Keith Keller, King County Medic One

Michelle Lightfoot, KCEMS

Stacie Martyn, Bellevue Fire Department

Joe McGrath, Redmond Fire

Joe Monteil, King County Medic One

Karen Moran, City of Sammamish

John Nankervis, Shoreline Fire

Joyce Nichols, City of Bellevue

Toby Nixon, City of Kirkland

Kevin Olson, Valley Regional Fire Auth.

Michael Olson, City of Kirkland

Elijah Panci, City of Kirkland

Brian Parry, Sound Cities Association

Michele Plorde, KCE

Drew Pounds, King County PSB

Chris Santos, Seattle Fire

Harold Scoggins, Seattle Fire

Keith Scully, City of Shoreline

Tommy Smith, Redmond Fire

Penny Sweet, City of Kirkland

Mark Thompson, South King Fire & Rescue

Eric Timm, King County Medic One

Dave Van Valkenburg, Kirkland Fire

Issues Discussed:

Reporting of Subcommittee Findings (see meeting materials)

- ALS Subcommittee: Fully funding ALS is the priority of the EMS levy. The Subcommittee continues to refine its programmatic costs, identify efficiencies, and analyze medic unit demand to determine future needs.
- BLS Subcommittee: Decisions made by the subcommittee include supporting the current BLS allocation methodology and moving forward with Mobile Integrated Health as a priority with separate funding starting at \$4million per year.
- Regional Services Subcommittee: The subcommittee has endorsed enhancing and implementing Strategic Initiatives that use a solid regional approach to strengthen coordination, interconnectedness and partnerships.

Financial Planning Framework:

1. What was planned vs what occurred for the 2014-2019 levy:

- Expenditures and revenues both higher than planned.
 - Starting Assessed Valuation (AV) and new construction growth higher than planned.
 - Higher AV in Seattle resulted in different property tax split between Seattle and King County.
- Higher revenues allowed EMS Fund to increase reserves to comply with new King County policies.
- New construction values higher than anticipated resulted in an EMS levy rate lower than planned.

2. Levy planning considerations:

Revenues

- 65% confidence level
- First year of levy AV
- New construction
- Seattle/ King County AV split
- Carrying reserve funding forward into the next levy span

Expenditure

- # of ALS units; cost of unit; adding new units
- Inflatons
- Added/changed services based on communities emergent needs
- Contingencies and reserves

3. Reserves:

- Expenditure Reserves: fund specific activities/ program costs/replacement of equipment critical to ongoing operations.
- Rainy Day Reserves: offset risks, variable costs and unanticipated revenue fluctuations; funding level = 90 days operating expenses.
- Rate Stabilization Reserves: fund balance to minimize rate, fee or revenue increases needed in future years to provide current level of service.

Discussion

Levy Length: EMS levies in King County have never been authorized for more than six years although RCW allows for levies to be six years, ten years or permanent. The Subcommittee discussed the financial implications of enacting a ten year levy, and subsequently determined that enacting a 10-year EMS levy would not ensure sufficient funding for the system.

Draft Financial Plans: (see meeting materials for details)

The Finance Subcommittee reviewed two Financial Plans:

Status Quo: current programs projected into the 2020-2025 levy period; and

Initial Proposed: costs of implementing the three subcommittees' proposed recommendations for the 2020-2025 levy period.

The Initial Proposed Financial Plan will change somewhat as the Programmatic Recommendations and reserves are finalized.

All Stakeholders emphasized that the Financial Plan include appropriate reserve funding for both revenues and expenditure shortfalls. The Finance Subcommittee will review contingency and reserve levels and policies at its July meeting.

Other:

The onslaught of tax-related ballot measures could work against the Medic One/EMS levy effort. Could the levy proposition be written without mandating a maximum levy rate?

Reviewing property tax delinquency rate and other economic indicators can help identify voter mood and participation. It is important to consider impacts on residents and others taxing jurisdictions.

Requests made:

1. Analysis conducted to determine the new unit placeholder;
2. Performance information of 2014-2019 Strategic Initiatives;
3. Financial implications to the system if the economic environment differs from forecasts used to plan the levy -- lower AV, lower new construction, change to Seattle/King County funding split.

Next Meeting

July 24, 2018: 1:00 – 3:00 pm Peter Kirk Room, Kirkland City Hall,
123 5th Avenue, Kirkland

Topics include

- Updated economic forecast
- “What If” scenarios for changes in forecasts
- Reserve review
- Review/Endorsement of Draft Recommendations and accompanying Financial Plan