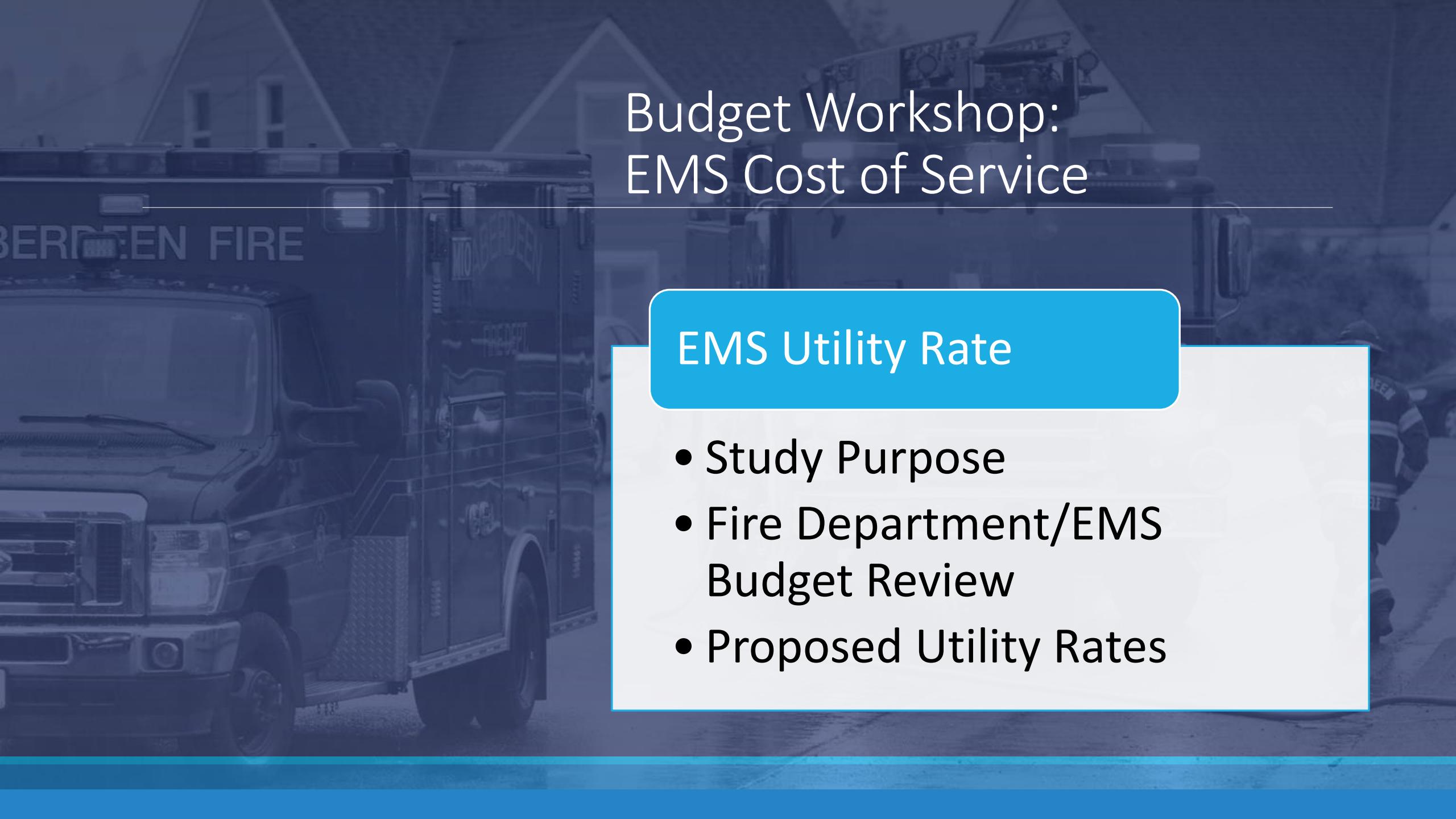


Budget Workshop: EMS Cost of Service

ABERDEEN CITY COUNCIL – MAY 15, 2024



Budget Workshop: EMS Cost of Service

EMS Utility Rate

- Study Purpose
- Fire Department/EMS Budget Review
- Proposed Utility Rates

Cost of Service Study Purpose

BUDGET WORKSHOP: EMS COST OF SERVICE

MAY 15, 2024

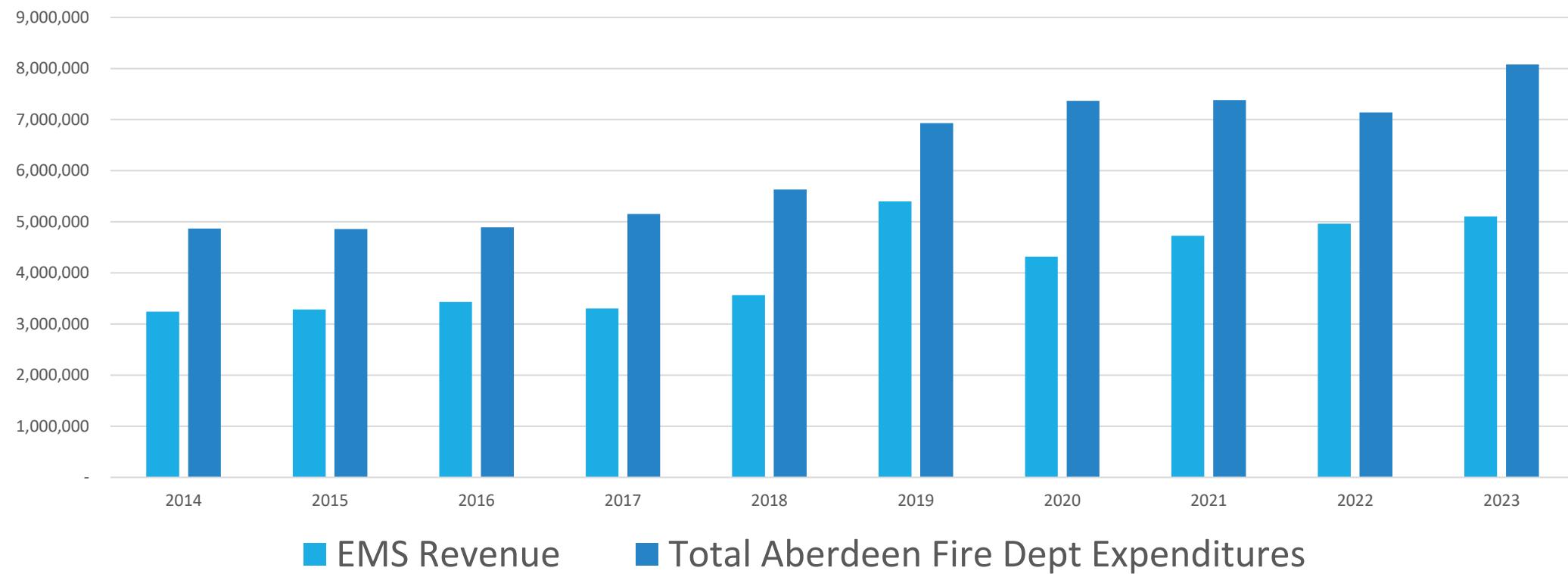
Rate Study Purpose

- 1.** Provides fair, justifiable rates and fees for services.
- 2.** Ensure adequate revenue to cover cost of services.
 - a.** Can we pay Fire Fighter and Paramedic salaries?
 - b.** Are we putting enough away in reserves?
 - c.** Do we have reliable equipment and vehicles?
 - d.** Do we have adequate supplies?
- 3.** Complies with laws and financial agreements.
- 4.** Helps maintain the City's credit ratings and low interest rates for any future purchases.

