Finance Subcommittee
Medic One/EMS Strategic Plan & Levy Reauthorization

July 31, 2018
1:00 - 3:00 PM
2100 24th Avenue S, Community Room A
Seattle, WA 98144

Chair: John Marchione, Mayor of Redmond
Alternate: Keith Scully, Councilmember, City of Shoreline

Agenda

➢ Opening Remarks & Introductions (5 minutes)

➢ Updated Economic Forecast (20 minutes)

➢ Reserves and Sensitivity (What-if') Analysis (30 minutes)

➢ Updated Subcommittee Programmatic Recommendations and Financial Plan (40 minutes)

➢ Finance Subcommittee Recommendations (20 minutes)
  Programmatic recommendations and funding
  Reserve and contingencies funding levels and approval process
  Financial Plan

➢ Next Finance Meeting & Next Steps (5 minutes)
  EMS Advisory Task Force – September 18, 2018
EMS STAKEHOLDER PRINCIPLES
As regional EMS Stakeholders, we remain committed to these fundamental principles:

1. **REGIONAL SYSTEM**
The Medic One/EMS system is based on partnerships that are built on regional, collaborative, cross-jurisdictional coordination. This seamless cohesion allows the system to excel in pre-hospital emergency care.

2. **TIERED MEDICAL MODEL**
The medical model, with its tiered system and intensive dispatch, EMT and paramedic training and protocols, has led to our success in providing high quality patient care throughout the region.

3. **PROGRAMS & INNOVATIVE STRATEGIES**
State of the art science-based strategies and programmatic leadership have allowed us to meet the needs and expectations of our residents and our system.

4. **FOCUS ON COST EFFECTIVENESS AND EFFICIENCIES**
The Medic One/EMS system has maintained financial viability and stability due to the region’s focus on operational and financial efficiencies, effectiveness and cost savings.

5. **MAINTAINING AN EMS LEVY AS FUNDING SOURCE**
The EMS levy is a reliable and secure source of funding our world-renowned system.
# Medico/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
- **September 18, 2018**
  - 1:30 – 3:30
  - **2100 Building, Community Room A**
- **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 (ALS Working Group)**
  - *Bold = recently revised*
  - **2100 Building, Community Room A**
- **July 10, 2018**
- **August 14, 2018**
- **September 11, 2018**
  - 2100 Building, Community Room A
- **October 9, 2018**
  - **2100 Building, Community Room A**

#### 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, 7th Floor
- **May 3, 2018**
  - Renton City Hall, Council Chambers, 7th Floor
- **June 7, 2018**
  - Renton Fire Station 14
- **July 12, 2018**
  - Renton City Hall, Council Chambers, 7th Floor
- **August 9, 2018**
  - Renton City Hall, Council Chambers, 7th Floor
- **September 6, 2018**
  - Renton City Hall, Council Chambers, 7th 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
- **Tuesday, July 31, 2018**
  - 1 pm – 3 pm
  - 2100 Building Community Room B
- **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
Overview

The U.S. economic expansion continues (108 months)
- 2018:1Q=+2%, tracking higher in 2Q (~+4%)
- Strong employment growth (avg. +215K/month in 2018 YTD)
- Continue to expect employment growth in 2018-2019
- Unemployment likely to drop, inflation on the rise

King County economy also continues to grow
- Strong employment growth (+3.2% in 2018 YTD)
- Continued population growth-added 36,500 people in KC in 2017-2018
- Continued construction boom driving employment and commerce
- Leading indicators mostly positive

Biggest risk/uncertainty; U.S. govt. & trade
- Trade and tariffs are front and center
July 2018 Revenue Forecasts

Assumptions:

(1) 65% Confidence Level – 65% chance revenues will come in higher than forecasted (lower for inflation/price forecasts)

(2) All potential annexation areas are assumed to occur on schedule:

- North Highline (Area Q/Sliver) (01-01-21)
- North Highline (Remainder) (01-01-21)
- West Hill (01-01-23)
- East Federal Way (01-01-23)

Countywide Assessed Value Forecast

<table>
<thead>
<tr>
<th>Tax Year</th>
<th>Value</th>
<th>Annual Growth</th>
<th>% Change from March 2018 Forecast</th>
<th>$ Change from March 2018 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$426,335,605,836</td>
<td>9.85%</td>
<td>0.00%</td>
<td>$0</td>
</tr>
<tr>
<td>2017</td>
<td>$471,456,288,020</td>
<td>10.58%</td>
<td>0.00%</td>
<td>$0</td>
</tr>
<tr>
<td>2018</td>
<td>$534,662,434,753</td>
<td>13.41%</td>
<td>0.00%</td>
<td>$0</td>
</tr>
<tr>
<td>2019</td>
<td>$594,371,420,436</td>
<td>11.17%</td>
<td>0.47%</td>
<td>$2,768,341,668</td>
</tr>
<tr>
<td>2020</td>
<td>$643,251,296,092</td>
<td>8.22%</td>
<td>2.03%</td>
<td>$12,784,976,487</td>
</tr>
<tr>
<td>2021</td>
<td>$683,472,885,070</td>
<td>6.25%</td>
<td>2.23%</td>
<td>$14,930,495,381</td>
</tr>
<tr>
<td>2022</td>
<td>$719,296,747,766</td>
<td>5.24%</td>
<td>2.51%</td>
<td>$17,623,196,177</td>
</tr>
<tr>
<td>2023</td>
<td>$746,915,701,927</td>
<td>3.84%</td>
<td>1.89%</td>
<td>$13,857,811,983</td>
</tr>
<tr>
<td>2024</td>
<td>$777,218,340,124</td>
<td>4.06%</td>
<td>1.82%</td>
<td>$13,888,130,919</td>
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<tr>
<td>2025</td>
<td>$812,826,260,370</td>
<td>4.58%</td>
<td>1.54%</td>
<td>$12,294,304,281</td>
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<tr>
<td>2026</td>
<td>$844,272,863,701</td>
<td>3.87%</td>
<td>1.34%</td>
<td>$11,203,293,125</td>
</tr>
<tr>
<td>2027</td>
<td>$877,188,513,227</td>
<td>3.90%</td>
<td>1.31%</td>
<td>$11,374,499,887</td>
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</tbody>
</table>
## New Construction Forecast

