

Medic One/EMS Advisory Task Force

Medic One/EMS Strategic Plan & Levy Reauthorization

Tuesday, September 18, 2018

1:30 PM – 3:30 PM

2100 Building, Community Rooms A & B

2100 24th Avenue South, Seattle

Agenda

- **Opening Remarks & Introductions** (10 minutes)
*Rachel Smith, Chief of Staff to King County Executive
Dow Constantine*
 - **Programmatic Recommendations & Discussion** (25 minutes)
*Advanced Life Support – Keith Scully, Shoreline City Councilmember
Basic Life Support – Larry Rude, Fire Commissioner, Eastside Fire & Rescue
Regional Services – Tom Agnew, Bothell City Councilmember*
 - **Financial Recommendations & Discussion** (60 minutes)
*Sensitivity Analysis “What If” Scenarios – Dave Reich, King County Economist
Financial Plan – Alex Yoon, CFO, Public Health – Seattle & King County
Finance Recommendations – John Marchione, Mayor of Redmond*
 - **Key Task Force Decisions** (15 minutes)
Rachel Smith
 - Length
 - Rate
 - Ballot timing
 - **Next steps and other items** (10 minutes)
Rachel Smith
-

Next EMS Advisory Task Force Meeting

Tuesday, October 16, 2018 – from 1:00 – 3:00 at the 2100 Building (2100 24th Ave South, Seattle)

2020-2025 EMS Advisory Task Force Membership

	Name	Organization	Representation Category
1	Rachel Smith	King County Executive's Office	King County Executive
2	Reagan Dunn	Councilmember, King County	King County Council
3		Councilmember, King County	King County Council
4	Bob Baggett	Deputy Mayor, City of Auburn	Cities over 50,000 in population
5	Jennifer Robertson	Councilmember, City of Bellevue	Cities over 50,000 in population
6	Krystal Marx	Councilmember, City of Burien	Cities over 50,000 in population
7	Allen Church	Fire Chief, South King Fire & Rescue, representing the City of Federal Way	Cities over 50,000 in population
8	Matthew Morris	Fire Chief, Puget Sound Regional Fire Authority, representing the City of Kent	Cities over 50,000 in population
9	Penny Sweet	Councilmember, City of Kirkland	Cities over 50,000 in population
10	John Marchione	Mayor, City of Redmond	Cities over 50,000 in population
11	Denis Law	Mayor, City of Renton	Cities over 50,000 in population
12	Karen Moran	Deputy Mayor, City of Sammamish	Cities over 50,000 in population
13	Harold Scoggins	Fire Chief, City of Seattle	Cities over 50,000 in population
14	Keith Scully	Councilmember, City of Shoreline	Cities over 50,000 in population
15	Pam Fernald	Councilmember, City of SeaTac	Cities under 50,000 in population
16	Vic Kave	Councilmember, City of Pacific	Cities under 50,000 in population
17	Tom Agnew	Councilmember, City of Bothell	Cities under 50,000 in population
18	Mark Thompson	Fire Commissioner, South King Fire & Rescue	King County Fire Commissioners
19	Kevin Coughlin	Fire Commissioner Woodinville Fire & Rescue	King County Fire Commissioners
20	Larry Rude	Fire Commissioner, King County Fire District 10; Director Eastside Fire and Rescue	King County Fire Commissioners

EMS Advisory Task Force

Medic One/EMS Levy Reauthorization Calendar

2018

JANUARY

S	M	T	W	Th	F	S
	H1	2	3	4	5	6
7	8	9	0	11	12	13
14	H15	16	17	TF18	19	20
21	22	23	24	25	26	27
28	29	30	31			

FEBRUARY

S	M	T	W	Th	F	S
				FIN1	2	3
4	5	6	7	BLS8	9	10
11	12	ALS13	14	15	16	17
18	19	RS20	21	22	23	24
25	26	27	28			

MARCH

S	M	T	W	Th	F	S
				1	2	3
4	5	6	7	BLS8	9	10
11	12	13	14	ALS15	16	17
18	19	RS20	21	22	23	24
25	26	27	28	29	30	31

ALS -revised

APRIL

S	M	T	W	Th	F	S
1	2	3	4	BLS5	6	7
8	9	ALS10	11	12	13	14
15	16	RS17	18	19	20	21
22	23	24	25	26	27	28
29	30					

MAY

S	M	T	W	Th	F	S
		1	2	BLS3	4	5
6	7	ALS8	9	10	11	12
13	14	RS15	16	FIN17	18	19
20	21	22	23	24	25	26
27	H28	29	TF30	31		

Finance and Task Force meetings - revised

JUNE

S	M	T	W	Th	F	S
					1	2
3	4	5	6	BLS7	8	9
10	11	ALS12	13	14	15	16
17	18	RS19	20	21	22	23
24	25	26	27	28	29	30

ALS became Working Group; RS cancelled

JULY

S	M	T	W	Th	F	S
1	2	3	H4	5	6	7
8	9	ALS10	11	BLS12	13	14
15	16	RS17	18	19	20	21
22	23	FIN24	25	26	27	28
29	30	FIN31				

BLS and RS cancelled

AUGUST

S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	BLS9	10	11
12	13	ALS14	15	16	17	18
19	20	RS21	22	23	24	25
26	27	28	29	30	31	

SEPTEMBER

S	M	T	W	Th	F	S
						1
2	H3	4	5	BLS6	7	8
9	10	ALS11	12	13	14	15
16	17	TF18	19	20	21	22
23	24	FIN25	26	27	28	29
30						

OCTOBER

S	M	T	W	Th	F	S
	1	2	3	BLS4	5	6
7	H8	ALS9	10	11	12	13
14	15	TF16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

NOVEMBER

S	M	T	W	Th	F	S
				1	2	3
4	5	6	7	8	9	10
11	H12	13	14	15	16	17
18	19	20	21	H22	H23	24
25	26	27	28	29	30	

DECEMBER

S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	H25	26	27	28	29
30	31					

Econ forecasts: 3/7-3/14; 7/18-7/27; 8/17-8/27

Task Force
Finance Subcommittee
ALS Subcommittee
BLS Subcommittee
Regional Services Subcommittee

Changes made from previous version:

- June 12 meeting became ALS Working Group meeting
- June 19 Regional Services meeting was cancelled
- July BLS and Regional Services meetings cancelled
- July 24 Finance meeting pushed back to July 31
- July 31 Task Force meeting pushed back to Sept 18
- August meetings cancelled
- Sept 6 BLS meeting cancelled
- Sept 11 ALS meeting cancelled
- Sept 18 Regional Services meeting changed to Task Force meeting
- Sept 25 Finance meeting cancelled

MEDIC ONE/EMERGENCY MEDICAL SERVICES STRATEGIC PLAN & LEVY REAUTHORIZATION Future Meetings

EMS Advisory Task Force:

✓ January 18, 2018	1pm – 3 pm	Tukwila Community Center
✓ Wednesday, May 30, 2018	1 pm – 3 pm	Tukwila Community Center
➔ Tuesday, Sept 18, 2018	1:30 pm – 3:30 pm	2100 Building, Community Rooms A & B
Tuesday, October 16, 2018	1 pm – 3 pm	Tukwila Community Center

SUBCOMMITTEES:

Advanced Life Support (ALS)	<i>Tuesdays from 1:00 – 3:00, South Seattle location</i>	
✓ February 15, 2018		Renton Fire Station 14
✓ March 15, 2018	1:30 – 3:30	2100 Building, Community Room B
✓ April 10, 2018		2100 Building, Community Room A
✓ May 8, 2018		2100 Building, Community Room A
✓ June 12, 2018	ALS Working Group meeting	2100 Building, Community Room A
✓ July 10, 2018		2100 Building, Community Room A
August 14, 2018		2100 Building, Community Room A
September 11, 2018		2100 Building, Community Room A
October 9, 2018		TENTATIVE - 2100 Building