What You Should Know About Rates

- Rates are lagging behind expenses.
- A rate increase is needed to ensure that the Aberdeen Fire Department can meet operating requirements and maintain its aging lifesaving equipment.
 - Aging equipment
 - Competitive wages to keep Firefighters and Paramedics here in Aberdeen
 - Increased call volumes and shortage of staff resulting in increased overtime
- In 2023, AFD used \$650,000 of reserves to cover the gap in its budget.

Cost of Service Continues to Increase



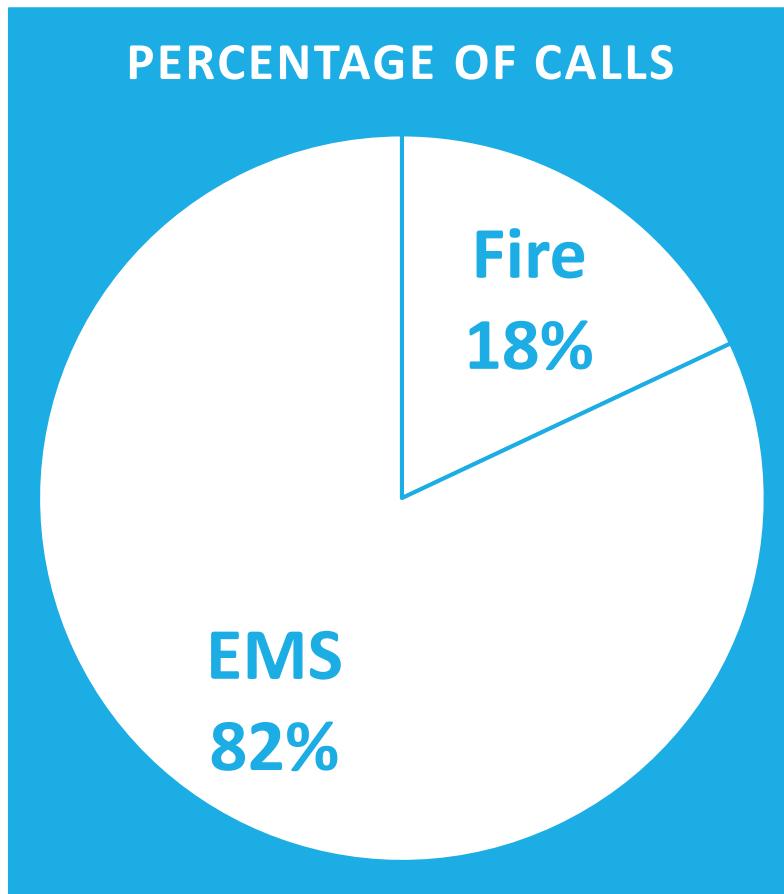
How Cities Fund EMS Services

- Levy Funds •
 - RCW 84.52.069 allows local governments (county, EMS district, city or town, public hospital district, urban EMS district, regional FPSA, or FPD) to impose a property tax of up to \$0.50 per \$1,000 assessed value for emergency medical services via a voter- approved levy. Needs a supermajority to pass.
- Ambulance Utilities •
 - Amended in 2005 by Ch. 482, Laws of 2005 (ESHB 1635), RCW 35.21.766 provides legislative authority to cities or towns to establish an ambulance utility or a fee structure that can fund ambulance transport services, as set by the governing body.
- General Fund
- Partnerships
- Billing for services

Pressure on the Services & General Fund

- These are items have to be addressed using General Fund dollars. By continuing to subsidize the EMS Utility Rate using General Fund money, we continue to kick the can down the road addressing these longstanding issues:
 - 20-year-old fire truck needs to be replaced
 - Aging buildings, needs to be replaced per study conducted by the city
 - Buildings require a lot of work because of deferred maintenance
 - South Side Station can not adequately store fire trucks
 - Inadequate sleeping quarters
 - Sleeping quarters not adequately suited for men and women fire fighters and medics
 - Not providing competitive pay
 - Keep dipping into EMS Reserves

Pressure on the General Fund



Most calls are for EMS services (82%).

Fire calls are funded through the General Fund and only make up 18% of the calls that AFD responds to.

