



UTILITY BOARD STAFF REPORT

Item 5
September 8, 2026
Regular Business

AGENDA ITEM INFORMATION

TITLE:	2027 EMS Rate Discussion/Recommendation	☐ Discussion Only
RECOMMENDED ACTION:	Accept staff's recommendation to increase the EMS rate by 4.0% for fiscal year 2027.	☒ Action Needed: ☒ Motion ☐ Ordinance ☐ Resolution
STAFF:	Matt Mornick, Finance Director Ben Schumacher, Financial Analyst II	
COUNCIL LIAISON:	Wendy Weiker	
EXHIBITS:	None	

BACKGROUND

The annual revenue requirement for the Emergency Medical Services (EMS) utility is directly tied to the average budgeted salary and benefit costs (excluding overtime) of four firefighter positions originally added in 1996 to handle high demand call periods. Revenue collected through EMS utility rates funds these position costs and is transferred to the General Fund.

During the 2011–2012 budget deliberations, the City Council instituted a Basic Life Support (BLS) ambulance transport fee to help balance the budget. Under Washington State Law, introducing this fee inadvertently replaced the City's variable EMS rate structure – which charged customer classes based on historical call volume – with a uniform flat rate per Equivalent Service Unit (ESU) across all customer classes. Customer account data measured in ESUs has been updated for the 2027 rate cycle, reflecting growth in the Single Family and Multi-Family Residential customer classes.

DISCUSSION

2027 REVENUE REQUIREMENT CALCULATION

The proposed 2027 EMS revenue requirement is \$837,504, which reflects the 2026 average budgeted salary and benefit costs for four firefighter positions (excluding leadership positions: Fire Chief, Deputy Fire Chief, and Fire Marshal).

- **2026 Revenue Requirement:** \$793,563
- **2027 Revenue Requirement:** \$837,504
- **Net Increase:** \$43,941 (or 5.5%)

Historically, rate adjustments aligned with the Seattle-Tacoma-Bellevue first-half CPI-W cost-of-living adjustment (COLA) for firefighting staff. Following the transition to Eastside Fire & Rescue (EF&R) in January 2024, salary and benefit cost adjustments are now based on the June CPI-W measurement, which was 2.7% in 2026.

EMS RATE PROPOSAL

To generate the required \$837,504 in revenue for 2027, rates must be adjusted accordingly. Table 1 outlines the proposed rate changes per ESU compared to the current 2026 rates.

Table 1

Customer Class	Bi-Monthly Charge		\$ Change	% Change
	2026	2027		
Single Family Residential	\$12.26	\$12.75	\$0.49	4.00%
Multi-Family Residential	\$12.26	\$12.75	\$0.49	4.00%
Commercial	\$12.26	\$12.75	\$0.49	4.00%
Public Schools	\$12.26	\$12.75	\$0.49	4.00%
Public/Other	\$12.26	\$12.75	\$0.49	4.00%
Residential Board & Care:				
Covenant Shores	\$576.22	\$599.25	\$23.03	4.00%
Island House Retirement	\$220.68	\$229.50	\$8.82	4.00%
SJV Mercer Island LLC	\$613.00	\$637.50	\$24.50	4.00%
Aljoya House	\$380.06	\$395.25	\$15.19	4.00%
Aegis	\$894.98	\$930.75	\$35.77	4.00%
In-Home Care	\$73.56	\$76.50	\$2.94	4.00%
24 Hour Nursing:				
Covenant Shores (Skilled Nursing)	\$514.92	\$535.50	\$20.58	4.00%
Aegis (Memory Care)	\$196.16	\$204.00	\$7.84	4.00%

Although the net increase to the 2027 revenue requirement is the 5.5% noted above, staff's recommendation is a 4.0% increase. This is due to the customer growth observed in the Single Family and Multi-Family Residential classes which allows the net cost increase to be spread over more customers paying the utility rate.

NEXT STEPS

Staff recommends the 2027 bi-monthly EMS rate be increased 4.0% relative to 2026 rates.

The 2027 EMS Utility rate adjustment will be included in the City's fee schedule update at the December 1, 2026 City Council meeting. Staff will return during the 2027-2028 mid-biennial budget process with new information to inform potential annual rate adjustments for fiscal year 2028 and beyond.

RECOMMENDED ACTION

Accept staff's recommendation to increase the EMS Utility rate by 4.0% for fiscal year 2027.