Basic Life Support (BLS)	<i>Thursdays from 1:00 – 3:00, various Renton sites</i>	
✓ February 8, 2018		Renton Fire Station 14
✓ March 8, 2018		Renton Fire Station 14
✓ April 5, 2018		Renton City Hall, Council Chambers, 7 th Floor
✓ May 3, 2018		Renton City Hall, Council Chambers, 7 th Floor
✓ June 7, 2018		Renton Fire Station 14
July 12, 2018		Renton City Hall, Council Chambers, 7th Floor
August 9, 2018		Renton City Hall, Council Chambers, 7th Floor
September 6, 2018		Renton City Hall, Council Chambers, 7th Floor
October 4, 2018		TBD

Regional Services (RS)	<i>Tuesdays from 1:00 – 3:00, South Seattle location</i>	
✓ February 20, 2018		City of Seattle Joint Training Facility
✓ March 20, 2018		Renton Highlands Library conference room
✓ April 17, 2018		Renton Highlands Library conference room
✓ May 15, 2018	1:30 – 3:30	2100 Building, Community Room A
June 19, 2018	1:30 – 3:30	2100 Building, Community Room A
July 17, 2018	1:30 – 3:30	2100 Building, Community Room A
August 21, 2018	1:30 – 3:30	2100 Building, Community Room A
September 18, 2018	1:30 – 3:30	2100 Building, Community Room A

Finance	<i>Tuesdays or Thursdays 1:00 – 3:00, Kirkland location</i>	
✓ February 1, 2018 (Thursday)		Renton Fire Station 14 (1900 Lind Ave SW)
✓ May 17, 2018 (Thursday)	12:00 – 2:00	Peter Kirk Room, Kirkland City Hall
✓ July 31, 2018 (Tuesday)		2100 Building, Community Room A
September 25, 2018 (Tuesday)		Peter Kirk Room, Kirkland City Hall

Bold = recently revised

LOCATIONS:

Renton Fire Station 14
1900 Lind Ave SW, Renton

Phone: (425) 430-7000

City of Seattle Joint Training Facility
9401 Myers Way South, Seattle

Phone: (206) 386-1600

The 2100 Building
2100 24th Ave S, Seattle

Phone: (206) 407-2100

Renton City Hall
1055 South Grady Way, Renton

Phone: (425) 430-6400

Kirkland City Hall
123 5th Ave, Kirkland, WA

Phone: (425) 587-3000

Renton Highlands Library conference room
2801 NE 10th Street, Renton

Phone: (425) 277-1831

Tukwila Community Center
12424 42nd Ave South, Tukwila

Phone: (206) 768-2822

2020-2025 Medic One/EMS Strategic Plan & Levy Reauthorization Process

September 2018 update to the *EMS Advisory Task Force*

Overview:

Beginning January 2018, the region devoted a great deal of time and expertise toward developing a Strategic and Financial Plan (levy) for King County voters to renew in 2019. This all-inclusive process brought together regional leaders, decision-makers and stakeholders to collaboratively develop programmatic and financial recommendations regarding EMS services for 2020 and beyond.

In late May 2018, the *EMS Advisory Task Force* reviewed the **Draft Programmatic Recommendations** and supporting **Financial Plan**. *Task Force* members were receptive to the work presented, and encouraged the subcommittees to proceed with their next steps. Conversation focused on ensuring the Financial Plan could sustain a possible economic downturn, and the Finance Subcommittee was charged with confirming that the proposed reserve funding was adequate and appropriate.

Since that meeting, all four subcommittees have finalized their recommendations – priorities were solidified; budgets refined; and assurances made that the EMS system would be protected under different economic circumstances. On July 31, 2018, the Finance Subcommittee recommended forwarding the **Updated Programmatic Recommendations and Financial Plan** that is based on a **six-year, 27-cent EMS levy** to the *EMS Advisory Task Force* for its consideration and adoption.*

Highlights of the Updated Recommendations:

The proposed **27-cent levy rate** supports a six-year budget of **\$1.115 billion** that:

- Assures that ALS, BLS and Regional Services programmatic needs will be met:
 - Continued full funding of eligible ALS costs; placeholder for the equivalent of a new 1.0 unit if service demands increase beyond what is anticipated;
 - Equitable BLS funding with more streamlined administration; new funding to continue to explore Mobile Integrated Healthcare models to address community needs; and
 - Maintained regional programs that support the system; continued focus on improving patient care and outcomes.
- Rolls \$20 million of 2014-2019 reserves into 2020-2025 reserves for additional security;
- Addresses the *Task Force's* concerns to protect the system from unforeseen financial risk;
- Continues with conservative financial policies and processes that provide stability; and
- Incorporates policies that provide additional protection and flexibility, including the ability to direct balances into reserves, or buy down a future levy rate.

* The July Financial Plan has been updated to reflect the August 2018 financial forecast. This has resulted in a \$5 million revenue increase, and slight expenditure increase, but still a 27-cent levy rate.

MEDIC ONE/EMERGENCY MEDICAL SERVICES STRATEGIC PLAN & LEVY REAUTHORIZATION

SUBCOMMITTEE RECOMMENDATIONS

ADVANCED LIFE SUPPORT (ALS)

- **CONTINUE USING** the unit allocation to fund ALS, but with slight revisions to better ensure full funding.
- **INCLUDE A "PLACE HOLDER"** in the Financial Plan to protect the system, should service demands require additional units over the span of the 2020-2025 levy.
- **EXPLORE OPTIONS** regionally to address paramedic workforce needs and increase operational efficiencies through regional collaboration.

BASIC LIFE SUPPORT (BLS)

- **CONTINUE PROVIDING** the BLS allocation to help offset costs of providing EMS services.
- **CONSOLIDATE BLS funding awards** into a single allocation and contract to streamline and minimize the time, effort, and expense of administering BLS funding; earmark use for specific activities in the contract.
- **DISTRIBUTE** the allocation using a methodology that more accurately reflects agencies' current assessed valuation and service levels. **ADD FUNDING** to ensure consistency in the first year.
- **COMMIT to exploring a Mobile Integrated Healthcare (MIH)** model to address community needs.
 - > **ALLOCATE \$4 million** a year of levy funding for MIH;
 - > **DISTRIBUTE** the first year of MIH funding to agencies using the same methodology as the BLS allocation; inflate in future years; and
 - > **ESTABLISH guidelines** to create consistency around data collection, measures and program reporting.

REGIONAL SERVICES & STRATEGIC INITIATIVES

- **CONTINUE** delivering programs that provide essential support to the system.
- **MAINTAIN** regional focus on creating additional efficiencies and system effectiveness to improve patient care and outcomes.
- **RESUME AND DEVELOP** Strategic Initiatives that leverage previous investments made by the region to improve patient care and outcomes.

FINANCE

- **SUPPORT financial policies** that provide stability to the system by:
 - > **Adapting** existing reserve policies to meet King County financial policies
 - > **Incorporating** sufficient reserves to mitigate unforeseen financial risk; and
 - > **Pursuing** an EMS levy length that ensures sufficient funding.
- **RECOMMEND** forwarding the Financial Plan that supports a six year budget of \$1.115 billion with a 27-cent EMS levy to the *EMS Advisory Task Force* for consideration and adoption.

