

Finance Subcommittee

Medic One/EMS Strategic Plan & Levy Reauthorization

May 17, 2018

12:00 - 2:00 PM

**Kirkland City Hall, Peter Kirk Room
123 5th Ave, Kirkland**

Chair: John Marchione, Mayor of Redmond

Agenda

- **Opening Remarks & Introductions** (5 minutes)
- **Reporting of Subcommittee findings** (20 minutes)
 - ALS
 - BLS
 - Regional Services
- **Financial Planning framework** (40 minutes)
 - Economic circumstances and King County policies
 - Main drivers & policy decisions
 - Levy length
- **Financial Review “Status Quo” and “Initial proposed”** (30 minutes)
 - Revenues
 - Expenditures
- **Finance Subcommittee recommendations** (15 minutes)
 - To Subcommittees
 - Own recommendations to report to Task Force
- **Next Steps** (10 minutes)

EMS Advisory Task Force May 30, 2018 1-3 pm
Tukwila Community Center

Upcoming meetings – June 2018

BLS Subcommittee:	June 7	1-3 pm	Renton Fire Stn 14 (1900 Lind Ave SW, Renton)
ALS Subcommittee:	June 12	1-3 pm	2100 Building (2100 24 th Ave S, Seattle)
Regional Svcs Subcommittee:	June 19	1:30 – 3:30 pm	2100 Building (2100 24 th Ave S, Seattle)

Additional information can be found on our webpage:

<https://www.kingcounty.gov/depts/health/emergency-medical-services/levy.aspx>

MEDIC ONE/EMERGENCY MEDICAL SERVICES STRATEGIC PLAN & LEVY REAUTHORIZATION

Future Meetings

EMS Advisory Task Force:

✓ Thursday, January 18, 2018	1pm – 3 pm	Tukwila Community Center
Wednesday, May 30, 2018	1 pm – 3 pm	Tukwila Community Center
Tuesday, July 31, 2018	1 pm – 3 pm	2100 Building Community Room B
Tuesday, October 16, 2018	1 pm – 3 pm	Tukwila Community Center

SUBCOMMITTEES:

Advanced Life Support (ALS) - Tuesdays from 1:00 – 3:00, South Seattle location

✓ February 15, 2018	Renton Fire Station 14
✓ March 15, 2018 (1:30 – 3:30)	2100 Building Community Room B
✓ April 10, 2018	2100 Building, Community Room A
✓ May 8, 2018	2100 Building, Community Room A
June 12, 2018	2100 Building, Community Room A
July 10, 2018	2100 Building, Community Room A
August 14, 2018	2100 Building, Community Room A
September 11, 2018	2100 Building, Community Room A
October 9, 2018	TENTATIVE - 2100 Building

Basic Life Support (BLS) - Thursdays from 1:00 – 3:00, various Renton sites

✓ February 8, 2018	Renton Fire Station 14
✓ March 8, 2018	Renton Fire Station 14
✓ April 5, 2018	Renton City Hall, Council Chambers, 7 th Floor
✓ May 3, 2018	Renton City Hall, Council Chambers, 7 th Floor
June 7, 2018	Renton Fire Station 14
July 12, 2018	Renton City Hall, Council Chambers, 7 th Floor
August 9, 2018	Renton City Hall, Council Chambers, 7 th Floor
September 6, 2018	Renton City Hall, Council Chambers, 7 th Floor
October 4, 2018	TBD

Regional Services (RS) - Tuesdays from 1:00 – 3:00, Renton location

✓ February 20, 2018	City of Seattle Joint Training Facility
✓ March 20, 2018	Renton Highlands Library conference room
✓ April 17, 2018	Renton Highlands Library conference room
✓ May 15, 2018	1:30 – 3:30 2100 Building, Community Room A
June 19, 2018	1:30 – 3:30 2100 Building, Community Room A
July 17, 2018	1:30 – 3:30 2100 Building, Community Room A
August 21, 2018	1:30 – 3:30 2100 Building, Community Room A
September 18, 2018	1:30 – 3:30 2100 Building, Community Room A

Finance - Tuesdays or Thursdays from 1:00 – 3:00, Kirkland location

✓ February 1, 2018 (Thursday)	Renton Fire Station 14 (1900 Lind Ave SW)
➔ May 17, 2018 (Thursday)	12:00 – 2:00 Peter Kirk Room, Kirkland City Hall
July 24, 2018 (Tuesday)	Peter Kirk Room, Kirkland City Hall
September 25, 2018 (Tuesday)	Peter Kirk Room, Kirkland City Hall

Bold = recently revised

LOCATIONS:

Renton Fire Station 14
1900 Lind Ave SW, Renton

Phone: (425) 430-7000

City of Seattle Joint Training Facility
9401 Myers Way South, Seattle

Phone: (206) 386-1600

The 2100 Building
2100 24th Ave S, Seattle

Phone: (206) 407-2100

Renton City Hall
1055 South Grady Way, Renton

Phone: (425) 430-6400

Kirkland City Hall
123 5th Ave, Kirkland, WA

Phone: (425) 587-3000

Renton Highland Library Conference Room
2801 NE 10th Street, Renton

Phone: (425) 277-1831

Tukwila Community Center
12424 42nd Ave South, Tukwila

Phone: (206) 768-2822

EMS Advisory Task Force
Medic One/EMS Levy Reauthorization Calendar

2018

JANUARY

S	M	T	W	Th	F	S
	H1	2	3	4	5	6
7	8	9	0	11	12	13
14	H15	16	17	IF 18	19	20
21	22	23	24	25	26	27
28	29	30	31			

FEBRUARY

S	M	T	W	Th	F	S
				FIN 1	2	3
4	5	6	7	BLS 8	9	10
11	12	ALS 13	14	15	16	17
18	19	RS 20	21	22	23	24
25	26	27	28			

MARCH

S	M	T	W	Th	F	S
				1	2	3
4	5	6	7	BLS 8	9	10
11	12	13	14	ALS 15	16	17
18	19	RS 20	21	22	23	24
25	26	27	28	29	30	31

ALS - revised

APRIL

S	M	T	W	Th	F	S
1	2	3	4	BLS 5	6	7
8	9	ALS 10	11	12	13	14
15	16	RS 17	18	19	20	21
22	23	24	25	26	27	28
29	30					

MAY

S	M	T	W	Th	F	S
		1	2	BLS 3	4	5
6	7	ALS 8	9	10	11	12
13	14	RS 15	16	FIN 17	18	19
20	21	22	23	24	25	26
27	H28	29	TF 30	31		

Finance and Task Force meetings - revised

JUNE

S	M	T	W	Th	F	S
					1	2
3	4	5	6	BLS 7	8	9
10	11	ALS 12	13	14	15	16
17	18	RS 19	20	21	22	23
24	25	26	27	28	29	30

JULY

S	M	T	W	Th	F	S
1	2	3	H4	5	6	7
8	9	ALS 10	11	BLS 12	13	14
15	16	RS 17	18	19	20	21
22	23	FIN 24	25	26	27	28
29	30	TF 31				

AUGUST

S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	BLS 9	10	11
12	13	ALS 14	15	16	17	18
19	20	RS 21	22	23	24	25
26	27	28	29	30	31	