<table>
<thead>
<tr>
<th>Tax Year</th>
<th>Value</th>
<th>Annual Growth</th>
<th>% Change from March 2018 Forecast</th>
<th>$ Change from March 2018 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$6,111,997,054</td>
<td>22.37%</td>
<td>0.00%</td>
<td>$0</td>
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<tr>
<td>2017</td>
<td>$8,438,451,607</td>
<td>38.06%</td>
<td>0.00%</td>
<td>$0</td>
</tr>
<tr>
<td>2018</td>
<td>$9,789,738,887</td>
<td>16.01%</td>
<td>0.00%</td>
<td>$0</td>
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<tr>
<td>2019</td>
<td>$10,390,563,983</td>
<td>6.14%</td>
<td>7.81%</td>
<td>$752,816,891</td>
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<tr>
<td>2020</td>
<td>$9,680,282,486</td>
<td>-6.84%</td>
<td>6.12%</td>
<td>$557,878,169</td>
</tr>
<tr>
<td>2021</td>
<td>$8,718,721,717</td>
<td>-9.93%</td>
<td>7.46%</td>
<td>$605,433,553</td>
</tr>
<tr>
<td>2022</td>
<td>$8,640,419,483</td>
<td>-0.90%</td>
<td>5.33%</td>
<td>$436,884,714</td>
</tr>
<tr>
<td>2023</td>
<td>$8,665,151,014</td>
<td>0.29%</td>
<td>2.57%</td>
<td>$217,268,998</td>
</tr>
<tr>
<td>2024</td>
<td>$8,940,303,965</td>
<td>3.18%</td>
<td>-0.93%</td>
<td>($83,920,361)</td>
</tr>
<tr>
<td>2025</td>
<td>$9,243,801,336</td>
<td>3.39%</td>
<td>-3.43%</td>
<td>($328,136,235)</td>
</tr>
<tr>
<td>2026</td>
<td>$9,422,919,840</td>
<td>1.94%</td>
<td>-5.00%</td>
<td>($495,815,124)</td>
</tr>
<tr>
<td>2027</td>
<td>$9,969,224,693</td>
<td>5.80%</td>
<td>-0.99%</td>
<td>($99,312,979)</td>
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</tbody>
</table>

## Local inflation continues to increase in 2018

[Graph showing Seattle CPI-W Annual Inflation with recession bars and rolling annual average line. Source: Bureau of Labor Statistics]
Local inflation continues to increase in 2018

June to June Seattle CPI-W Forecast
Source: Bureau of Labor Statistics, OEFA

EMS Levy Amounts with Levy Reset each Levy Period

EMS Levy Amounts w/ Levy Rate Reset each Levy Period
EMS Actuals, CPI+Pop w/ Levy Rate Reset, Levy Period Base Case, CPI+Pop w/ Levy Rate Reset Forecast
Source: KC DOA, OEFA
Impact of Assessed Value on the 2020-2025 EMS Levy

Base Case - AV Follows 2008-2013 Growth Rate - AV is 95% of Forecast (2021-2025)

Source: KC DOA, OEFA

Reduction Analysis:
AV Follows 2008-2013 growth rate - $88,700,000
AV is 95% of Forecast (2021-2025) - $12,000,000

Impact of New Construction on the 2020-2025 EMS Levy

Base Case - NC 10% below forecast - NC is 20% below forecast

Source: KC DOA, OEFA

Reduction Analysis:
NC 10% below forecast - $3,400,000
NC 30% below forecast - $10,400,000
Impact of First Year Assessed Value on the 2020-2025 EMS Levy

Base Case (8.2% AV Growth) – AV Growth of 4% – AV Growth of 6%

Source: KC DOA, OEFA

Reduction Analysis
AV Growth in 2020 of 4% - $42,000,000
AV Growth in 2020 is 6% - $22,000,000

Impact of Assessed Value Split on the 2020-2025 EMS Levy

Base Case – Seattle AV 0.5% higher each year – Seattle AV 1% higher each year

Source: KC DOA, OEFA

Reduction Analysis
Seattle AV 0.5% higher each year - $5,500,000
Seattle AV 1% higher each year - $10,900,000
Impact of Inflation on 2020-2025 EMS Expenditures