Financial Plan Summary - based on AUGUST forecast assuming a 27-cent levy

Expenditures & Reserves	Total (in millions)
Total Expenditures	\$1,073.9
Reserves (Expenditure & Rainy Day) ¹	\$41.6
TOTAL Expenditures & Reserves	\$1,115.5
2020-2025 Property Tax Forecast	\$1,094.7
New Other Revenues (KC)	\$8.6
Carryforward Reserves from 2014-2019	\$20.0
TOTAL Revenues	\$1,123.3
<u>Balance (Funds available to supplement reserves) ¹</u>	<u>\$7.8 million</u>

¹ Total reserves: \$49.4 million

EMERGENCY MEDICAL SERVICES LEVY OVERVIEW - PROPOSED FINANCIAL PLAN (August 2018 Forecast)

8/17/2018

	2020 Proposed	2021 Proposed	2022 Proposed	2023 Proposed	2024 Proposed	2025 Proposed	2020-2025
REVENUES							
Countywide Assessed Value ¹	643,345,765,343	681,779,475,102	716,569,321,881	744,137,338,226	774,884,866,630	810,987,467,867	
Countywide EMS Levy	173,703,357	178,263,132	182,347,319	186,380,551	190,476,594	194,638,443	1,105,809,395
Countywide EMS Levy with Undercollection	171,966,323	176,480,501	180,523,846	184,516,746	188,571,828	192,692,058	1,094,751,301
Levy Rate	0.2700	0.2607	0.2534	0.2494	0.2450	0.2394	
Proportion	40.91%	41.05%	41.16%	41.30%	41.42%	41.47%	
Projected Seattle EMS Levy	71,062,043	73,177,016	75,054,157	76,975,168	78,895,405	80,716,562	455,880,350
Projected Seattle Undercollection	(710,620)	(731,770)	(750,542)	(769,752)	(788,954)	(807,166)	(4,558,804)
Projected Net Seattle Property Taxes	70,351,423	72,445,245	74,303,615	76,205,416	78,106,451	79,909,397	451,321,547
Seattle Revenue	70,351,423	72,445,245	74,303,615	76,205,416	78,106,451	79,909,397	451,321,547
Proportion	59.09%	58.95%	58.84%	58.70%	58.58%	58.53%	58.78%
Projected King County EMS Levy	102,641,313	105,086,116	107,293,163	109,405,383	111,581,189	113,921,881	649,929,045
Projected Undercollection	(1,026,413)	(1,050,861)	(1,072,932)	(1,094,054)	(1,115,812)	(1,139,219)	(6,499,290)
Projected Net King County Property Taxes	101,614,900	104,035,255	106,220,231	108,311,330	110,465,377	112,782,662	643,429,754
Projected King County Other Revenue	893,200	1,033,200	1,315,200	1,579,200	1,799,200	1,973,200	8,593,200
King County Revenue	102,508,100	105,068,455	107,535,431	109,890,530	112,264,577	114,755,862	652,022,954
TOTAL REVENUE	172,859,523	177,513,701	181,839,046	186,095,946	190,371,028	194,665,258	1,103,344,501
EXPENDITURES							
Advanced Life Support Services -- Seattle	(22,688,960)	(23,557,169)	(24,391,220)	(25,252,303)	(26,136,130)	(27,110,861)	(149,136,643)
Advanced Life Support Services -- King County	(56,382,364)	(58,501,941)	(60,538,188)	(62,640,361)	(64,798,030)	(67,177,617)	(370,038,501)
Total Advanced Life Support Services	(79,071,324)	(82,059,110)	(84,929,408)	(87,892,664)	(90,934,160)	(94,288,478)	(519,175,144)
Basic Life Support Services -- Seattle	(47,662,463)	(48,888,076)	(49,912,395)	(50,953,113)	(51,970,322)	(52,798,535)	(302,184,904)
Basic Life Support Services -- King County	(21,340,659)	(22,175,079)	(22,980,035)	(23,807,316)	(24,654,856)	(25,589,275)	(140,547,220)
Mobile Integrated Healthcare (MIH) - King County	(4,000,000)	(4,156,400)	(4,307,277)	(4,462,339)	(4,621,198)	(4,796,341)	(26,343,555)
Total Basic Life Support Services	(73,003,122)	(75,219,555)	(77,199,707)	(79,222,768)	(81,246,376)	(83,184,151)	(469,075,679)
Regional Services	(11,976,022)	(12,444,285)	(12,896,013)	(13,360,269)	(13,835,894)	(14,360,274)	(78,872,757)
Strategic Initiatives	(1,209,732)	(1,254,162)	(1,296,735)	(957,247)	(988,215)	(1,022,479)	(6,728,570)
TOTAL EXPENDITURES	(165,260,199)	(170,977,112)	(176,321,863)	(181,432,948)	(187,004,644)	(192,855,383)	(1,073,852,150)
DIFFERENCE Revenues/Expenditures	7,599,324	6,536,588	5,517,183	4,662,998	3,366,384	1,809,875	29,492,352
RESERVES (not cumulative)							
KC ALS Reserves	(13,790,000)	(13,790,000)	(13,790,000)	(13,790,000)	(13,790,000)	(13,790,000)	(13,790,000)
KC Rate Stabilization Reserves							
KC Rainy Day Reserves (90 day requirement)	(23,402,164)	(24,295,529)	(25,155,184)	(25,946,515)	(26,851,609)	(27,849,695)	(27,849,695)
TOTAL RESERVES	(37,192,164)	(38,085,529)	(38,945,184)	(39,736,515)	(40,641,609)	(41,639,695)	(41,639,695)
Difference needed to cover yearly cashflow and increase in reserves		Est Avail Reserves from 2014-2019 levy		(20,000,000)		Reserve Funding Needed	(21,639,695)
DIFFERENCE (including reserves and carryforward funding from 2014-2019 levy)							7,852,656

¹ Does not include City of Milton

2020-2025 Medic One/EMS Strategic Plan & Levy Reauthorization Process

Future Levies and Ballot Measures in King County *

2019 Ballot Measures - those with expiring levies				
2019	February	Seattle School District	Operations Levy	RENEWAL
2019	February	Seattle School District	Building Excellence V (BEX V) Capital Levy	RENEWAL
2019		Seattle	Library Levy	RENEWAL
2019		King County – regionwide	Regional Parks Levy (renewal)	RENEWAL
2019		King County - regionwide	Medic One/EMS Levy (renewal)	RENEWAL

2018 Ballot Measures - NOVEMBER				Last day to file 8/7/18
2018	Nov	Bothell	Public Safety Ops Levy (6-year Levy Lid Lift - \$1.96 per \$1,000 AV through 2024)	
2018	Nov	Bothell	Fire Station Capital Bonds (\$35.5 million over 20 years) <small>Requires 60% yes vote with minimum turnout of 3,941 voters (Wash. Const. art. 7, sec. 2(b)).</small>	
2018	Nov	Covington	Transportation Improvement Sales Tax (0.2%) (Up to 10 years)	
2018	Nov	Kirkland	Public Safety Sales Tax - increase of 0.1%, for enhanced police services and community safety	
2018	Nov	Mercer Island	Levy Lid Lift for Public Safety, Youth, Family & Senior Services, and Parks & Recreation (6 years) <small>May increase up to \$0.238 per \$1,000 AV, not to exceed \$1.24. 1st year anticipated impact = \$286</small>	
2018	Nov	Shoreline	Sales and use tax (0.2%) for 20 years for sidewalk and pedestrian improvements	
2018	Nov	Seattle	Families and Education Levy renewal – 7 year levy; 2019 tax increase of up to \$0.365 per \$1,000 AV	
2018	Nov	KCFD 45 (Duvall)	Fire Station Capital Bonds - \$7.6 million over 20 years	
2018	Nov	KCFD 51 (Sno Pass)	Increase # of Fire Commissioners	
2018	Nov	Si View Metro Park District	General Obligation Bonds - \$14,795,000 over 30 years.	

