



CITY OF ORLAND STAFF REPORT

MEETING DATE: February 17, 2026

TO: Honorable Mayor and Council

FROM: Joe Goodman, City Manager

SUBJECT: **Westside Ambulance Service Funding Discussion** (Discussion / Action)

Background

The City's financial participation in ambulance services is tied to two distinct actions:

1. **12-Hour Ambulance Unit (Shared with Glenn County)**

The City agreed to participate in a cost-sharing arrangement with Glenn County to support a 12-hour ambulance unit based in Orland. This arrangement was originally supported through County ARPA funding and structured as a multi-year commitment. The attached cost share agreement does not appear to have an end date.

The City's share has been approximately **\$17,800 per month (\$213,600 annually)**, representing 50% of the 12-hour unit.

2. **24-Hour Primary Ambulance (Direct Support to Westside Ambulance)**

2025 was the first year the City directly subsidized Westside Ambulance's 24-hour primary ambulance at **\$17,000 per month (\$204,000 annually)**.

This assistance was driven by a widening gap between ambulance operating costs and reimbursement levels. The payer mix has shifted heavily toward Medi-Cal and Medicare, with significantly lower reimbursement rates compared to private insurance.

This direct subsidy agreement concluded in December 2025. The FY 2025–26 adopted budget did not assume continuation at prior levels.

Operational and Economic Considerations

1. Break-Even Realities

Westside Ambulance requires approximately **1,400 calls per year to break even on a single ambulance unit**.

The 12-hour unit is not economically viable on its own. It was a service-level expansion requested and agreed upon by the County and Westside to improve coverage and response times.

From a purely economic standpoint, **one ambulance is the most efficient operating model.**

From a service-level standpoint, **the 12-hour unit meaningfully improves response times and coverage reliability.**

With two ambulances operating:

- Calls are alternated between units.
 - The 24-hour unit experiences reduced call efficiency.
 - A greater percentage of transports are reimbursed at Medicare/Medi-Cal rates.
 - Overall financial strain increases despite higher service capacity.
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Regional Service Area Impacts

Westside Ambulance is headquartered in Orland and provides service well beyond City limits. A significant portion of calls originate in unincorporated Glenn County.

The central policy issue is not whether the 12-hour unit improves service — it does. The question is:

Who should bear the incremental cost of that enhanced service level?

- The City of Orland?
- Glenn County?
- A shared regional model?

The City's geographic footprint is small relative to total service demand, and any long-term funding structure should reflect actual utilization.

Fiscal Considerations for 2026

Preliminary discussions indicate the 12-hour unit may require approximately **\$200,000 from the City for 2026** (final number to be confirmed).

If both subsidies were continued at prior levels, total City exposure would approximate:

- 24-Hour Unit: \$204,000 annually
- 12-Hour Unit (City Share): ~\$200,000 annually
- **Total: Approximately \$400,000 per year**

Funding would likely need to come from Measure J or another identified source and would require budget amendment for the remainder of fiscal year 25/26.

Policy Options

Council direction is needed on how to proceed. Conceptually, the City has several options:

Option 1 – Maintain Current Service Level (24-hour + 12-hour)

Continue funding both units at levels necessary to sustain current operations, while pursuing regional cost-sharing discussions.

Option 2 – Focus on Core 24-Hour Service

If the City makes a strictly economic decision, the cleanest approach would be to eliminate City participation in the 12-hour unit and focus support (if any) on sustaining the 24-hour ambulance only.

This would reduce financial exposure but also reduce service capacity and response redundancy.

Option 3 – Discontinue Subsidy Participation

The City could elect to discontinue financial participation entirely.

Some may argue that other providers (e.g., Enloe or AMR) could serve the area. While possible, this would likely result in:

- A single ambulance model
 - Less local control over service expectations
 - Limited influence over future pricing structures
 - Potentially longer response times
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Core Policy Question

The issue before Council is not simply whether to subsidize an ambulance provider.

The core question is:

What level of emergency medical service does the City of Orland wish to support — and how much is the City willing to contribute toward that service level?

Recommendation

Staff recommends that the City Council:

1. Confirm the City's understanding of the 12-hour agreement structure;
2. Provide policy direction regarding:
 - Continued participation in the 12-hour unit;
 - Continued support of the 24-hour service; and
3. Direct staff to initiate regional cost-sharing discussions with Glenn County and the City of Willows if Council desires to maintain enhanced service levels.