Impact of CPI-W on 2020-2025 EMS Expenditures

Base Case – CPI-W is 1% higher – CPI-W is 2% higher

Source: KC DOA, OFEA

King County
Office of Economic and Financial Analysis

Background
King County Financial Policies

- Provide a prudent level of financial resources to meet specific purposes
- Address cash flow needs (anticipated mismatches between revenues and expenditures)
- Meet legal, contract or existing policy requirements
- Clarify fund level decision-making around uncertainty
- Include standardized approach to reserves (fund balance)
Background
Main Drivers

Revenues:
- Confidence levels (65% per KC policy)
- Beginning Assessed Valuation (AV) level at beginning of new levy
- New construction levels
- Tax distribution to Seattle and King County (proportionately on AV)
- Amount of reserves available to carry forward from 2014-2019 levy

Expenditures:
- Programmatic decisions:
  - Adjustments to base allocations for ALS, BLS, RS
  - Support for innovative & emerging programs (i.e., MIH, Strategic Initiatives)
- Contingencies and reserves (i.e., placeholders for new ALS units)
- Cost escalators (inflators)

EMS Application of KC Policies
Current (2014-2019) EMS Reserves

- **“Operating Reserves” converted to “Contingencies”**
  - Usual expenses outside of ALS allocation (limited access RSS)

- **Expenditure Reserve**
  - ALS capacity needs (including placeholders for new ALS units)
  - ALS equipment plan funds

- **Rainy Day Reserve**
  - Includes end of levy requirement of 90 days operating expenses

- **Rate Stabilization Reserve**
  - Includes funding for needs related to changes in economic conditions and potential buy down future levy rate
Sensitivity Analyses (What-if Scenarios)

Background

- Evaluates potential impacts of revenue and expenditure risks
  - Revenue: property taxes less than planned
  - Expenses: inflation (CPI-W) higher than planned
- Considers 2008-2013 as the “worst-case” scenario
- Assumes changes in economic conditions will affect either expenses or revenues, but not both (based on experience of 2008-2013 levy)

Scenarios

- Starting AV less than planned (Scenario A)
  - First Year AV growth at 6% (rather than 8.2%)
  - First Year AV growth at 4% (rather than 8.2%)
- Reductions in AV reduces property taxes (Scenario B)
  - AV at 95% of forecast
  - AV similar to 2008-2013 levy
- New construction below forecast (Scenario C)
  - New Construction AV Reduction of 10%
  - Reduction in New Construction of 20%
- CPI-W higher than planned (Scenario D)
- Proportion change between Seattle & KC EMS Funds (Scenario E)
### Sensitivity Analyses (What-if Scenarios)
#### King County (Seattle & KC EMS Fund)

<table>
<thead>
<tr>
<th>Revenues (2020-2025)</th>
<th>Total Decrease (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario #A-1: First Year AV growth 6% (forecast 8.2%)</td>
<td>($24.0)</td>
</tr>
<tr>
<td>Scenario #A-2: First Year AV growth 4% (forecast 8.2%)</td>
<td>($43.8)</td>
</tr>
<tr>
<td>Scenario #B-1: AV @ 95% of forecast (full levy)</td>
<td>($12.0)</td>
</tr>
<tr>
<td>Scenario #B-2: AV follows 2008-2013 growth rate</td>
<td>($88.7)</td>
</tr>
<tr>
<td>Scenario #C-1: New Construction 10% below forecast</td>
<td>($5.3)</td>
</tr>
<tr>
<td>Scenario #C-2: New Construction 20% below forecast</td>
<td>($8.8)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses (2020-2025)</th>
<th>Total Decrease (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario #D-1: CPI-W 1% higher than planned</td>
<td>($4.6)</td>
</tr>
<tr>
<td>Scenario #D-2: CPI-W 2% higher than planned</td>
<td>($9.3)</td>
</tr>
</tbody>
</table>

### Sensitivity Analyses (What-if Scenarios)
#### KC EMS Fund

<table>
<thead>
<tr>
<th>Revenues (2020-2025)</th>
<th>Total Decrease (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario #A-1: First Year AV growth 6% (forecast 8.2%)</td>
<td>($25.8)</td>
</tr>
<tr>
<td>Scenario #A-2: First Year AV growth 4% (forecast 8.2%)</td>
<td>($14.1)</td>
</tr>
<tr>
<td>Scenario #B-1: AV @ 95% of forecast (full levy)</td>
<td>($7.0)</td>
</tr>
<tr>
<td>Scenario #B-2: AV follows 2008-2013 growth rate</td>
<td>($52.2)</td>
</tr>
<tr>
<td>Scenario #C-1: New Construction 10% below forecast</td>
<td>($3.1)</td>
</tr>
<tr>
<td>Scenario #C-2: New Construction 20% below forecast</td>
<td>($5.2)</td>
</tr>
<tr>
<td><strong>Scenario #E-1: Distribution Seattle/KC EMS AV .5% change</strong></td>
<td>($5.5)</td>
</tr>
<tr>
<td><strong>Scenario #E-2: Distribution Seattle/KC EMS AV 1% change</strong></td>
<td>($10.9)</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Expenses (2020-2025)</th>
<th>Total Decrease (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario #D-1: CPI-W 1% higher than planned</td>
<td>($2.7)</td>
</tr>
<tr>
<td>Scenario #D-2: CPI-W 2% higher than planned</td>
<td>($5.5)</td>
</tr>
</tbody>
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### Sensitivity Analyses (What-if Scenarios)