* Many thanks to the Sound Cities Association for monthly updates on this topic

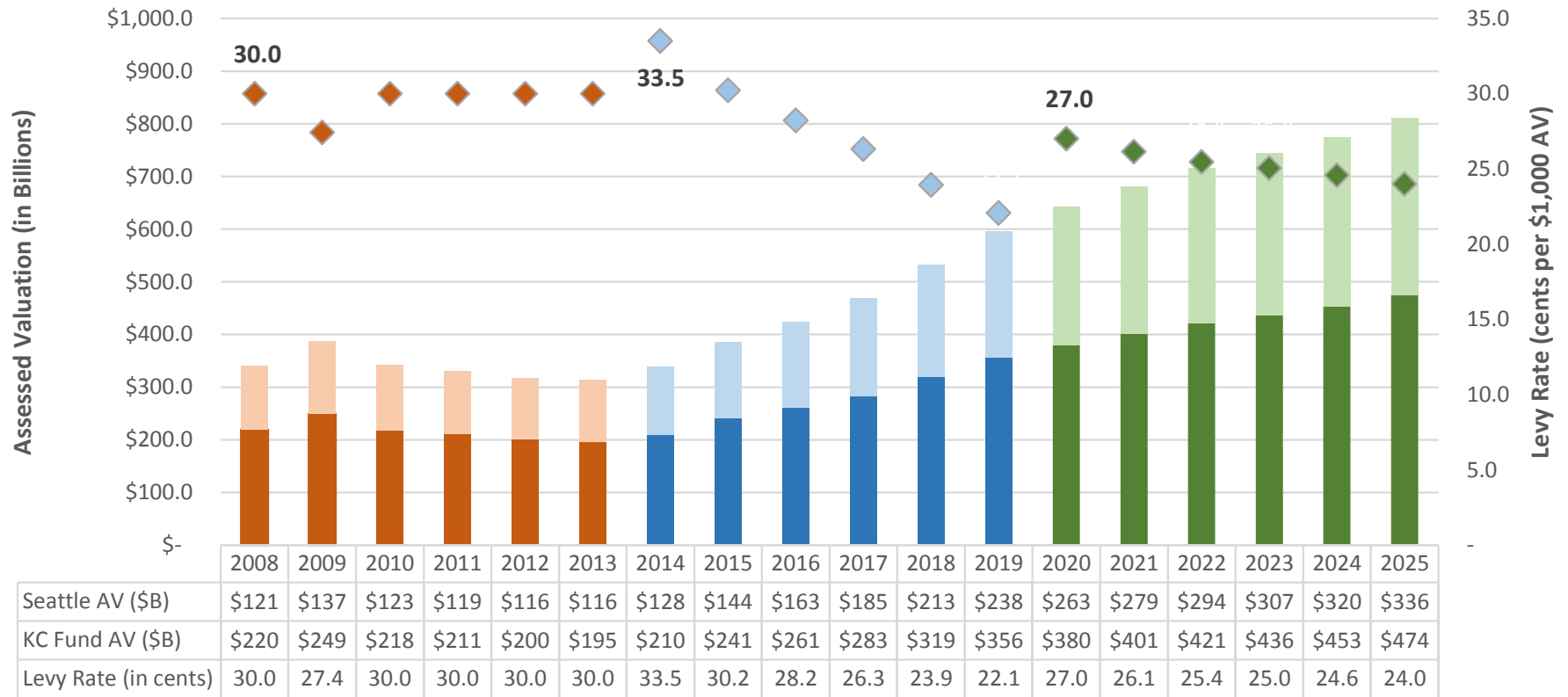
Future Ballot Measures – 2020 and beyond			
2020	Expires 2020	Seattle	Transportation Benefit District
2020		Kirkland	Fire Services and Capital Levy
2020	Expires 2020	King County – regionwide	Harborview Medical Center Improvements
2021	Expires 2021	King County – regionwide	Best Starts for Kids
---		King County - regionwide	Affordable Housing and Related Services Sales Tax

August 2018 Levy and Ballot Measure Results as of August 24, 2018		
Jurisdiction	Measure	Results
King County – regionwide	Proposition 1 – Replacement of expiring AFIS levy \$0.035 cents per \$1,000 AV for 6 years beginning 2019.	Approved: 54.95 % Rejected: 45.05 %
South King Fire & Rescue	Proposition 1 –6-year lid lift to restore property tax levy rate to \$1.50 from its current rate of \$1.43. (6% limit factor for years 2-6)	Approved: 58.55 % Rejected: 41.45 % (requires simple majority per RCW 84.55.050)
April 2018 Levy and Ballot Measure Results as of May 23, 2018		
Jurisdiction	Measure	Results
City of Kent	Proposition A – 2% utility tax increase for criminal justice services. Increases tax from 6% to 8%, on the total gross revenues of companies providing electricity, natural gas, telephone, and cable television services in the city; raising approximately \$4.8 million per year.	Approved: 42.78% Rejected: 57.22%
Puget Sound Regional Fire Authority No. 1	Proposition 1 – Restoration of regular property tax levy to a rate of \$1.00 per \$1,000 of assessed value from its current rate of \$0.77	Approved: 42.83% Rejected: 57.17%
King County Fire Protection District No. 45 (Duvall Fire)	Proposition 1 – Bonds to construct and renovate fire stations totaling no more than \$7.5 million at an estimated rate of \$0.17 per \$1,000 of assessed value	Approved: 59.45% Rejected: 40.55%¹
Tahoma School District	Proposition 1 – Replacement of expiring educational programs and operations levy at a rate of \$1.50 per \$1,000 of assessed value	Approved: 63.86% Rejected: 36.14%

¹ *requires 60% approval, with minimum turnout of 1,882 (per Washington State Constitution article VII, Sec 45,

EMS Levy Rate with Assessed Valuation

(dark colors KC EMS Fund; lighter colors Seattle)



Sensitivity Analysis EMS 2020-2025 Levy

Based on Presentation to the Finance Subcommittee, July 31, 2018

Presented on:
September 18, 2018

Dave Reich, Office of Economic and Financial Analysis
Cynthia Bradshaw, King County EMS



Sensitivity Analyses (What-if Scenarios)

Background

- **Evaluates potential impacts of revenue and expenditure risks**
 - Revenue: property taxes less than planned
 - Expenses: inflation (CPI-W) higher than planned
- **Includes “worst-case” scenarios**
- **Assumes changes in economic conditions will affect either expenses or revenues, but not both (based on experience of 2008-2013 levy)**
- **What-if analyses based on July forecast**

Sensitivity Analyses (What-if Scenarios)

Scenarios

- **Starting AV less than planned (Scenario A)**
 - First Year AV growth at 6% (rather than 8.2%)
 - First Year AV growth at 4% (rather than 8.2%)
- **Reductions in AV reduces property taxes (Scenario B)**
 - AV at 95% of forecast
 - AV similar to 2008-2013 levy
- **New construction below forecast (Scenario C)**
 - New Construction Reduction of 10%
 - Reduction in New Construction of 30%
- **CPI-W higher than planned (Scenario D)**
- **Proportion change between Seattle & KC EMS Funds (Scenario E)**