SEPTEMBER

S	M	T	W	Th	F	S
						1
2	H3	4	5	BLS 6	7	8
9	10	ALS 11	12	13	14	15
16	17	RS 18	19	20	21	22
23	24	FIN 25	26	27	28	29
30						

OCTOBER

S	M	T	W	Th	F	S
	1	2	3	BLS 4	5	6
7	H8	ALS 9	10	11	12	13
14	15	TF 16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

NOVEMBER

S	M	T	W	Th	F	S
				1	2	3
4	5	6	7	8	9	10
11	H12	13	14	15	16	17
18	19	20	21	H22	H23	24
25	26	27	28	29	30	

DECEMBER

S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	H25	26	27	28	29
30	31					

Econ forecasts: 3/7-3/14; 7/18-7/27; 8/17-8/27

3/30/2018

MEDIC ONE/EMERGENCY MEDICAL SERVICES STRATEGIC PLAN & LEVY REAUTHORIZATION

ALS Subcommittee Report for 5/17/18 Finance Subcommittee

(Endorsed at 5/8/18 ALS meeting)

Accomplishments to Date:

- Members were oriented to levy planning process, milestones, roles and responsibilities of members and expectations.
- Endorsed items to be reviewed as part of the Work Plan, and ALS Subcommittee-specific principles to guide Subcommittee decision making.
- Reviewed in depth the standard medic unit allocation, including its history, main components and issues experienced; compared costs and trends across agencies.
- Analyzed EMS system trends (Seattle & King County) and ALS demand projections to anticipate future demand including:
 - Specific criteria used in assessing medic unit need; and
 - Growth in population in comparison to call volumes and response times.
- Identified strategies to pursue to develop cost efficiencies and overall system effectiveness.

Principles leading the ALS Subcommittee:

- Maintain ALS as the funding priority
- ALS's primary focus is patient-centric
- Full unit funding will be made available
- Resources will be used efficiently
- Use data and sound practices in evaluating service needs

Decisions made by the Subcommittee:

1. Continue using the unit allocation to determine ALS costs; slightly revise methodology to help ensure sufficient funding for program oversight & support:
 - a. Use Unit Cost Allocation to calculate direct paramedic services costs;
 - b. Use Program Administration Allocation to calculate costs associated with management and supervision of direct paramedic services; and
 - c. Use ALS System Cost Allocation to address highly variable costs.
2. The 2020 preliminary baseline unit allocation is proposed at \$2,562,325, and will be inflated appropriately over the span of the levy. This preliminary funding level will require further refinement.
3. To protect the system, set aside funds as a “place holder” in the Financial Plan should new units need to be added over the span of the 2020-2025 levy.
4. Identified appropriate levels of reserves and contingencies for the next levy span.

Next Steps:

- Present Subcommittee update at the May 30, 2018 *EMS Advisory Task Force* meeting.
- Proceed with tasks as directed by the *EMS Advisory Task Force* at May meeting.
- Refine baseline unit allocation, placeholder costing scenario and reserves; incorporate into Financial Plan.
- Prepare recommendations for July 31st *EMS Advisory Task Force* meeting.

MEDIC ONE/EMERGENCY MEDICAL SERVICES STRATEGIC PLAN & LEVY REAUTHORIZATION

BLS Subcommittee Report for 5/17/18 Finance Subcommittee

(Endorsed at 5/3/18 BLS meeting)

Accomplishments to Date:

- Members were oriented to levy planning process, milestones, roles and responsibilities of members and expectations.
- Endorsed items to be reviewed as part of the Work Plan, and principles to guide Subcommittee decision making.
- Reviewed the history of BLS funding, the current funding formula, and programs that help reduce BLS impacts and address demand for services.
- Considered economic and demographic factors that could greatly impact the EMS system.
- Identified regional BLS priorities; discussed appropriate funding levels and mechanisms.
- Considered and proposed alternative BLS funding formula options and to help address equity and need.

Principles leading the Subcommittee:

- The total BLS allocation should reflect the fundamental role that BLS plays within the regional system.
- Use data driven approaches to develop the BLS funding level.
- For determining the BLS funding methodology, keep it simple, equitable, stable and keep agencies whole.

Decisions made by the Subcommittee:

1. Connecting callers to the appropriate health care settings and services is a regional priority.
2. Continue funding BLS agencies with the BLS allocation using the current methodology.

Next Steps:

- Present Subcommittee update at the May 30, 2018 *EMS Advisory Task Force* meeting.
- Proceed with tasks as directed by the *EMS Advisory Task Force* at May meeting.
- Determine final allocation and programmatic usage policies.
- Prepare recommendations for July 31st *EMS Advisory Task Force* meeting.

MEDIC ONE/EMERGENCY MEDICAL SERVICES STRATEGIC PLAN & LEVY REAUTHORIZATION

Regional Services Subcommittee Report for 5/17/18 Finance Subcommittee

(Endorsed at 5/15/18 Regional Services meeting)

Accomplishments to Date:

- Members were oriented to levy planning process, milestones, roles and responsibilities of members and expectations.
- Endorsed items to be reviewed as part of the Work Plan, and Regional Services Subcommittee-specific principles to guide Subcommittee decision making.
- Reviewed the focus, costs and benefits of the Regional Services and Strategic Initiatives currently supporting the system through the 2014-2019 levy.
- Identified system needs, regional interests and priorities, and methods to increase cost efficiencies and provide greater overall system effectiveness.
- Developed an on-going list of ideas and considerations for future planning.

Principles leading the Subcommittee:

Decisions regarding programs and Initiatives will be viewed in respect to patient outcomes and high quality services. This includes:

- Collaboration with regional partners
- Meeting emergent community needs
- Maintaining and/or improving standards of patient care
- Efficiently use resources
- Improve system operations and contain costs
- Ensure no degradation of services or the system
- Maintain and/or identify new Strategic Initiatives that provide system effectiveness and efficiencies to
 - Improve the quality of EMS services
 - Manage the rate of growth
 - Contain costs

Decisions made by the Subcommittee:

1. Support the continuation, and development, of Strategic Initiatives that increase standardization, coordination, interconnectedness, partnerships and regionalism via:
 - The Vulnerable Populations Initiative;
 - AEIOU Quality Improvement Initiative; and
 - STRIVE EMS Online Modernization Initiative.

Next Steps:

- Present Subcommittee update at the May 30, 2018 *EMS Advisory Task Force* meeting.
- Proceed with tasks as directed by the *EMS Advisory Task Force* at May meeting.
- Refine expenditures; incorporate into Financial Plan.
- Prepare recommendations for July 31st *EMS Advisory Task Force* meeting.