#### KC Reserves

<table>
<thead>
<tr>
<th>Reserves</th>
<th>Low (in millions)</th>
<th>High (in millions)</th>
</tr>
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<tbody>
<tr>
<td>ALS Expenditure Reserves</td>
<td>$13.8</td>
<td>$13.8</td>
</tr>
<tr>
<td>AV follows 2008-2013 growth rate</td>
<td>$27.8</td>
<td>$27.8</td>
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<tr>
<td>Available with 27 cent levy</td>
<td></td>
<td>$5.4</td>
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<tr>
<td><strong>Total Reserves</strong></td>
<td><strong>$41.6</strong></td>
<td><strong>$47.0</strong></td>
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<table>
<thead>
<tr>
<th>Sensitivity Analyses</th>
<th>Low</th>
<th>High</th>
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<tbody>
<tr>
<td>First year AV growth lower than planned</td>
<td>($14.1)</td>
<td>($25.8)</td>
</tr>
<tr>
<td>AV growth after 1st year less than planned</td>
<td>($7.0)</td>
<td>($52.2)</td>
</tr>
<tr>
<td>New construction below forecast</td>
<td>($3.1)</td>
<td>($5.2)</td>
</tr>
<tr>
<td>Distribution Seattle/KC EMS AV .5% change</td>
<td>($5.5)</td>
<td>($10.9)</td>
</tr>
<tr>
<td>CPI-W higher than planned</td>
<td>$2.7</td>
<td>$5.5</td>
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</table>

### Programmatic Reviews

- Advanced Life Support (ALS) Services
- Basic Life Support (BLS) Services
- Regional Services/Strategic Initiatives (RSSI)
Programmatic Reviews
Advanced Life Support (ALS) Services

- Continue with Operating and Equipment Allocations
- Operating Allocation Components (Unit, Program & System)
- Access to contingencies and reserves
- Placeholder in reserves for potential two 12-hour units beginning in fall of Year 2 (2021) and Year 5 (2025)
- Inflation
  - Operating Allocation by CPI-W +1%
  - Equipment Allocation by Vehicle PPI

Programmatic Reviews
Basic Life Support (BLS) Services

- **Continuation of existing allocation amount, including:**
  - Incorporation of BLS QI & Training and BLS Core Services Funds
  - Full allocation distributed 50% AV/50% Calls in 2020
  - Funds added to make sure all agencies receive at least the same amount in 2020 as 2019 (~$6 million add for levy period)
  - Beginning in 2021 new funds only distributed 50% AV & 50% Call Volume

- **MIH allocation/funding starting at $4m/year in 2020 (including $1.4m from 2014-2019 SI Funds moved to BLS)**
  - BLS Quality Improvement (QI) & Training SI
  - Efficiencies and Effectiveness (E&E) Studies SI
  - Alternatives to CMT SI Funding
  - Regional CMT Unit Funding
Programmatic Reviews
Regional Services/Strategic Initiatives (RSSI)

- **Regional Services (RS) Allocation:**
  - Continue RS Allocation with small “true-ups”
  - Convert 2 SIs to Regional Services
    - Regional Records Management System (ESO)
    - Regionalization of Initial EMT Training

- **Strategic Initiatives (SI) Allocation:**
  - Transfer select SI funds to BLS allocation
  - Propose three SIs:
    - Vulnerable Populations SI (including mental wellness)
    - AEIOU QI SI \(\text{(new)}\)
    - STRIVE SI (training/EMS Online platform) \(\text{(new)}\)

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KC EMS Programs
Programmatic Review Updates – KC EMS Fund

<table>
<thead>
<tr>
<th>PROGRAM AREAS</th>
<th>Initial Proposed (in millions)</th>
<th>Updated Proposed (in millions)</th>
<th>Difference (in millions)</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Life Support (ALS)</td>
<td>$372.5</td>
<td>$369.8</td>
<td>($2.7)</td>
<td>(0.7%)</td>
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<tr>
<td>Basic Life Support (BLS)</td>
<td></td>
<td></td>
<td></td>
<td>4.1%</td>
</tr>
<tr>
<td>Basic Allocation</td>
<td>$134.9</td>
<td>$134.5</td>
<td>($0.4)</td>
<td>(0.4%)</td>
</tr>
<tr>
<td>“Hold Harmless”</td>
<td>$5.9</td>
<td>$5.9</td>
<td>N/A</td>
<td></td>
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<tr>
<td>Mobile Integrated Healthcare (MIH)</td>
<td>$26.4</td>
<td>$26.3</td>
<td>($0.1)</td>
<td>(0.4%)</td>
</tr>
<tr>
<td>Regional Services (RS)</td>
<td>$80.8</td>
<td>$78.9</td>
<td>($1.9)</td>
<td>(2.4%)</td>
</tr>
<tr>
<td>Strategic Initiatives (SI)</td>
<td>$7.2</td>
<td>$6.7</td>
<td>($0.5)</td>
<td>(7.0%)</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td><strong>$621.8</strong></td>
<td><strong>$622.1</strong></td>
<td><strong>$0.3</strong></td>
<td><strong>(0.0%)</strong></td>
</tr>
</tbody>
</table>