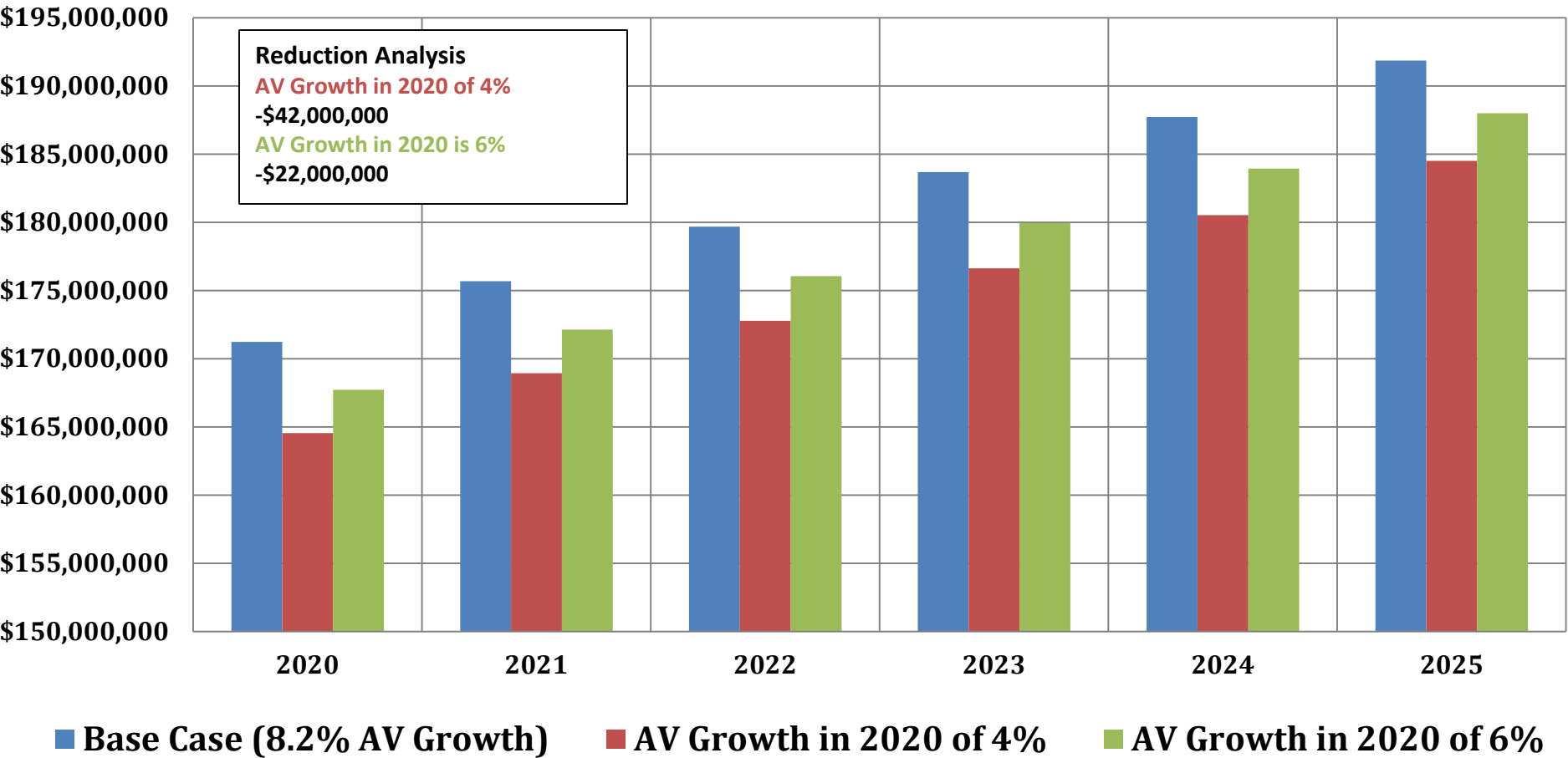
Impact of First Year Assessed Value on the 2020-2025 EMS Levy (A)



Impact of Assessed Value on the 2020-2025 EMS Levy

Base Case (8.2% AV Growth) – AV Growth of 4% – AV Growth of 6%

Source: KC DOA, OEFA



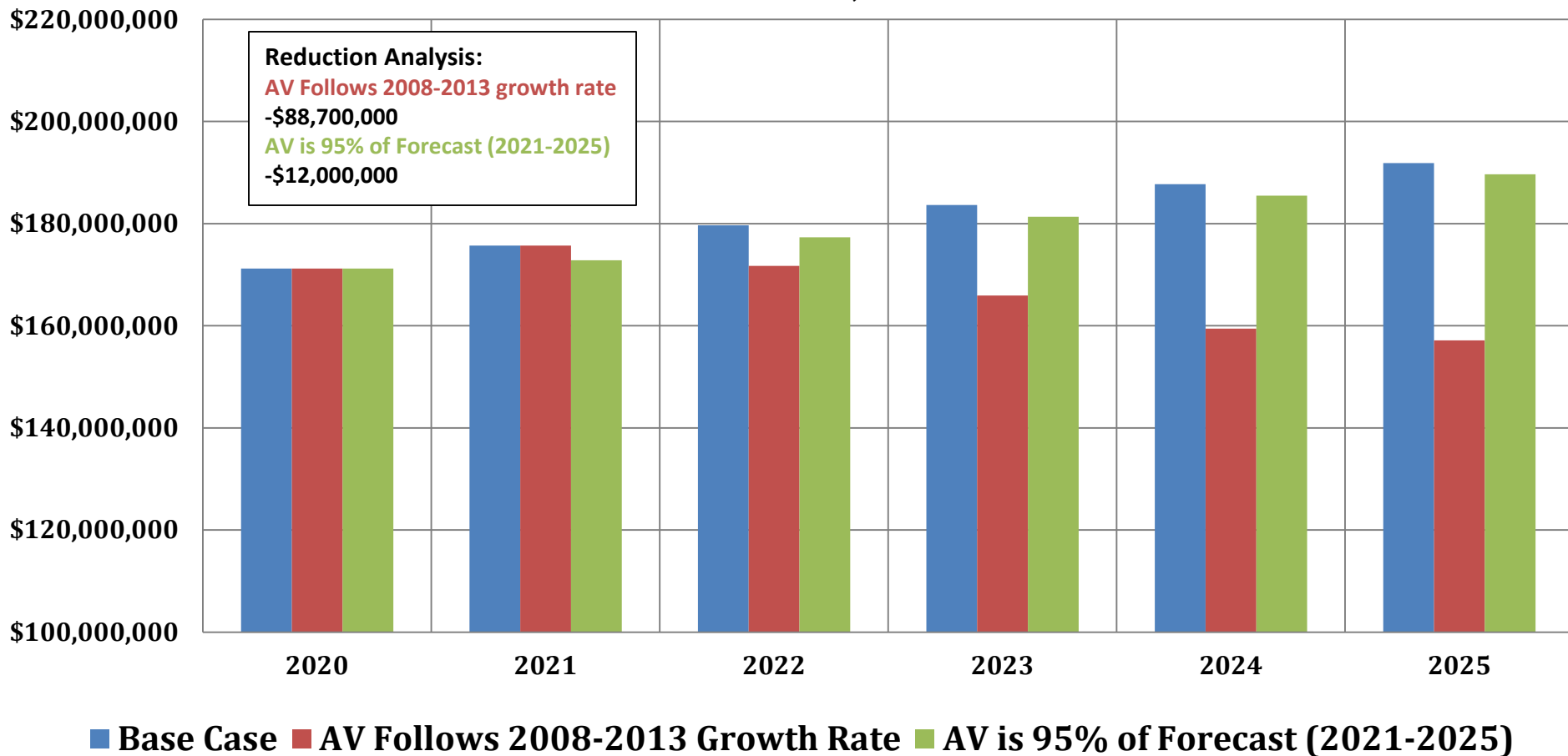
Impact of Assessed Value on the 2020-2025 EMS Levy (B)