2020-2025 Levy Planning **FINANCIAL SUBCOMMITTEE**

5/17/2018

KING COUNTY EMERGENCY MEDICAL SERVICES

Economic Forecast Overview

- **2017 trends continued since the end of the recession**
 - Concern about “episodic volatility” due to the new administration
 - But overall economic conditions were pretty good
 - Job increases, lowered unemployment
 - Federal government raised “Federal Funds Rate” target three times in 2017
- **2018 looks faster, lower and higher**
 - Growth looks to pick up a little
 - Second longest expansion on record (after April 2018)
 - Unemployment continues to lower
 - Inflation likely to pick up a little
- **2019 and 2020 also currently look to continue growth**
- **Biggest risk/uncertainty; federal government, stock market**

Economic Forecast National Highlights

- **US economy has created over 18 million jobs since the recession (~170,000/month)**
- **Unemployment levels lower than seen in many years; December 2017 4.1%; in 2018 may fall to lowest level since 1960s (<2.8%)**
- **Inflation is generally heading toward Fed's 2% goal, but took a break in 2017**
- **Growth**
 - 2017 tax changes are likely to provide short-term stimulus
 - "Stupendous" growth unlikely without a pick-up in productivity growth
 - Growth around 2-2.5% (Average through expansion = 2.2%)
- **CPI Inflation expected to be pretty stable**

Economic Forecast Local Highlights

- **Local economic signals still solid**
- **Local job growth for 7th straight year + more likely**
- **King County forecast for 2018-2019 calls for growth, but at reduced pace**
- **Home prices continue to rise in part due to few homes on the market**
- **Rents have also been increasing rapidly**

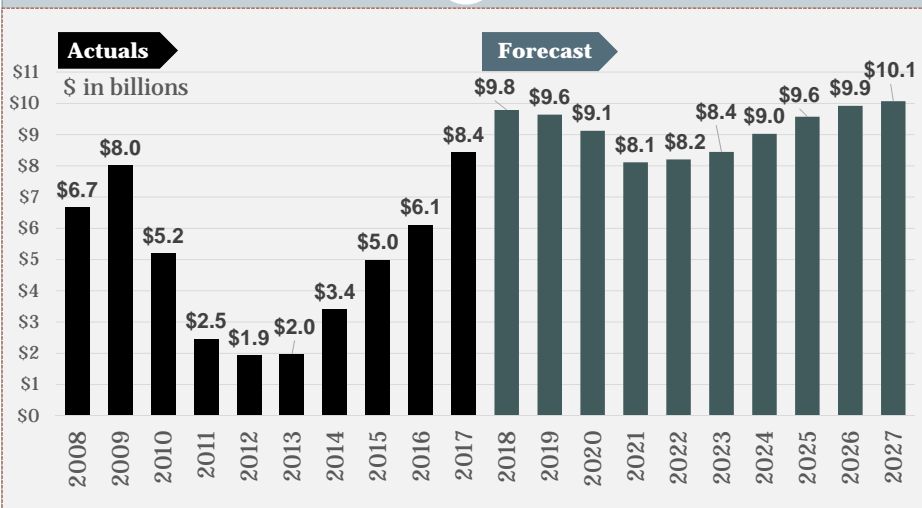
Countywide Assessed Value Forecast

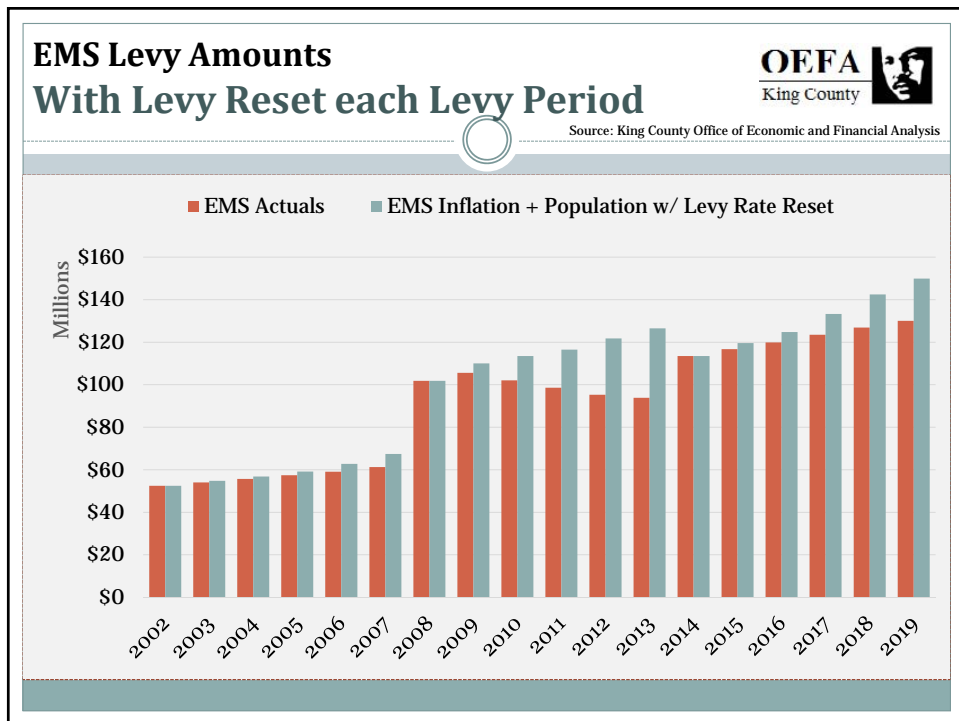
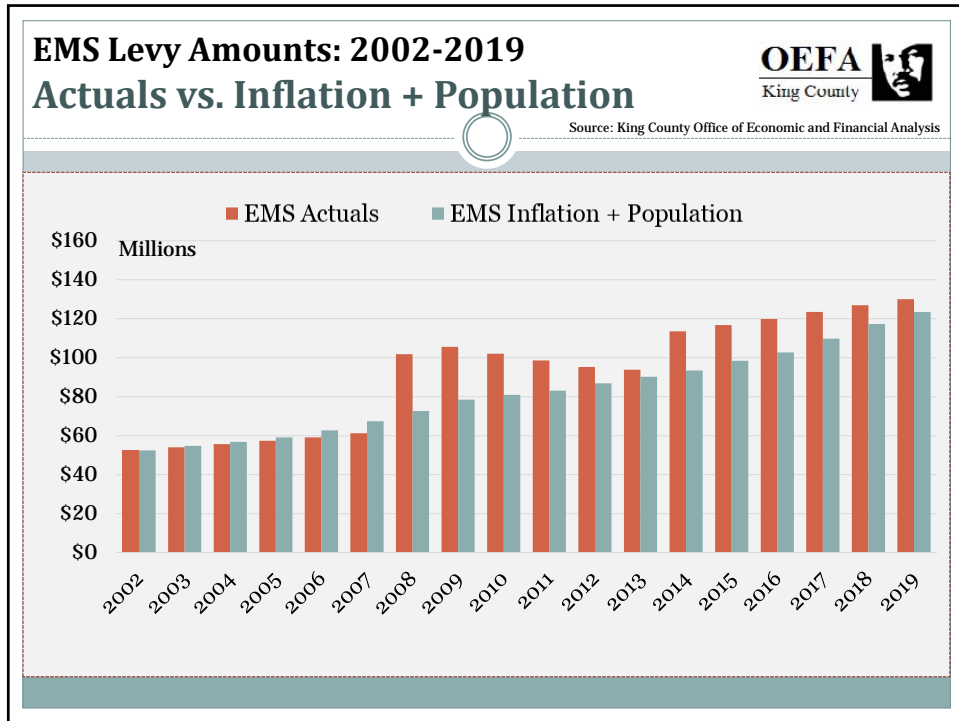
Tax Year	Value	Annual Growth	% Change (from Aug 2017 Forecast)	\$ Change (from Aug 2017 Forecast)
2016	\$426,335,605,836	9.85%	0.00%	\$0
2017	\$471,456,288,020	10.58%	0.00%	\$0
2018	\$534,662,434,753	13.41%	1.69%	\$8,881,372,269
2019	\$591,603,078,768	10.65%	3.76%	\$21,411,511,055
2020	\$630,466,319,605	6.57%	5.63%	\$33,595,330,188
2021	\$668,542,389,690	6.04%	7.55%	\$46,931,540,710
2022	\$701,673,551,589	4.96%	7.71%	\$50,217,269,551
2023	\$733,057,889,944	4.47%	7.19%	\$49,159,044,958
2024	\$763,330,209,206	4.13%	6.80%	\$48,621,711,617
2025	\$800,531,956,089	4.87%	7.06%	\$52,780,434,057
2026	\$833,069,570,576	4.06%	6.62%	\$51,750,451,584
2027	\$865,814,013,340	3.93%	new	new