(Note: Update includes refinements and July economic forecast update)
Programmatic Update
Updated Proposed Compared to PSQ

In Millions

<table>
<thead>
<tr>
<th>PROGRAM AREAS (Full County)</th>
<th>Preliminary Status Quo</th>
<th>Updated Proposed</th>
<th>Difference</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Life Support (ALS)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Seattle</td>
<td>$140.5</td>
<td>$149.0</td>
<td>$8.5</td>
<td>6%</td>
</tr>
<tr>
<td>KC EMS Fund</td>
<td>$342.9</td>
<td>$369.8</td>
<td>$26.9</td>
<td>8%</td>
</tr>
<tr>
<td>Basic Life Support (BLS)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Seattle</td>
<td>$259.0</td>
<td>$300.3</td>
<td>$41.3</td>
<td>16%</td>
</tr>
<tr>
<td>KC EMS Fund</td>
<td>$134.6</td>
<td>$140.4</td>
<td>$5.8</td>
<td>4%</td>
</tr>
<tr>
<td>Mobile Integrated Healthcare (MIH)</td>
<td>$9.5</td>
<td>$26.3</td>
<td>$16.8</td>
<td>177%</td>
</tr>
<tr>
<td>Regional Services (RS)</td>
<td>$76.0</td>
<td>$78.9</td>
<td>$2.9</td>
<td>4%</td>
</tr>
<tr>
<td>Strategic Initiatives (SI)</td>
<td>$4.5</td>
<td>$6.7</td>
<td>$2.2</td>
<td>49%</td>
</tr>
<tr>
<td><strong>TOTAL Expenditures</strong></td>
<td><strong>$967.0</strong></td>
<td><strong>$1,071.4</strong></td>
<td><strong>$104.4</strong></td>
<td><strong>11%</strong></td>
</tr>
<tr>
<td>ALS Expenditure Reserves</td>
<td>$4.7</td>
<td>$13.8</td>
<td>$9.1</td>
<td>196%</td>
</tr>
<tr>
<td>Rainy Day Reserves (90-days)</td>
<td>$25.5</td>
<td>$27.8</td>
<td>$2.3</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Total with Reserves</strong></td>
<td><strong>$997.2</strong></td>
<td><strong>$1,113.0</strong></td>
<td><strong>$115.8</strong></td>
<td><strong>12%</strong></td>
</tr>
</tbody>
</table>

Financial Plans
2020-2025 EMS Levy: Updated Proposed

In Millions -- 27 cent levy rate

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>Seattle</th>
<th>KC EMS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Taxes</td>
<td>$449.3</td>
<td>$640.6</td>
<td>$1,089.9</td>
</tr>
<tr>
<td>Other Revenue (KC EMS Fund)</td>
<td>$8.5</td>
<td>$8.5</td>
<td>$8.5</td>
</tr>
<tr>
<td><strong>TOTAL Revenue</strong></td>
<td><strong>$449.3</strong></td>
<td><strong>$649.1</strong></td>
<td><strong>$1,098.4</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURES</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Life Support (ALS)</td>
<td>$149.0</td>
<td>$369.8</td>
<td>$518.8</td>
</tr>
<tr>
<td>Basic Life Support (BLS)</td>
<td>$300.3</td>
<td>$140.4</td>
<td>$440.7</td>
</tr>
<tr>
<td>Mobile Integrated Healthcare (MIH)</td>
<td>$26.3</td>
<td>$26.3</td>
<td>$26.3</td>
</tr>
<tr>
<td>Regional Services (RS)</td>
<td>$78.9</td>
<td>$78.9</td>
<td>$78.9</td>
</tr>
<tr>
<td>Strategic Initiatives (SI)</td>
<td>$6.7</td>
<td>$6.7</td>
<td>$6.7</td>
</tr>
<tr>
<td><strong>TOTAL Expenditures</strong></td>
<td><strong>$449.3</strong></td>
<td><strong>$622.1</strong></td>
<td><strong>$1,071.4</strong></td>
</tr>
<tr>
<td>Reserves</td>
<td>$41.6</td>
<td>$41.6</td>
<td>$41.6</td>
</tr>
<tr>
<td><strong>TOTAL With Reserves</strong></td>
<td><strong>$449.3</strong></td>
<td><strong>$663.7</strong></td>
<td><strong>$1,113.0</strong></td>
</tr>
</tbody>
</table>

See separate attachment for Updated Proposed Financial Plan -- Based on OEFA July Forecast
### Financial Plan Summary
#### 2020-2025 EMS Levy: Updated Proposed

<table>
<thead>
<tr>
<th>Expenditures &amp; Reserves</th>
<th>Total (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Expenditures</td>
<td>$1,071.4</td>
</tr>
<tr>
<td>Reserves (Expenditure &amp; Rainy Day)</td>
<td>$41.6</td>
</tr>
<tr>
<td><strong>TOTAL Expenditures &amp; Reserves</strong></td>
<td><strong>$1,113.0</strong></td>
</tr>
<tr>
<td>2020-2025 Property Tax Forecast</td>
<td>$1,089.9</td>
</tr>
<tr>
<td>New Other Revenues (KC)</td>
<td>$8.5</td>
</tr>
<tr>
<td>Carryforward Reserves from 2014-2019</td>
<td>$20.0</td>
</tr>
<tr>
<td><strong>TOTAL Revenues</strong></td>
<td><strong>$1,118.4</strong></td>
</tr>
<tr>
<td>Funds available to supplement reserves</td>
<td>$5.4</td>
</tr>
</tbody>
</table>

