



UTILITY BOARD STAFF REPORT

Item 1
October 28, 2025
Regular Business

AGENDA ITEM INFORMATION

TITLE:	2026 EMS Rate Discussion/Recommendation	☐ Discussion Only
RECOMMENDED ACTION:	Accept staff's recommendation to increase the EMS rate by 4.97% for fiscal year 2026.	☒ Action Needed: ☒ Motion ☐ Ordinance ☐ Resolution
STAFF:	Ben Schumacher, Financial Analyst Matt Mornick, Finance Director	
COUNCIL LIAISON:	Wendy Weiker	
EXHIBITS:	None	

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 2026 EMS rates. The City experienced slight growth in Single Family Residential customer classifications.

DISCUSSION

2026 REVENUE REQUIREMENT CALCULATION

The 2026 revenue requirement is based on the 2025 average, budgeted salary, and benefit costs for four firefighters, which equals \$793,563 (excluding the Fire Chief, Deputy Fire Chief, and Fire Marshal). Compared to the prior fiscal year (2024) revenue requirement of \$755,657, this represents an increase of 4.97%.

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 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 3.6% for 2025.

Note that 2025 increases are projections due to the EF&R's Collective Bargaining Agreement (CBA) with represented staff expiring on 12/31/2024 with no new CBA ratified as of 8/31/2025.

EMS RATE PROPOSAL

The proposed 2026 EMS rates, which are needed to generate the \$793,563 revenue requirement in 2026, are compared to the 2025 rates in Table 1 below.

Customer Class	Bi-Monthly Charge		\$ Change	% Change
	2025	2026		
Single Family Residential	\$1168	\$12.26	\$0.58	4.97%
Multi-Family Residential	\$1168	\$12.26	\$0.58	4.97%
Commercial	\$1168	\$12.26	\$0.58	4.97%
Public Schools	\$1168	\$12.26	\$0.58	4.97%
Public/Other	\$1168	\$12.26	\$0.58	4.97%
Residential Board & Care:				
Covenant Shores	\$548.96	\$576.22	\$27.26	4.97%
Island House Retirement	\$210.24	\$220.68	\$10.44	4.97%
SJV Mercer Island LLC	\$584.00	\$613.00	\$29.00	4.97%
Aljoia House	\$362.08	\$380.06	\$17.98	4.97%
Aegis	\$852.64	\$894.98	\$42.34	4.97%
In-Home Care	\$70.08	\$73.56	\$3.48	4.97%
24 Hour Nursing:				
Covenant Shores (Skilled Nursing)	\$490.56	\$514.92	\$24.36	4.97%
Aegis (Memory Care)	\$186.88	\$196.16	\$9.28	4.97%

Table 1

NEXT STEPS

Staff recommends the 2026 bi-monthly EMS rate be increased 4.97% relative to 2025 rates.

The 2026 EMS Utility rate adjustment will be included in the City's fee schedule update at the December 2, 2025 City Council meeting. Staff will return during the 2027-2028 budget process with new information to inform potential annual rate adjustments for fiscal year 2027 and beyond.

RECOMMENDED ACTION

Accept staff's recommendation to increase the EMS Utility rate by 4.97% for fiscal year 2026.