King County Dept. of Assessments New Construction Forecast



Source: King County Office of Economic and Financial Analysis





2014-2019 Levy Plan vs Forecast

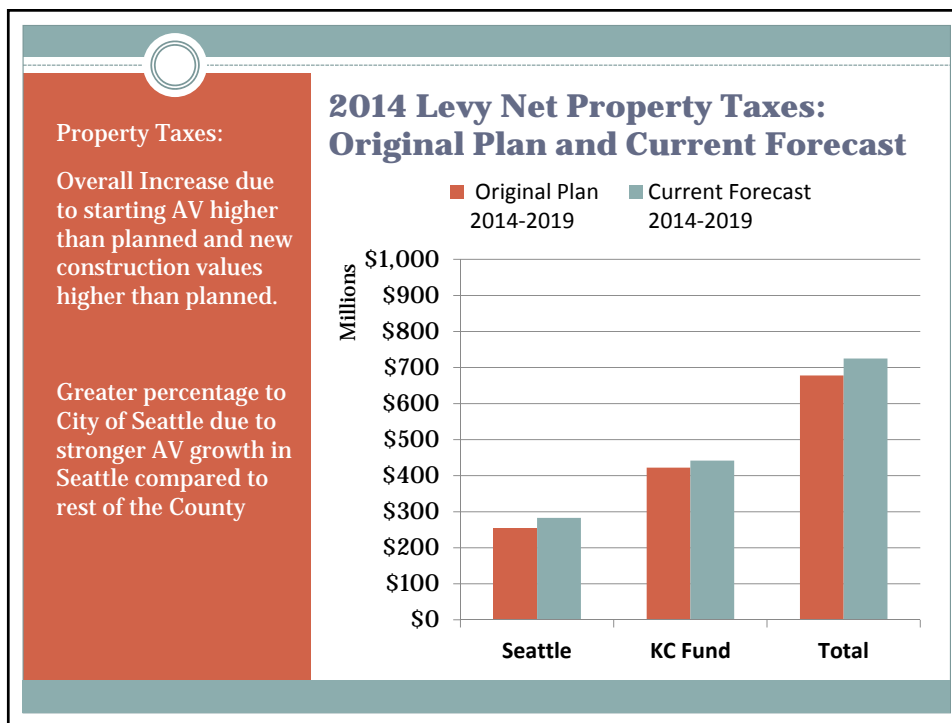
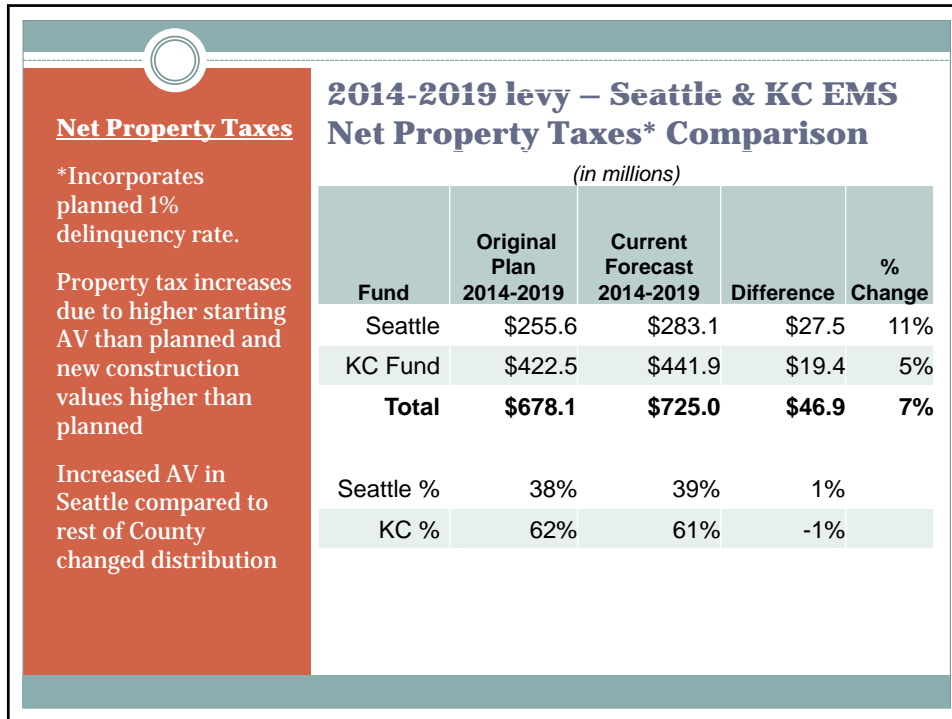
- **Next section looks at differences between 2014-2019 levy plan and current estimate**
 - Slides primarily focus on changes in KC EMS Fund (excluding City of Seattle)
 - Some slides include combined county system
- **In general:**
 - Expenditures & Revenues both higher than planned
 - Higher revenues allowed EMS Fund to increase reserves to comply with new KC policies