Impact of Assessed Value on the 2020-2025 EMS Levy

Base Case – AV Follows 2008-2013 Growth Rate – AV is 95% of Forecast (2021-2025)

Source: KC DOA, OEFA



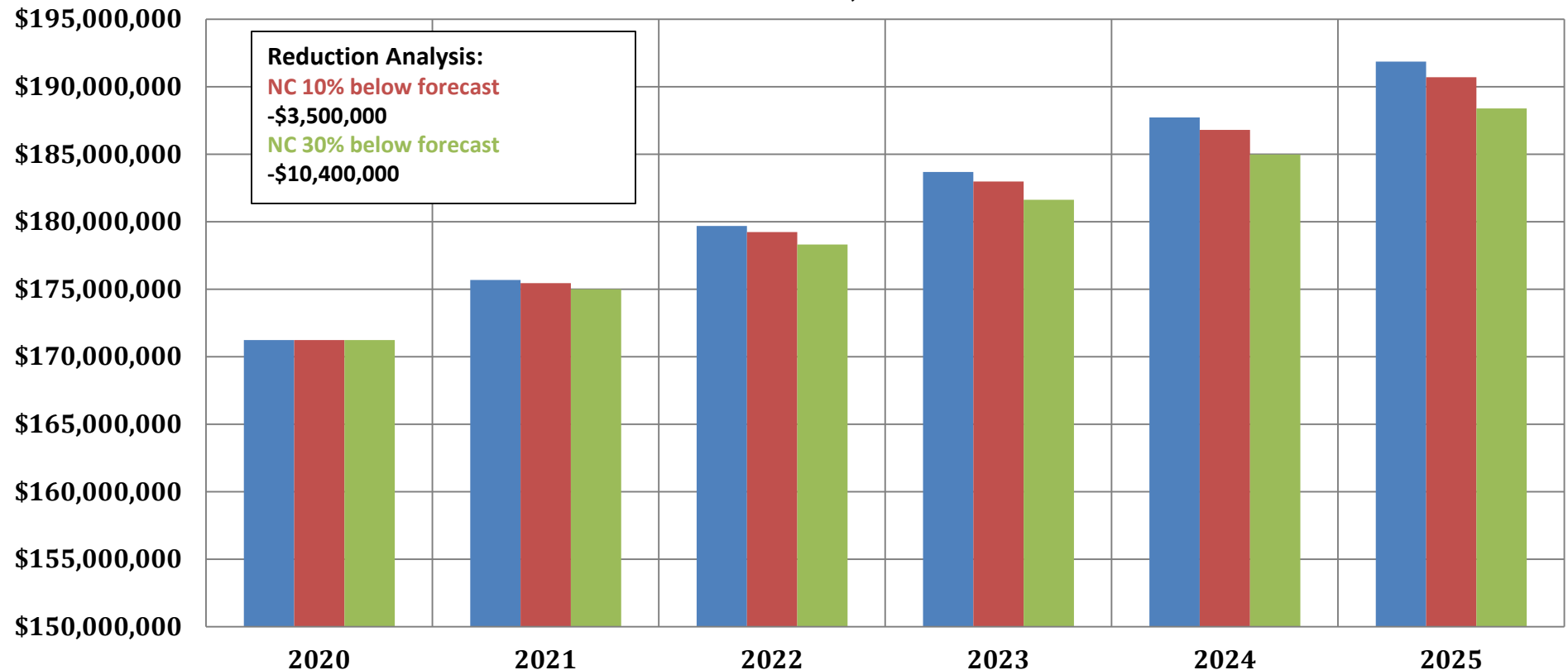
Impact of New Construction on the 2020-2025 EMS Levy (C)



Impact of New Construction on the 2020-2025 EMS Levy

Base Case - NC 10% below forecast - NC is 30% below forecast

Source: KC DOA, OEFA



■ Base Case ■ New construction 10% below forecast ■ New construction 30% below forecast

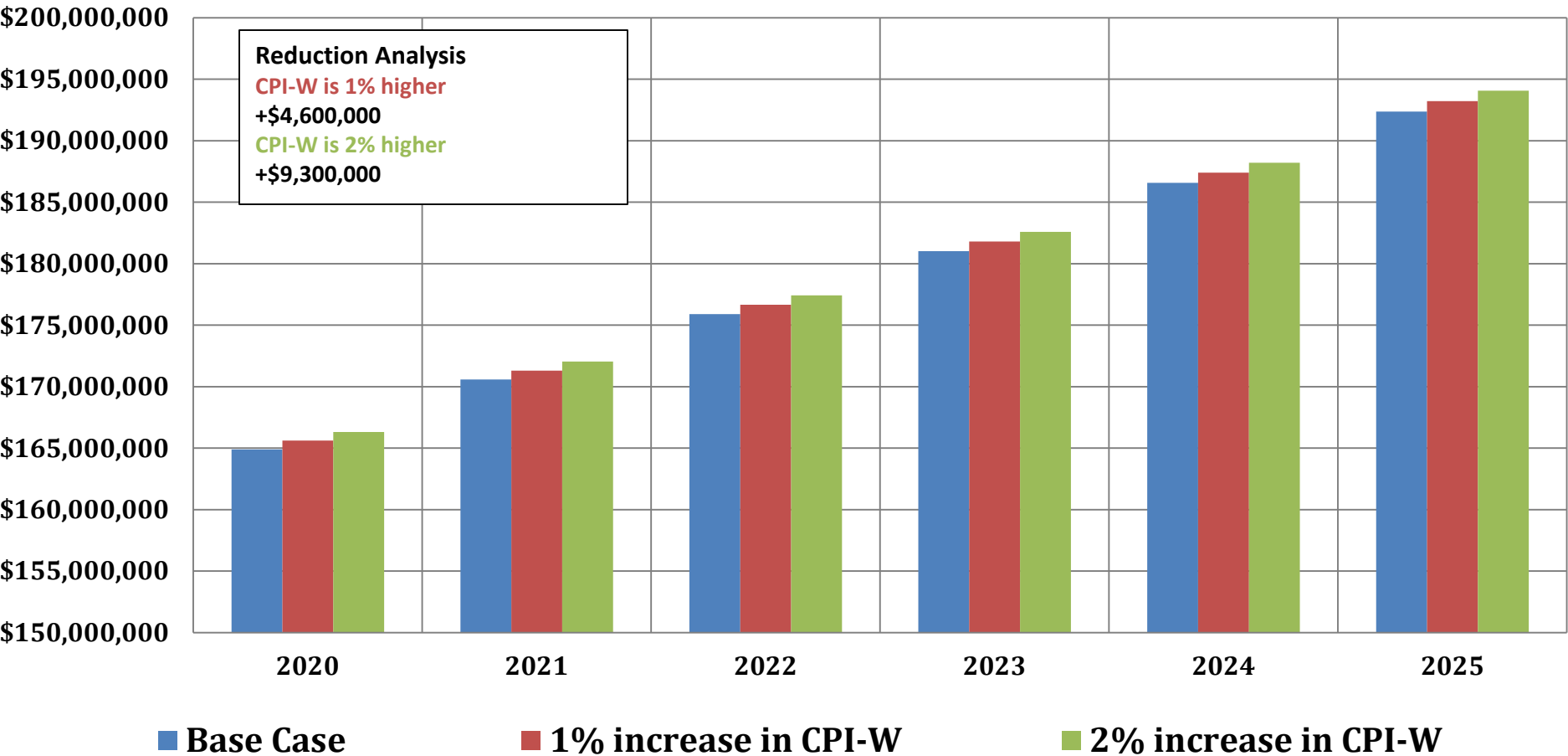
Impact of Inflation on 2020-2025 EMS Expenditures (D)



