



Memorandum

CITY OF MERCER ISLAND, FINANCE DEPARTMENT

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Date: September 13, 2022
To: Utility Board
From: Ben Schumacher, Financial Analyst
Re: Utility Board Meeting – EMS Utility Rates

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 2023 EMS rates. The City experienced growth in the Single Family and Commercial customer classifications.

Calculation of 2023 Revenue Requirement

The 2023 revenue requirement is based on the 2022 average, budgeted salary and benefit costs for four firefighters, which equals \$677,943 (excluding the Interim Fire Chief, Interim Deputy Fire Chief, and Fire Marshal). Compared to the 2022 revenue requirement (\$642,334), this represents an increase of 5.54 percent.

EMS Rate Proposal

The proposed 2023 EMS rates, which are needed to generate the \$677,943 revenue requirement in 2023, are compared to the 2022 rates in the table below.

Customer Class	Bi-Monthly Charge		\$ Change	% Change
	2022	2023		
Single Family Residential	\$9.95	\$10.49	\$0.54	5.43%
Multi-Family Residential	\$9.95	\$10.49	\$0.54	5.43%
Commercial	\$9.95	\$10.49	\$0.54	5.43%
Public Schools	\$9.95	\$10.49	\$0.54	5.43%
Public/Other	\$9.95	\$10.49	\$0.54	5.43%
Residential Board & Care:				
Covenant Shores	\$467.65	\$493.03	\$25.38	5.43%
Island House Retirement	\$179.10	\$188.82	\$9.72	5.43%
SJV Mercer Island LLC	\$497.50	\$524.50	\$27.00	5.43%
Aljoya House	\$308.45	\$325.19	\$16.74	5.43%
Aegis	\$726.35	\$765.77	\$39.42	5.43%
In-Home Care	\$59.70	\$62.94	\$3.24	5.43%
24 Hour Nursing:				
Covenant Shores (Skilled Nursing)	\$417.90	\$440.58	\$22.68	5.43%
Aegis (Memory Care)	\$159.20	\$167.84	\$8.64	5.43%

Staff recommends the 2023 bi-monthly EMS rates be increased 5.43 percent relative to the 2022 rates.

The 2023 EMS utility rate resolution is scheduled to go to the full Council on December 6, 2022.