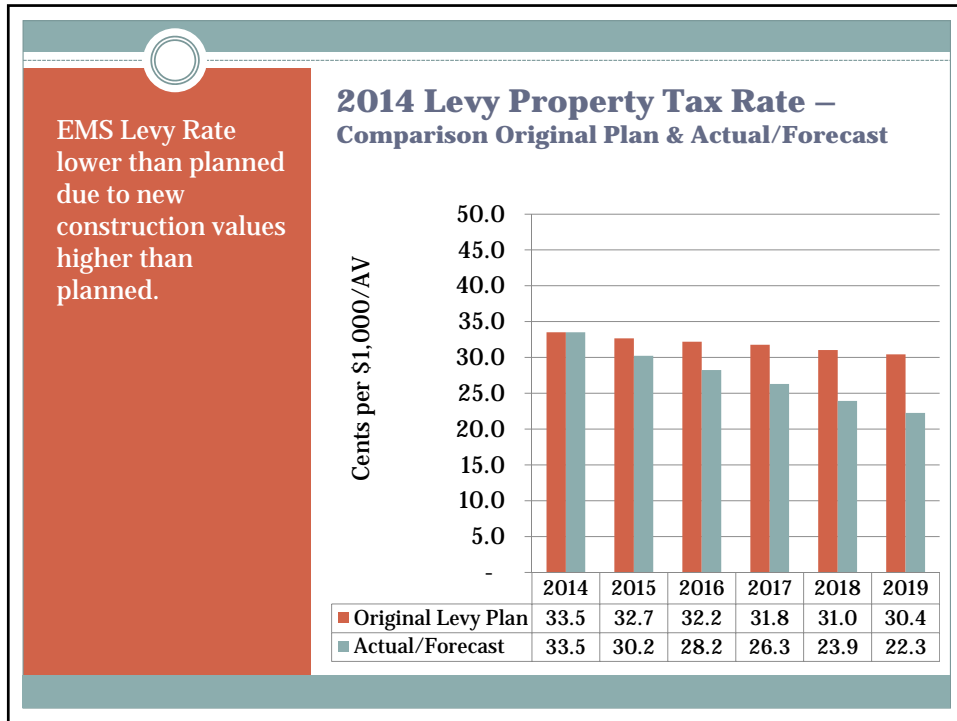
Comparison Original Levy Plan & Current Forecast

- **Revenues**
 - Property taxes higher than forecast due to:
 - Starting AV higher than planned
 - New construction growth higher than planned
 - Property tax split increased for City of Seattle primarily due to increased commercial/industrial AV
- **Expenditures**
 - **ALS** – with economic recovery costs increased higher than planned; EMSAC approved ALS mid-levy adjustment. Some use of reserves
 - **BLS** – added BLS Core Services program at \$750k/year
 - **CMT** – shows potential use of CMT reserves as bridge in 2019
 - **RSSI** – KC Central Rates and IT costs increased higher than planned; EMSAC approved access to reserves to help cover costs

2014 Levy Revenues* Comparison – Original Levy Plan and Current Forecast (KC EMS Fund)				
Property Tax – total amount increase: Starting AV higher than planned New construction higher than planned Lower % of total property taxes Interest Income higher than planned due to higher fund balance	\$s In Millions			
		Original Plan 2014-2019	Current Forecast 2014-2019	% Change
	Property Taxes	\$422.5	\$443.8	5%
	Other Revenue**	\$5.1	\$5.7	12%
	TOTAL	\$427.6	\$449.4	5%
<i>*Does not include Center for Evaluation of EMS (CEEMS), EMS Online Entrepreneurial or Donations</i> <i>**King County only: includes miscellaneous taxes and fees distributed to all property tax funds, interest income, etc.</i>				

2014 Levy Expense Comparison – Original Levy Plan and Current Forecast (KC EMS Fund)				
ALS – with economic recovery costs increased higher than planned; EMSAC approved ALS mid-levy adjustment. Some use of reserves . BLS – added BLS Core Services program at \$750k/year CMT – shows potential use of CMT reserves as bridge in 2019 RSSI – KC Central Rates and IT costs increased higher than planned; EMSAC approved access to reserves to help cover costs. Includes carryover of 2014-2019 SIs (\$565k)	Program	Original Plan 2014-2019	Current Forecast 2014-2019	% change
	ALS	\$272,629,535	\$276,423,286	1%
	BLS	\$103,210,353	\$105,525,148	2%
	CMT	\$3,943,334	\$5,462,818	39%
	RS/SI	\$61,452,343	\$64,756,625	5%
	TOTAL	\$441,235,565	\$452,167,877	2%
	*ALS includes reserve funds for potential new ALS units			





King County Assessed Valuation Property Taxation Categories

Taxation Category	KC AV	% of Total
Taxable Properties *	\$532,543,869,988	92%
Tax-Exempt Properties	\$47,951,781,715	8%
TOTAL	\$580,495,651,703	

**2018 from Property Tax Model (OEFA)*

Main Drivers Revenues

- **Confidence levels (65% per KC policy)**
- **Beginning Assessed Valuation (AV) determine starting level of new levy**
- **New construction levels**
- **Split between Seattle and King County (based on assessed valuation)**
- **Amount of reserves available to carry forward from 2014-2019 levy**

Main Drivers Expenditures

- **Advanced Life Support Services (ALS):**
 - Number of ALS units and per unit cost
 - Number of new units and timing of new units
- **Cost escalators (inflaters)**
- **Added or changed services or funding:**
 - BLS allocation level
 - Support towards MIH Initiatives
 - Strategic Initiatives
 - Regional Support funding
- **Contingencies and reserves**

Main Drivers Revenue Forecast Direction

• Revenue Forecasts:

- Under direction of King County Forecast Council
- Charter requires council to “adopt official county economic and revenue forecasts that must be used as the basis for the executive’s budget proposals”
- Intention to provide forecast with appropriate amount of certainty
- Resolution that provides formal direction to the Office of Economic and Financial Analysis (OEFA) and chief economist (David Reich) to forecast revenues at 65% confidence level

King County Financial Policies

• Policy Goals:

- Fund balances to be managed in a way to provide a prudent level of financial resources to meet specific purposes Policies intended to achieve these objectives:
 - ✦ Prudently plan for and fund future expected costs
 - ✦ Establish fund amounts for anticipated mismatches between revenues and expenditures
 - ✦ Meet legal, contract or existing policy requirements
 - ✦ Clarify fund level decision-making around uncertainty, and
 - ✦ Standardize approach to calculating budgetary fund balance

King County Financial Policies Refined Reserve Definitions

- **Difference between reserves & contingencies**
- **Expenditure Reserve** – pay for specific activities and program costs, replacement of specific equipment critical to ongoing operations
- **Rainy Day Reserve** – offset unknown and known risks, variable costs, and unanticipated revenue fluctuations.
 - Special levy funds to plan for a rainy day reserve of 90 days operating expenses at end of levy period
- **Rate Stabilization Reserve** – fund balance to minimize rate, fee, or revenue increases needed in future years to provide current level of service.