Over the last 10 years, the General Fund has had to subsidize these calls EMS calls ranging from 41%-30%.

This added expense to the General Fund cuts into the City's main operating budget and impacts other departments like:

- Police (100% General Fund)
- Community Development (100% General Fund)
- Parks (100% General Fund)
- Street Division (100% General Fund)
- Legal Department (100% General Fund)
- Library (100% General Fund)
- Municipal Court (100% General Fund)

Fire/EMS Budget Review

BUDGET WORKSHOP: EMS COST OF SERVICE

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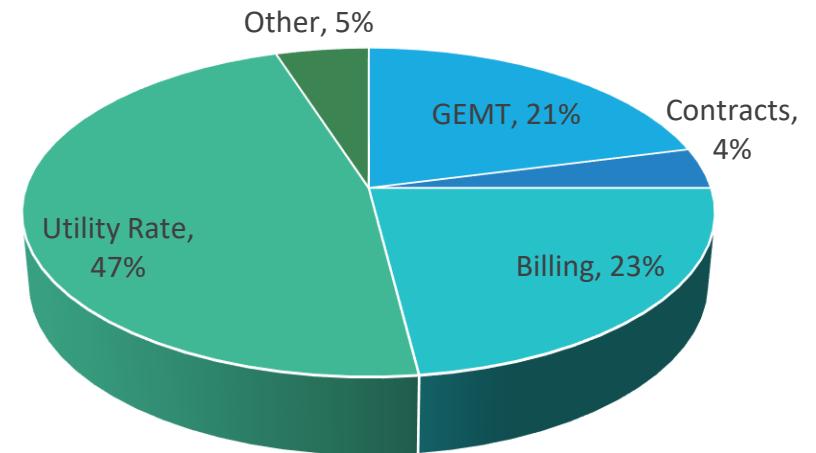
Fire/EMS Budget Review

- The Aberdeen Fire Department is funded through 2 budgets.
 - Fire (General Fund) 001.48
 - EMS 120.00
- The General Fund is the main operating fund for the City. It can cover EMS expenses, although EMS funds cannot pay for general fund liabilities.
- Where eligible, some expenses are divided into Fire (General Fund) and EMS budgets.
 - Currently 31% Fire/69% EMS.
 - Employee expenses.
 - Supplies/Equipment.
 - General operational expenses.

Fire/EMS Budget Review

- EMS utility revenue streams
 - EMS Availability Fee: Utility Rate.
 - Ambulance & Emergency Aid Fees: Billing.
 - Ground Emergency Medical Transport (GEMT) Program.
 - Ambulance Charges: EMS Contracts for Service.
 - Various smaller revenue sources.
- COVID Funds (2020-2022)
 - CARES.
 - ARPA.
 - GHEMS (From Grays Harbor County).
 - \$1.4M - 2020-2022, no longer receiving.