*Note: Based on July forecast assuming a 27 cent levy*

### KC EMS Programs – ALS Includes Reserves
#### Comparison of Programs by Levy Periods

<table>
<thead>
<tr>
<th></th>
<th>ALS</th>
<th>BLS</th>
<th>MIH/CMT</th>
<th>RS/SI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Plan 2014-2019</td>
<td>13.0%</td>
<td>23.3%</td>
<td>61.6%</td>
<td></td>
</tr>
<tr>
<td>PSQ 2020-2025</td>
<td>14.1%</td>
<td>23.5%</td>
<td>60.7%</td>
<td></td>
</tr>
<tr>
<td>Initial Proposed 2020-2025</td>
<td>13.8%</td>
<td>4.2%</td>
<td>60.8%</td>
<td></td>
</tr>
<tr>
<td>Updated Proposed 2020-2025</td>
<td></td>
<td></td>
<td>13.5%</td>
<td>4.1%</td>
</tr>
</tbody>
</table>
## REVENUES

<table>
<thead>
<tr>
<th>Countywide Assessed Value</th>
<th>Total Basic Life Support Services</th>
<th>Mobile Integrated Healthcare (MIH) - King County</th>
<th>Total Advanced Life Support Services</th>
<th>Basic Life Support Services -- King County</th>
<th>Regional Services</th>
<th>Strategic Initiatives</th>
<th>Total Expenditures</th>
<th>Difference Revenues/Expenditures</th>
<th>Reserves (not cumulative)</th>
<th>Difference needed to cover yearly cashflow and increase in reserves</th>
</tr>
</thead>
<tbody>
<tr>
<td>640,604,835.565</td>
<td>716,337,421.099</td>
<td>(4,000,000)</td>
<td>(79,020,814)</td>
<td>(56,346,530)</td>
<td>(1,909,128)</td>
<td>(2,470,000)</td>
<td>(164,902,530)</td>
<td>7,224,342</td>
<td>(2,164,000)</td>
<td>20,000,000</td>
</tr>
<tr>
<td>680,660,945.129</td>
<td>743,842,745.939</td>
<td>(94,850,835)</td>
<td>(81,991,547)</td>
<td>(58,454,009)</td>
<td>(1,253,294)</td>
<td>(4,270,000)</td>
<td>(170,573,339)</td>
<td>6,146,229</td>
<td>(9,875,633)</td>
<td>23,516,147</td>
</tr>
<tr>
<td>716,337,421.099</td>
<td>774,020,713.208</td>
<td>(105,731,257)</td>
<td>(101,181,977)</td>
<td>(60,494,009)</td>
<td>(1,253,294)</td>
<td>(5,760,000)</td>
<td>(175,907,907)</td>
<td>5,095,116</td>
<td>(11,967,994)</td>
<td>154,583</td>
</tr>
<tr>
<td>743,842,745.939</td>
<td>809,482,135.568</td>
<td>(181,507,902)</td>
<td>(105,731,257)</td>
<td>(60,494,009)</td>
<td>(1,253,294)</td>
<td>(5,760,000)</td>
<td>(175,907,907)</td>
<td>4,216,573</td>
<td>(14,352,530)</td>
<td>1,707,614</td>
</tr>
<tr>
<td>774,020,713.208</td>
<td>1,000,902,220</td>
<td>(183,675,596)</td>
<td>(105,731,257)</td>
<td>(60,494,009)</td>
<td>(1,253,294)</td>
<td>(5,760,000)</td>
<td>(175,907,907)</td>
<td>2,924,214</td>
<td>(11,967,994)</td>
<td>1,707,614</td>
</tr>
<tr>
<td>809,482,135.568</td>
<td></td>
<td>(183,675,596)</td>
<td>(105,731,257)</td>
<td>(60,494,009)</td>
<td>(1,253,294)</td>
<td>(5,760,000)</td>
<td>(175,907,907)</td>
<td>2,924,214</td>
<td>(11,967,994)</td>
<td>1,707,614</td>
</tr>
</tbody>
</table>

1 Does not include City of Milton
Finance Subcommittee Decisions – 7/31/18

I. Programmatic recommendations and funding

II. Reserve-related

   a. Proposed funding levels for reserves
   b. Reserve approval process – policy
   c. Putting balance in Rate Stabilization – policy

Reserve Approval -- continue current policy

- EMSAC Financial Subcommittee review of proposed use of Reserves (forward recommendation to EMSAC)
- EMS Advisory Committee (EMSAC) review and recommendation to use reserves to EMS Director
- Based on recommendation, EMS Director approves [implements]?? within appropriation limits and requirements of KC Council (or KC Policies)

Contingency Approval – revised policy

- After review/recommendation by working group, EMS Director to review and either:
  - approve use of contingencies
  - forward to EMSAC Financial Subcommittee and EMSAC for review and recommendation
- Approvals and actual use to be reported to EMSAC Financial Subcommittee

- On limited basis, EMS Advisory Committee can recommend use of contingencies and reserves for all programs

III. Financial Plan and affiliated levy rate
Recommendations made by the Subcommittee:

1. **Continue using the unit allocation** to determine ALS costs.
   - The unit allocation remains an appropriate methodology to determine ALS costs.
   - It is designed to include eligible ALS-related operating expenses to prevent cost-shifting to providers.
   - This methodology creates an even playing field and acknowledges that every agency has a different cost structure and cost pressures.
   - The unit allocation consists of Operating allocation and Equipment allocation.