EMS Application of KC Policies Current EMS Reserves

- **Previous Operating Reserves become Contingencies**
 - Usual expenses outside of ALS allocation
- **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**
 - Functions to provide funding for unanticipated reductions in revenue during the levy period and potentially buy down future levy rate

(see separate reserve crosswalk in the handout packet)

EMS Application of KC Policies Approval for Use of Reserves & Contingencies

- **Policy Recommendation - Reserves:**

- Continue EMSAC Financial Subcommittee review of proposed use of Reserves (forward recommendation to EMSAC)
- Continue with EMSAC review and recommendation to use reserves to EMS Director
- Based on recommendation, EMS would approve use within appropriation limits and requirements of KC Council

- **Policy Recommendation – Contingencies:**

- EMS Director to review and approve use of contingencies
- Approval and actual use to be reported to EMSAC Financial Subcommittee

Financial Subcommittee Recommendation Levy Length

- **RCW allows 3 different levy lengths**

- Six Years
- Ten Years
- Permanent

- **King County has primarily selected 6-year levy option**

- Exception was after levy failure (3-year levy)

Financial Plans Preliminary Status Quo

- **ALS:**
 - Continuation of existing allocations
 - Continuation of existing contingencies and reserves
- **BLS:**
 - Continuation of existing allocation,
 - Transfer of some Strategic Initiative funds distributed to BLS agencies;
 - MIH funding starting at \$1.4 million/year in 2019 (existing SI \$s)
- **RSSI**
 - Continuation of allocation
 - Transfer of some SI \$s to BLS
 - Continuation of remaining SIs

Financial Plans PSQ Financial Plan Summary

2020-2025 EMS LEVY PRELIMINARY STATUS QUO (PSQ)

	<i>In Millions</i>		
	Seattle	KC EMS	Total
REVENUES			
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
Needed Reserve Funding		\$7.2	\$7.2
TOTAL With Added Reserves	\$399.5	\$574.6	\$974.2

See separate attachment – PSQ Financial Plan

Financial Plans Initial Proposed

- **ALS:**
 - Adjustment to allocation structure and amount
 - Adjusted contingencies and reserves
 - Placeholder for potential of two 12-hour units during levy period (one beginning 2nd year; one beginning 5th year)
- **BLS:**
 - Continuation of existing allocation,
 - Transfer some Strategic Initiative funds distributed to BLS agencies to BLS allocations
 - MIH allocation/funding starting at \$4 million/year in 2020 (including \$1.4 from previous SIs)

Financial Plans Initial Proposed (continued)

- **Regional Services/Strategic Initiatives (RSSI)**
 - Continuation of Regional Services Allocation with small “true-ups”
 - Strategic Initiatives
 - ✦ Transfer of some SI \$\$ to BLS allocations
 - ✦ Convert 2 SIs to Regional Services
 - Regional Records Management System (ESO)
 - Regionalization of Initial EMT Training
 - ✦ Add two new strategic initiatives:
 - AEIOU (QI)
 - STRIVE (Training/Online platform)

Financial Plans

2020-2025 EMS Levy: Initial Proposed

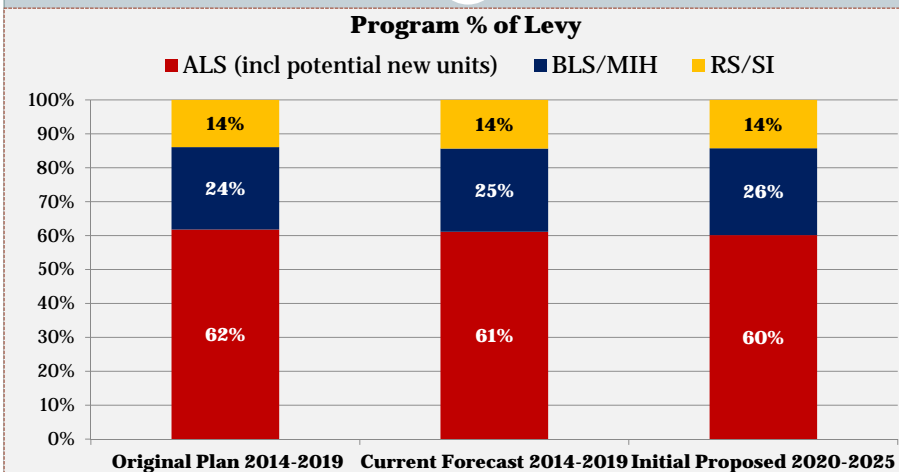
In Millions

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	\$500.7
Basic Life Support (BLS)	\$282.2	\$134.6	\$416.8
Mobile Integrated Healthcare (MIH)		\$25.8	\$25.8
Regional Services (RS)		\$80.8	\$80.8
Strategic Initiatives (SI)		\$7.2	\$7.2
TOTAL Expenditures	\$424.0	\$607.3	\$1,031.2
Needed Reserve Funding		\$10.6	\$10.6
TOTAL With Added Reserve Funding	\$424.0	\$617.9	\$1,041.8

See separate attachment – Initial Proposed Financial Plan

Financial Plans

Comparison of Programs by Levy Periods



The Last Slide?

