

# Memo

## Finance Department



To: Mercer Island Utility Board  
From: Finance Department  
Date: September 23, 2020  
Re: 2021 EMS Rates

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### **Background**

Emergency Medical Service (EMS) utility revenues are directly tied to the average budgeted salary and benefit costs, excluding overtime, of four firefighters hired in 1996. The four firefighter positions were added to the Department to provide capacity to handle simultaneous EMS calls during high call demand. This cost constitutes the annual revenue requirement to the General Fund.

The current EMS utility rate structure was significantly impacted by the Council's decision – during its 2011-2012 Budget deliberations – to institute a Basic Life Service (BLS) ambulance transport fee to help balance the budget. Per Washington State Law, this action unintentionally replaced the long-standing variable EMS rate structure (different rates for each customer class based on actual service calls) with the same flat rate (per equivalent service unit) for each customer class.

Customer account data (as measured by equivalent service units) has been updated for the proposed 2021 EMS rates. The City experienced growth in the Single Family, Public, and In-Home care customer classifications.

### **Calculation of 2020 Revenue Requirement**

The 2021 revenue requirement is based on the 2020 average, budgeted salary and benefits costs for four firefighters, which equals \$627,517 (excluding the Fire Chief, Deputy Fire Chief, and Fire Marshal). Compared to the 2019 revenue requirement (\$616,148), this represents an increase of 1.85%.

### **Proposed 2021 EMS Rates**

The proposed 2021 EMS rates, which are needed to generate the \$627,517 revenue requirement in 2021, are compared to the 2020 rates in the table below.

Customer Class	Bi-Monthly Charge		\$ Change	% Change
	2020	2021		
Single Family Residential	\$9.56	\$9.73	\$0.17	1.78%
Multi-Family Residential	\$9.56	\$9.73	\$0.17	1.78%
Commercial	\$9.56	\$9.73	\$0.17	1.78%
Public Schools	\$9.56	\$9.73	\$0.17	1.78%
Public/Other	\$9.56	\$9.73	\$0.17	1.78%
Residential Board & Care:				
Covenant Shores	\$449.32	\$457.31	\$7.99	1.78%
Island House Retirement	\$172.08	\$175.14	\$3.06	1.78%
Sunrise Retirement	\$478.00	\$486.50	\$8.50	1.78%
Aljoya House	\$296.36	\$301.63	\$5.27	1.78%
Aegis	\$697.88	\$710.29	\$12.41	1.78%
In-Home Care	\$47.80	\$58.38	\$10.58	22.13%
24 Hour Nursing:				
Covenant Shores (Skilled Nursing)	\$353.72	\$360.01	\$6.29	1.78%
Aegis (Memory Care)	\$152.96	\$155.68	\$2.72	1.78%

Note that the percent increase for each customer class is 1.78%. The 22.13% noted for In-Home care is due to the increase in total customer accounts (as measured by equivalent service units) from 2020 to 2021.

**Staff recommends the 2021 bi-monthly EMS rates be increased 1.78% relative to the 2020 rates.**

The 2021 EMS utility rate resolution is scheduled to go to the full Council in November.