



UTILITY BOARD STAFF REPORT

Item 2
October 8, 2024
Regular Business

AGENDA ITEM INFORMATION

TITLE:	2025 EMS Rate Discussion/Recommendation	<input type="checkbox"/> Discussion Only
RECOMMENDED ACTION:	Accept staff's recommendation to increase the EMS rate for FY 2025.	<input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution

STAFF:	Ben Schumacher, Financial Analyst Matt Mornick, Finance Director
COUNCIL LIAISON:	Jake Jacobson
EXHIBITS:	None

SUMMARY

BACKGROUND

Emergency Medical Service (EMS) revenues are directly tied to the average budgeted salary and benefit costs, excluding overtime, of four firefighters originally hired in 1996. The four firefighter positions increased the 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 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 2025 EMS rates. The City experienced slight growth in the Single Family and Public/Other customer classifications.

CALCULATION OF 2025 REVENUE REQUIREMENT

The 2025 revenue requirement is based on the 2024 average, budgeted salary, and benefit costs for four firefighters, which equals \$755,657 (excluding the Fire Chief, Deputy Fire Chief, and Fire Marshal). This amount decreased \$34,584 from the initial estimate provided to the Utility Board at the September 10 meeting. Compared to the prior fiscal year (2023) revenue requirement of \$746,235, this represents an increase of 1.3%.

Historically, this revenue requirement increase ties to the first half CPI-W for the Seattle-Tacoma-Bellevue area cost-of-living adjustment (COLA) applied to current firefighting personnel. With Eastside Fire & Rescue (EF&R) providing fire and emergency medical services as of January 2024, salary and benefit costs for four firefighter positions is now budgeted to increase by the June CPI-W measurement, which was 4.5% for 2024.

EMS RATE PROPOSAL

The proposed 2025 EMS rates, which are needed to generate the \$755,657 revenue requirement in 2025, are compared to the 2024 rates in Table 1 below.

Customer Class	Bi-Monthly Charge		\$ Change	% Change
	2024	2025		
Single Family Residential	\$11.54	\$11.68	\$0.14	1.21%
Multi-Family Residential	\$11.54	\$11.68	\$0.14	1.21%
Commercial	\$11.54	\$11.68	\$0.14	1.21%
Public Schools	\$11.54	\$11.68	\$0.14	1.21%
Public/Other	\$11.54	\$11.68	\$0.14	1.21%
Residential Board & Care:				
Covenant Shores	\$542.38	\$548.96	\$6.58	1.21%
Island House Retirement	\$207.72	\$210.24	\$2.52	1.21%
SVJ Mercer Island LLC	\$577.00	\$584.00	\$7.00	1.21%
Aljoia House	\$357.74	\$362.08	\$4.34	1.21%
Aegis	\$842.42	\$852.64	\$10.22	1.21%
In-Home Care	\$69.24	\$70.08	\$0.84	1.21%
24 Hour Nursing:				
Covenant Shores (Skilled Nursing)	\$484.68	\$490.56	\$5.88	1.21%
Aegis (Memory Care)	\$184.64	\$186.88	\$2.24	1.21%

Table 1

Staff recommends the 2025 bi-monthly EMS rates be increased 1.21% relative to the 2024 rates, notably less than the 5.81% rate of change presented to the Utility Board on September 10, 2024.

The 2025 EMS Utility rate adjustment resolution is on the City Council planning schedule for review and adoption on December 3, 2024 as part of the City’s annual Master Fee Schedule update.

RECOMMENDED ACTION

Accept staff’s recommendation to increase the EMS Utility rate 1.21% for FY 2025.