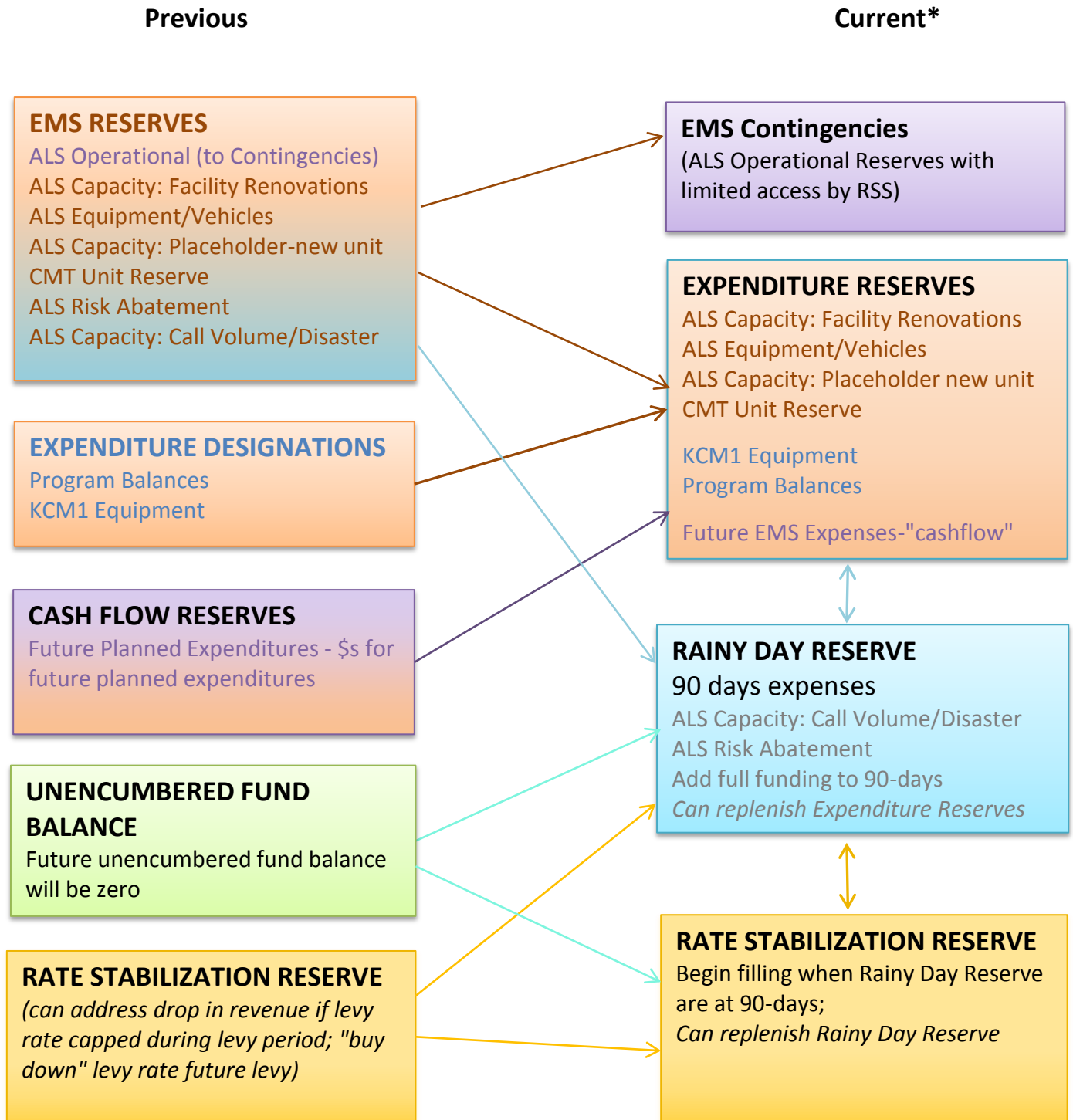


Next?



COMPARISON OF CURRENT EMS RESERVES TO POTENTIAL FUTURE STATE

Update for compliance with new King County Financial Policies



All Previous Reserves/Designations have a new category

EMERGENCY MEDICAL SERVICES LEVY OVERVIEW - DRAFT PSQ 2020-2025

	2020 Proposed	2021 Proposed	2022 Proposed	2023 Proposed	2024 Proposed	2025 Proposed	2020-2025
REVENUES							
Countywide EMS Levy	153,828,752	157,761,729	161,299,200	164,876,928	168,645,390	172,517,600	978,929,599
Countywide EMS Levy with Undercollection	152,290,465	156,184,111	159,686,208	163,228,158	166,958,936	170,792,424	969,140,303
Projected Seattle Assessed Valuation	256,873,764,112	273,335,769,755	287,648,170,874	301,487,101,313	314,837,061,961	330,640,308,945	
Proportion	40.91%	41.05%	41.16%	41.30%	41.42%	41.47%	
Projected Seattle EMS Levy	62,934,072	64,767,873	66,397,111	68,089,604	69,845,484	71,548,575	403,582,719
Projected Seattle Undercollection	(629,341)	(647,679)	(663,971)	(680,896)	(698,455)	(715,486)	(4,035,827)
Projected Net Seattle Property Taxes	62,304,731	64,120,194	65,733,140	67,408,708	69,147,029	70,833,090	399,546,892
Projected Seattle Other Revenue							
Seattle Revenue	62,304,731	64,120,194	65,733,140	67,408,708	69,147,029	70,833,090	399,546,892
Projected Non-Seattle Assessed Valuation	370,998,694,837	392,456,106,945	411,138,559,703	428,554,846,368	445,352,658,792	466,598,103,493	
Proportion	59.09%	58.95%	58.84%	58.70%	58.58%	58.53%	58.78%
Projected King County EMS Levy	90,894,680	92,993,856	94,902,090	96,787,324	98,799,906	100,969,025	575,346,880
Projected Undercollection	(908,947)	(929,939)	(949,021)	(967,873)	(987,999)	(1,009,690)	(5,753,469)
Projected Net King County Property Taxes	89,985,733	92,063,917	93,953,069	95,819,451	97,811,907	99,959,335	569,593,411
Projected King County Other Revenue	915,200	1,082,200	1,149,200	1,280,200	1,342,200	1,341,200	7,110,200
King County Revenue	90,900,933	93,146,117	95,102,269	97,099,651	99,154,107	101,300,535	576,703,611
TOTAL REVENUE	153,205,665	157,266,311	160,835,408	164,508,358	168,301,136	172,133,624	976,250,503
EXPENDITURES							
Advanced Life Support Services -- Seattle	(25,514,566)	(26,435,694)	(27,385,327)	(28,340,227)	(29,307,124)	(30,279,395)	(167,262,334)
Advanced Life Support Services -- King County	(51,850,416)	(53,943,756)	(56,027,332)	(58,175,101)	(60,363,532)	(62,582,212)	(342,942,349)
Total Advanced Life Support Services	(77,364,982)	(80,379,450)	(83,412,659)	(86,515,328)	(89,670,656)	(92,861,607)	(510,204,683)
Basic Life Support Services -- Seattle	(36,790,165)	(37,684,500)	(38,347,812)	(39,068,481)	(39,839,905)	(40,553,694)	(232,284,558)
Basic Life Support Services -- King County	(20,442,084)	(21,215,983)	(21,999,831)	(22,813,699)	(23,632,262)	(24,462,889)	(134,566,749)
Mobile Integrated Healthcare	(1,433,957)	(1,490,312)	(1,547,391)	(1,606,656)	(1,666,263)	(1,726,748)	(9,471,327)
Total Basic Life Support Services	(58,666,207)	(60,390,795)	(61,895,034)	(63,488,836)	(65,138,431)	(66,743,331)	(376,322,634)
Regional Services	(11,508,216)	(11,960,489)	(12,418,575)	(12,894,207)	(13,372,582)	(13,858,007)	(76,012,076)
Strategic Initiatives	(679,028)	(705,713)	(732,742)	(760,806)	(789,032)	(817,674)	(4,484,995)
TOTAL EXPENDITURES	(148,218,433)	(153,436,448)	(158,459,011)	(163,659,177)	(168,970,701)	(174,280,619)	(967,024,388)
DIFFERENCE	4,987,232	3,829,864	2,376,398	849,181	(669,565)	(2,146,995)	9,226,115
RESERVES*							
KC ALS Reserves	(4,654,589)	(4,654,589)	(4,654,589)	(4,654,589)	(4,654,589)	(4,654,589)	(4,654,589)
KC Expenditure Reserves							
KC Required Fund Balance/Cashflow Reserves	(21,184,200)	(22,023,186)	(22,863,913)	(23,732,992)	(24,614,056)	(25,507,610)	(25,507,610)
TOTAL RESERVES	(25,838,789)	(26,677,775)	(27,518,502)	(28,387,581)	(29,268,645)	(30,162,199)	(30,162,199)
* Difference needed to cover yearly cashflow and increase in reserves					Est Avail Reserves	(23,000,000)	(7,162,199)
DIFFERENCE (with needed reserve funding)							2,063,916