Impact of CPI-W on 2020-2025 EMS Expenditures

Base Case – CPI-W is 1% higher – CPI-W is 2% higher

Source: KC DOA, OEFA



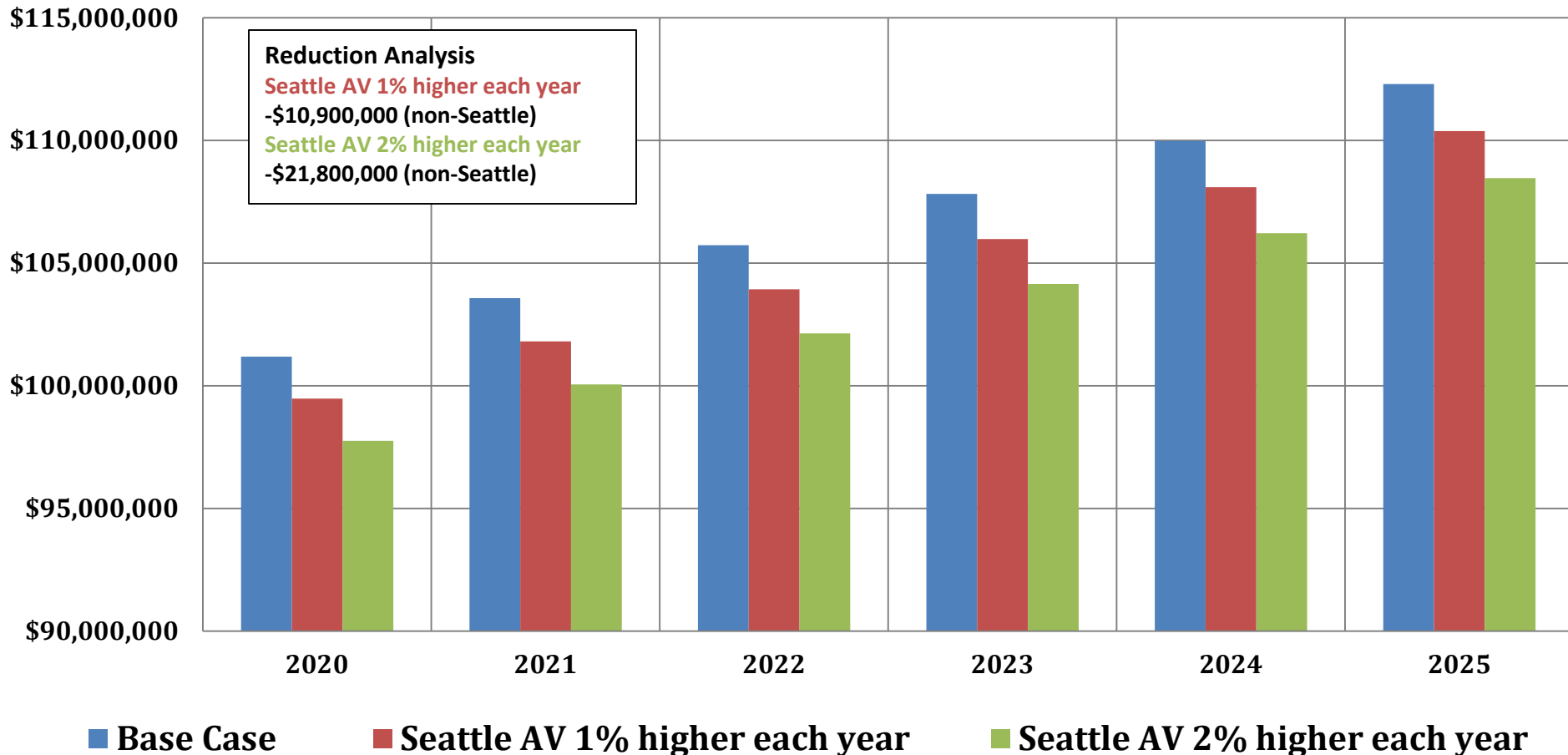
Impact of Assessed Value Distribution on the 2020-2025 EMS Levy (E)



Impact of Assessed Value on the 2020-2025 EMS Levy

Base Case – Seattle AV 1% higher each year – Seattle AV 2% higher each year

Source: KC DOA, OEFA



Sensitivity Analyses (What-if Scenarios)

King County (Seattle & KC EMS Fund)

Revenues (2020-2025)	Total Decrease (in millions)
Scenario A-1: First Year AV growth 6% (forecast 8.2%)	(\$22.0)
A-2: First Year AV growth 4% (forecast 8.2%)	(\$42.0)
B-1: AV @ 95% of forecast (full levy)	(\$12.0)
B-2: AV follows 2008-2013 growth rate	(\$88.7)
C-1: New Construction 10% below forecast	(\$3.5)
C-2: New Construction 30% below forecast	(\$10.4)
Expenses (2020-2025)	
D-1: CPI-W 1% higher than planned	(\$4.6)
D-2: CPI-W 2% higher than planned	(\$9.3)

Sensitivity Analyses (What-if Scenarios)

KC EMS Fund

Revenues (2020-2025)	Total Decrease (in millions)
Scenario A-1: First Year AV growth 6% (forecast 8.2%)	(\$12.9)
A-2: First Year AV growth 4% (forecast 8.2%)	(\$24.7)
B-1: AV @ 95% of forecast (full levy)	(\$7.0)
B-2: AV follows 2008-2013 growth rate	(\$52.2)
C-1: New Construction 10% below forecast	(\$2.1)
C-2: New Construction 30% below forecast	(\$6.1)
<i>E-1: Distribution Seattle/KC EMS AV 1% change</i>	(\$10.9)
<i>E-2: Distribution Seattle/KC EMS AV 2% change</i>	(\$21.8)
Expenses (2020-2025)	
D-1: CPI-W 1% higher than planned	(\$2.7)
D-2: CPI-W 2% higher than planned	(\$5.5)

Sensitivity Analyses (What-if Scenarios)

KC EMS Fund Reserves

Reserves	Low (in millions)	High (in millions)
ALS Expenditure Reserves	\$13.8	\$13.8
Rainy Day (90-days)	\$27.8	\$27.8
Available with 27 cent levy		\$5.4
Total Reserves	\$41.6	\$47.0
Sensitivity Analyses	Low	High
First year AV growth lower than planned	(\$12.9)	(\$24.7)
AV growth after 1 st year less than planned	(\$7.0)	(\$52.2)
New construction less than planned	(\$2.1)	(\$6.1)
Distribution Seattle/KC EMS AV	(\$10.9)	(\$21.8)
CPI-W higher than planned	\$2.7	\$5.5

2020-2025 Levy Planning EMS ADVISORY TASK FORCE

September 18, 2018

King County Emergency Medical Services

Alex Yoon, Chief Financial Officer, Public Health – Seattle & King County

Since we last met...

2020-2025 EMS Levy: Updated Financial Proposal

*Discussed at the
May 2018 meeting*



MAY 2018

PROPOSAL

Levy Rate Assumption (cents):

26.5

27.0

EXPENDITURES & REVENUES

(in millions)

CHANGE

Total Expenditures

\$1,039.4

\$1,073.9

\$34.5

3%

KC ALS Reserves

\$13.7

\$13.8

\$0.1

1%

Required Rainy Day Reserves

\$23.6

\$27.8

\$4.2

18%

TOTAL EXP. & REV.