2. **Slightly revise methodology** for the Operating allocation to help ensure there is sufficient funding for program oversight & support:
   - Use Unit Cost Allocation to calculate direct paramedic services costs;
   - Use Program Administration Allocation to calculate costs associated with management and supervision of direct paramedic services; and
   - Use ALS System Cost Allocation to address highly variable costs including costs associated with paramedic students.

3. **2020 proposed unit allocation is forecast at $2,892,128** and will be inflated appropriately over the span of the levy.

4. **Annually inflate** the Operating allocation by CPI-W +1%, and the Equipment allocation by the appropriate vehicle PPI.

5. **Establish a “place holder” of approximately $11.6 million** in the Financial Plan to potentially fund a 12-hour unit beginning the fall of 2021, and an additional 12-hours in the fall of 2024.
   - This will help protect the system should projections changes and new units need to be added over the span of the 2020-2025 levy.

6. **Continue to use reserves and contingencies** to cover costs that fall outside the allocation.
   - **Fund ALS reserves at a total of $13.8 million (including the $11.6 million recommended for potential new units)** over the span of the levy; simplify into two categories:
     - ALS Capacity Reserves, which includes the unit “placeholder”
     - ALS Equipment Reserves
   - **Fund contingencies at $1 million a year.**

7. **Pursue a strong regional approach** to develop greater ALS efficiencies and overall system effectiveness.
   - Explore options to address **paramedic workforce needs** and increase operational efficiencies through regional collaboration.
Recommendations made by the Subcommittee:

**BLS Allocation:**

1. **CONSOLIDATE the funding** from the BLS Core Services regional program and the BLS Training and QI Initiative into the General BLS allocation. Earmark usage for those activities in the contract.

   *This simplifies, streamlines and minimizes the time, efforts and expense of executing separate amendments for each BLS funding program. Agencies will still need to follow the Core Services and Training and QI program requirements to be eligible to receive the funding.*

2. **REBASE the total allocation** for the first year of the new levy span (2020) using the distribution methodology of 50% AV/ 50% call volume to more accurately reflect current assessed valuation and service levels.

3. **ADD BLS funding** to ensure that agencies are “kept whole”, and not negatively impacted by this first year rebase.

   *Rebasing would result in some agencies receiving less funding in 2020 than in 2019. The Subcommittee recommends adding funding to resolve this potential gap so that no agency would receive less in 2020 than 2019. This results in adding nearly $6 million to the overall levy.*

4. **DISTRIBUTE annual increases only** on top of previous year's combined BLS allocation starting 2021 using 50% AV/50% call volume methodology.

**Mobile Integrated Healthcare (MIH) funding:**

5. **ALLOCATE $4 million a year** of levy funding for Mobile Integrated Healthcare (MIH).

6. **DISTRIBUTE the first year** of MIH funding to all agencies throughout the region using the current 50% AV/ 50% call volume methodology.

7. **INFLATE** each agency's funding in the subsequent years of the levy by CPI-W + 1.

8. **ESTABLISH guidelines** to create consistency around data collection, measures and program reporting.
Recommendations made by the Subcommittee:

1. **CONTINUE delivering programs** that provide essential support to the system.

   *Such programs and services focus on superior medical training, oversight and improvement, innovation, data management, regional leadership and efficiencies.*

2. **RESUME AND DEVELOP Strategic Initiatives** that leverage previous investments made by the region to improve patient care and outcomes:
   - The Vulnerable Populations Initiative;
   - AEIOU Quality Improvement Initiative; and
   - STRIVE EMS Online Modernization Initiative.
Review of 2014-2019 Strategic Initiatives

Overview:
**Strategic Initiatives** are pilot programs designed to enhance the quality of care, gain system improvements and contain the growth and costs in EMS service. Over the span of the current levy, the EMS Division worked closely with its regional partners to develop and implement **six Strategic Initiatives** that extend across all segments of the Medic One/EMS system.

**Vulnerable Populations Strategic Initiative (VPSI):**
**Focus:** The goal of VPSI is to conduct programmatic, scientific and case-based evaluations to ensure that the interface between EMS and vulnerable populations is of the highest quality in collaboration with fire departments, community-based organizations, and the University of Washington. VPSI activities have focused on 1) conducting *education and outreach activities* in vulnerable communities (limited English proficiency and seniors), 2) conducting *pilot studies* on alternative EMS care delivery to vulnerable populations (elderly; LEP; mental health and intoxicated patients), and 3) conducting a countywide *wellness needs assessment* among 9-1-1 personnel.

**Impacts:** VPSI efforts have resulted a strong partnership with the UW School of Public Health supporting all aspects of the VPSI, including community outreach (121 undergraduate students contributed a total of 6,050 service-learning hours), pilot development and evaluation (8 graduate students provided over 2,000 hours to develop and evaluate the fire-based projects), and large scale assessments. The following summarizes the impact:

1) **Outreach and Education:** In partnership with the Chinese Information Service Center, the Somali Health Board, Seattle Office of Emergency Management, and the Tukwila School District, over 12,000 limited English proficiency community residents were provided 9-1-1 education. Twenty-eight 9-1-1/CPR education and training workshops were conducted at senior centers, reaching 488 people. Survey results show that the education was effective in increasing knowledge and awareness of when and how to call 9-1-1 and perform bystander CPR.