EMERGENCY MEDICAL SERVICES LEVY OVERVIEW - DRAFT INITIAL PROPOSED

5/15/2018

	2020 Proposed	2021 Proposed	2022 Proposed	2023 Proposed	2024 Proposed	2025 Proposed	2020-2025
REVENUES							
Countywide EMS Levy	166,386,202	170,607,011	174,431,199	178,298,996	182,373,099	186,559,041	1,058,655,547
Countywide EMS Levy with Undercollection	164,722,340	168,900,941	172,686,887	176,516,006	180,549,368	184,693,451	1,048,068,992
Proportion	40.91%	41.05%	41.16%	41.30%	41.42%	41.47%	
Projected Seattle EMS Levy	68,071,547	70,041,405	71,802,759	73,632,546	75,530,896	77,372,011	436,451,165
Projected Seattle Undercollection	(680,715)	(700,414)	(718,028)	(736,325)	(755,309)	(773,720)	(4,364,512)
Projected Net Seattle Property Taxes	67,390,832	69,340,991	71,084,732	72,896,221	74,775,587	76,598,291	432,086,653
Projected Seattle Other Revenue							
Seattle Revenue	67,390,832	69,340,991	71,084,732	72,896,221	74,775,587	76,598,291	432,086,653
Proportion	59.09%	58.95%	58.84%	58.70%	58.58%	58.53%	58.78%
Projected King County EMS Levy	98,314,654	100,565,606	102,628,440	104,666,450	106,842,203	109,187,030	622,204,383
Projected Undercollection	(983,147)	(1,005,656)	(1,026,284)	(1,046,664)	(1,068,422)	(1,091,870)	(6,222,044)
Projected Net King County Property Taxes	97,331,508	99,559,949	101,602,156	103,619,785	105,773,781	108,095,160	615,982,339
Projected King County Other Revenue	1,640,200	1,728,200	1,785,200	1,440,200	908,200	224,200	7,726,200
King County Revenue	98,971,708	101,288,149	103,387,356	105,059,985	106,681,981	108,319,360	623,708,539
TOTAL REVENUE	166,362,540	170,629,141	174,472,087	177,956,206	181,457,568	184,917,651	1,055,795,192
EXPENDITURES							
Advanced Life Support Services -- Seattle	(20,027,243)	(22,773,930)	(23,536,412)	(24,330,603)	(25,131,766)	(25,950,906)	(141,750,860)
Advanced Life Support Services -- King County	(55,054,721)	(56,891,126)	(58,783,294)	(60,743,662)	(62,731,317)	(64,753,027)	(358,957,147)
Total Advanced Life Support Services	(75,081,964)	(79,665,056)	(82,319,706)	(85,074,264)	(87,863,083)	(90,703,933)	(500,708,007)
Basic Life Support Services -- Seattle	(46,092,064)	(45,261,862)	(46,210,421)	(47,193,740)	(48,236,681)	(49,206,084)	(282,200,853)
Basic Life Support Services -- King County	(20,442,084)	(21,215,983)	(21,999,830)	(22,813,699)	(23,632,262)	(24,462,888)	(134,566,746)
Mobile Integrated Healthcare (MIH) - King County	(4,000,000)	(4,117,200)	(4,233,717)	(4,353,531)	(4,471,512)	(4,589,112)	(25,765,072)
Total Basic Life Support Services	(70,534,148)	(70,595,045)	(72,443,968)	(74,360,970)	(76,340,455)	(78,258,085)	(442,532,670)
Regional Services	(12,228,628)	(12,709,213)	(13,195,976)	(13,701,381)	(14,209,702)	(14,725,514)	(80,770,414)
Strategic Initiatives	(1,238,771)	(1,283,565)	(1,118,721)	(1,157,451)	(1,196,160)	(1,235,232)	(7,229,900)
TOTAL EXPENDITURES	(159,083,511)	(164,252,879)	(169,078,371)	(174,294,066)	(179,609,400)	(184,922,764)	(1,031,240,992)
DIFFERENCE*	7,279,028	6,376,262	5,393,716	3,662,140	1,848,168	(5,113)	24,554,200
RESERVES*							
KC ALS Reserves	(639,131)	(2,777,396)	(4,644,144)	(6,872,254)	(10,083,269)	(13,667,914)	
KC Expenditure Reserves (Cashflow Reserves)							
KC Rate Stabilization Reserves							
KC Required Reserves	(22,617,230)	(20,924,927)	(21,495,582)	(22,088,035)	(22,697,177)	(23,294,371)	
TOTAL RESERVES	(23,256,361)	(23,702,323)	(26,139,726)	(28,960,289)	(32,780,446)	(36,962,285)	
* Difference needed to cover yearly cashflow and increase in reserves				Est Avail Reserves		(23,000,000)	(13,962,285)

MEDIC ONE/EMERGENCY MEDICAL SERVICES STRATEGIC PLAN & LEVY REAUTHORIZATION

DRAFT

Finance Subcommittee Report to the EMS Advisory Task Force 5/30/18

Accomplishments to Date:

- Members were oriented to levy planning process, milestones, roles and responsibilities of members and expectations.
- Endorsed items to be reviewed as part of the Work Plan, and principles to guide Subcommittee decision making.
- Received financial orientation on the current economic environment facing the region; identified issues to be considered when developing the next Medic One/EMS levy.
- Reviewed historical Medic One/EMS financial information, including levy structure and rates, policies, and details of the EMS Financial Plans; discussed King County financial policies and main cost drivers.
- Compared expenditures associated with providing the *current* level of services and programs (referred to as *Status Quo*) through 2020-2025 levy span against expenditures associated with providing Subcommittees' "initial requests" (referred to as *Initial Proposed*).
- Debated financial outcomes for different levy lengths.
- Identified strategies to pursue to develop cost efficiencies and overall system effectiveness.
- Discussed status reports on the work from other Subcommittees.

Decisions made by the Subcommittee:

1. Determined ____ re: the levy length. (TBD)
2. ____ the appropriate levels reserves and contingencies for the next levy span. (TBD)
3. ____ the proposed Financial Plan. (TBD)
4. Recommended that the Subcommittees ____.(TBD)

Next steps:

- Present Subcommittee updates at the May 30, 2018 *EMS Advisory Task Force* meeting.
- Proceed with tasks as directed by the *EMS Advisory Task Force* at May meeting.
- Review new financial forecast (available mid-July) to determine financial constraints and impacts on Subcommittee programmatic recommendations.
- Review and endorse ALS, BLS and Regional Services Subcommittee draft financial plans and funding proposals for July 31st EMS Advisory Task Force meeting.