Average Revenues, 2018-2023



Proposed Utility Rates

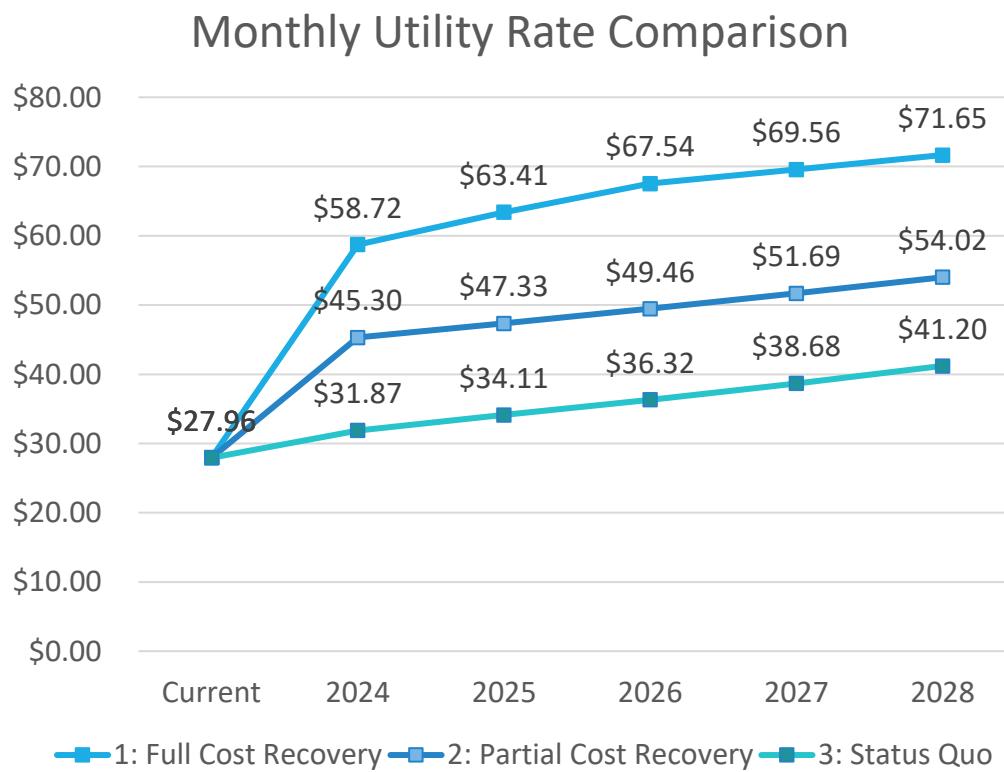
BUDGET WORKSHOP: EMS COST OF SERVICE

MAY 15, 2024

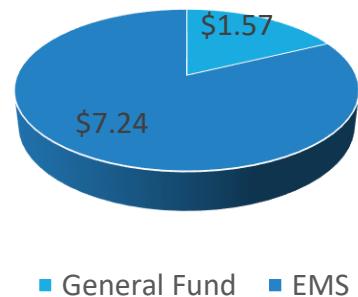
Proposed Utility Rates

- As presented by FCS.
- Based on a comprehensive analysis of operational and financial data.
 - Follows the requirements of RCW 35.21.766
- Includes operational and financial assumptions over the next 5 years.
- 3 options explored
 - Full Cost Recovery
 - Partial Cost Recovery
 - Status-Quo
- All options include a systematic use of fund balance to help reduce rates.

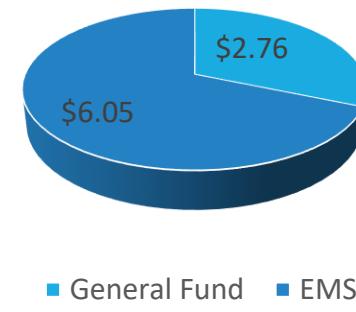
Proposed Utility Rates



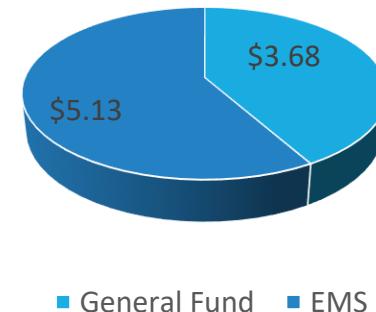
Option 1: Budget Allocation



Option 2: Budget Allocation



Option 3: Budget Allocation



Proposed Utility Rates

Option	General Fund/EMS Allocation	General Fund	EMS Fund	General Fund Savings
1: Cost Recovery	18%/82%	\$1.57M	\$7.24M	\$2.11M
2: Partial Cost Recovery	31%/69%	\$2.76M	\$6.05M	\$0.92M
3: Status Quo	42%/58%	\$3.68M	\$5.13M	\$0

- 2024 City-Wide General Fund Budget utilizes \$2.85M in reserves.
 - Option 1: would have reduced use of reserves to \$0.74M.
 - Option 2: would have reduced use of reserves to \$1.93M.
 - Option 3: no reduction in the use of reserves would have been realized.