2) **Fire-based Pilot Studies:** In partnership with local fire departments and numerous community-based service agencies, three pilot studies were implemented, including the Vulnerable Adult Pilot Project (improving identification and reporting of vulnerable adults in Seattle), the Mental Illness and Chemical Dependency Pilot Project (connecting 9-1-1 callers to health care resources in Shoreline), and the Sobering Center Pilot Project (providing an alternative destination for intoxicated individuals in Kent and Renton).

3) **Countywide Wellness Needs Assessment:** An assessment regarding attitudes and experiences regarding mental wellness in EMS personnel was conducted in early 2018. Most EMS personnel reported to be in good or excellent health, but (work) stress is a significant issue and sleep deprivation, and the effects of sleep on work and health, is an even greater issue. Based on these and other findings, VPSI is working with the King County Fire Chiefs to develop and implement a comprehensive approach to mental wellness in the region.

**BLS Efficiencies Strategic Initiative:**
**Focus:** The BLS Efficiencies SI targets specific low-acuity calls that make responders unavailable or out of position for time-critical emergencies. Includes transferring appropriate low-acuity calls to a nurse triage service, providing pre-paid taxi vouchers to appropriate patients needing further non-urgent care, and developing alternatives to better serve non-emergency patients and callers.
This Initiative also supported regionalizing initial EMT training options. Under this approach, agencies can offer additional EMT training opportunities that better meet their schedules and needs. King County EMS coordinates the trainings and provides the standardized curriculum used by the SEIs, allowing flexibility with Fire Department partners and ensuring continued excellence in training EMTs in the County.

**Impacts:** In 2016, the use of the taxi voucher program in King County avoided between $245,400 and $494,100 in associated transportation costs for people who call 9-1-1 but do not need emergency transportation, after accounting for the total cost of the program (taxi fares). Agencies and the EMS Division have embraced the new training options, and support moving it into ongoing regional services.

**Community Medical Technician (CMT) Initiative:**
**Focus:** The CMT Initiative provides alternative/more effective responses to low-acuity 9-1-1 medical calls. CMTs are dispatched as an alternative to a traditional BLS unit, and evaluate and help link patients to more appropriate medical, social and community services to address their needs.

**Impacts:** The evaluation reflected the positive impact CMT units had on call-demand, particularly during peak mid-day hours where calls for BLS services increased, while maintaining a high level of patient satisfaction. In addition, feedback from EMS responders showed they appreciated this type of response and felt they were capable of doing the work. Support for the CMT program has grown over time and EMS agencies advocate for the development of an overarching regional framework under the umbrella term of 'Mobile Integrated Healthcare' (MIH).

**Efficiency and Effectiveness (E&E) Strategic Initiative:**
**Focus:** E&E has supported a wide range of continuous improvement to better understand the needs of complex patients out in the field. Included in E&E were two “Alternatives to CMT” pilots which aimed to identify root causes of callers’ needs, and help them get access to a more appropriate healthcare setting.

**Impacts:** Each project undertaken through this Initiative focused on better understanding the needs of complex patients out in the field, which will help improve the quality of care, help manage the rate of growth of the system, and produce eventual cost savings.

**BLS Training & Quality Improvement Strategic Initiative:**
**Focus:** The BLS Training and QI SI links and synchronizes strategies to more systematically and uniformly review data, and provide consistent training based on the results of the data review.

**Impacts:** The opportunities provided by this Initiative will be made available across the system to all agencies, regardless of size or budget, and will improve patient outcomes, making the system more effective all around.

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1 This assumes:
- Taxi program only saves transports for one-way and first leg of roundtrip (536 instances out of 627 vouchers). If not transported by taxi, 100% would go to Emergency Dept. Fire-based BLS transport “cost” of $490. Private ambulance transport billed “cost” of $954.
Regional Records Management System Strategic Initiative:
Focus: This Initiative consolidates data into a singular record management system overseen by the EMS Division and used by all agencies. This Initiative is the culmination of many years’ work to move EMS providers in King County from paper forms to a singular electronic patient care record system.

Impacts: By the end of this year, 29 EMS agencies will have transitioned to the use of ESO records, benefitting our partners and patients with more complete and better access to data, increased system oversight, and ultimately, improved medical care.

Next steps - 2020-2025 levy:
The proposal for the 2020-2025 levy eliminates the difficulties experienced by agencies in the 2014-2019 levy by modifying the Initiatives to better align with agencies’ needs, and simplifying the process for receiving the funding. Under the proposal:

- King County EMS aligns the various low-acuity projects under the umbrella term of “Mobile Integrated Healthcare” (MIH);
- Initiatives that supported low acuity projects/connecting callers to the correct resources (BLS Efficiencies, E&E, and CMT) will be earmarked specifically for MIH efforts. All BLS agencies will be eligible to receive MIH funding; and
- The BLS Training and QI Initiative will be incorporated into the BLS Allocation to streamline and minimize administrative efforts, expense and time.