\$1,076.7

\$1,115.0

\$38.8

4%

2020-25 Property Tax Forecast

\$1,048.1

\$1,094.7

\$46.6

4%

New Other Revenues (KC)

\$7.7

\$8.6

\$0.9

12%

Carryforward Reserves

\$23.0

\$20.0

-\$3.0

-13%

TOTAL REVENUES

\$1,078.8

\$1,123.3

\$44.5

4%

Available to supplement reserves

\$2.1

\$7.8

\$5.7

271%

The Financial Plan, today

2020-2025 EMS Levy: Updated Financial Proposal (Seattle & KC)

(in millions -- 27 cent levy rate)

REVENUES

	TOTAL	AVG./YEAR
Property Taxes	\$1,094.7	\$182.5
Other Revenue (KC EMS Fund)	\$8.6	\$1.4

TOTAL REVENUE	\$1,103.3	\$183.9
----------------------	------------------	----------------

EXPENDITURES

Advanced Life Support (ALS)	\$519.2	\$86.5
Basic Life Support (BLS)	\$442.8	\$73.8
Mobile Integrated Healthcare (MIH)	\$26.3	\$4.4
Regional Services (RS)	\$78.9	\$13.2
Strategic Initiatives (SI)	\$6.7	\$1.1

TOTAL EXPENDITURES	\$1,073.9	\$179.0
---------------------------	------------------	----------------

ALS Reserves	\$13.8	\$2.3
Required Rainy Day Reserves (90 days)	\$27.8	\$4.6

TOTAL WITH RESERVES	\$1,115.5	\$185.9
----------------------------	------------------	----------------

How does this compare to what we do now?

2020-2025 EMS Levy: Updated Financial Proposal

Comparison of Continuing Current Levy/Status Quo to Proposal

Cost of continuing what we currently do

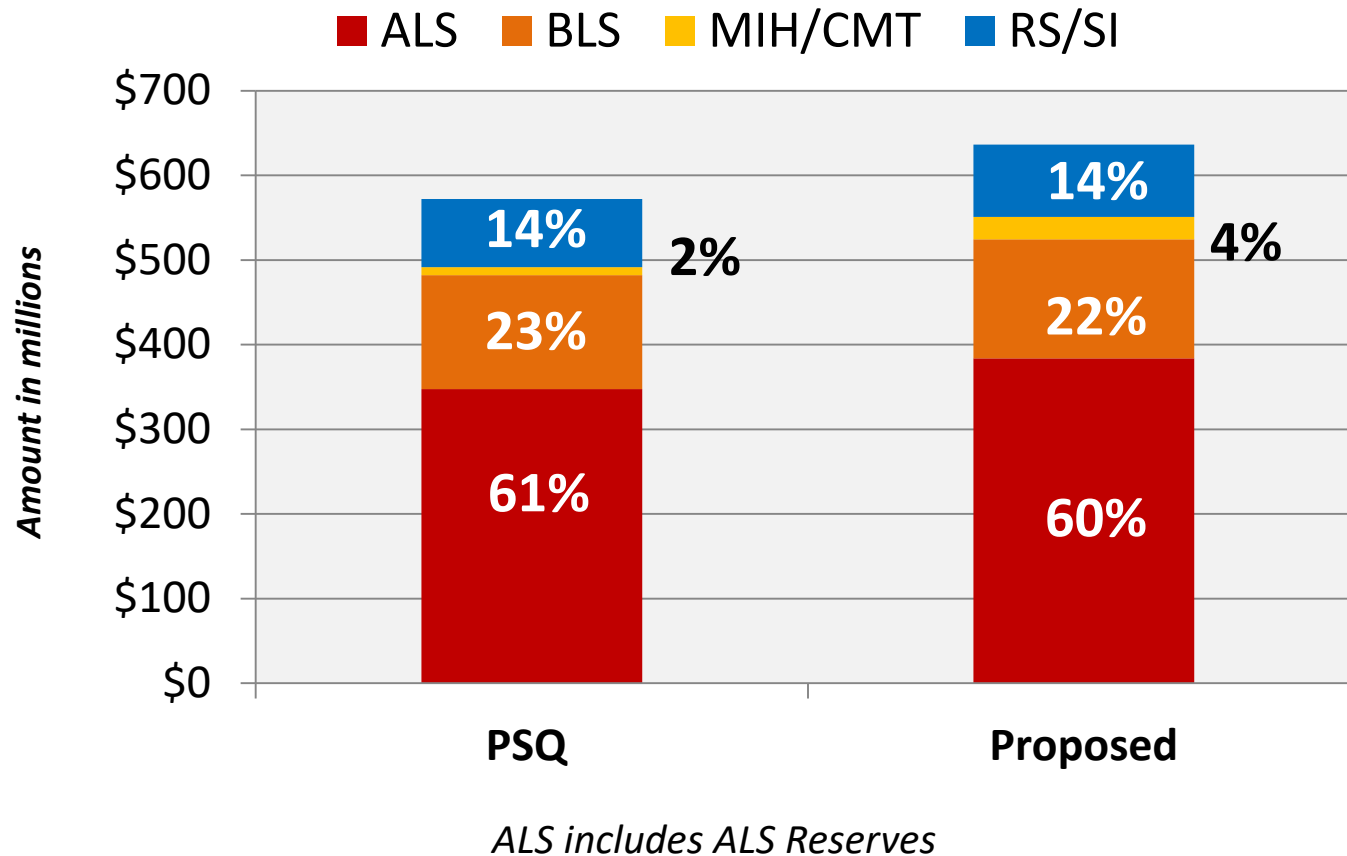
	PSQ	PROPOSAL		
<i>Levy Rate Assumption (cents)</i>	24.5	27.0		
EXPENDITURES & RESERVES			<u>CHANGE</u>	
Total Expenditures	\$967.0	\$1,073.9	\$106.9	11%
KC ALS Reserves	\$4.7	\$13.8	\$9.1	194%
Required Rainy Day Reserves	\$25.5	\$27.8	\$2.3	9%
TOTAL EXP. & REV.	\$997.2	\$1,115.5	\$118.3	12%
2020-25 Property Tax Forecast	\$969.2	\$1,094.7	\$125.5	13%
New Other Revenues (KC)	\$7.1	\$8.6	\$1.5	21%
Carryforward Reserves	\$23.0	\$20.0	-\$3.0	-13%
TOTAL REVENUES	\$999.3	\$1,123.3	\$124.0	12%
Available to supplement reserves	\$2.1	\$7.8	\$5.7	270%

What is different from what we currently do?

Advanced Life Support (ALS)	<ul style="list-style-type: none">• Updates ALS Allocation & Contingencies• Includes placeholder for potential new ALS units in ALS Reserves
Basic Life Support Services (BLS)	<ul style="list-style-type: none">• Incorporates BLS QI & Training Strategic Initiative and BLS Core Services into allocation• Add funds to reset allocation with no reductions in agency funding
Mobile Integrated Healthcare (MIH)	<ul style="list-style-type: none">• Incorporates some existing Strategic Initiatives into MIH• Starts at \$4m/year
Regional Services (RS)	<ul style="list-style-type: none">• Transitions 2 existing SIs related to training and records management into ongoing programs
Strategic Initiatives (SI)	<ul style="list-style-type: none">• New initiatives related to Training and Medical QI
Reserves	<ul style="list-style-type: none">• Rainy Day (required 90-days)• Funding for supplemental reserves

What are these differences?

Program Comparison: Status Quo & Updated Proposal (KC EMS Programs)



What are the costs of these programmatic changes?

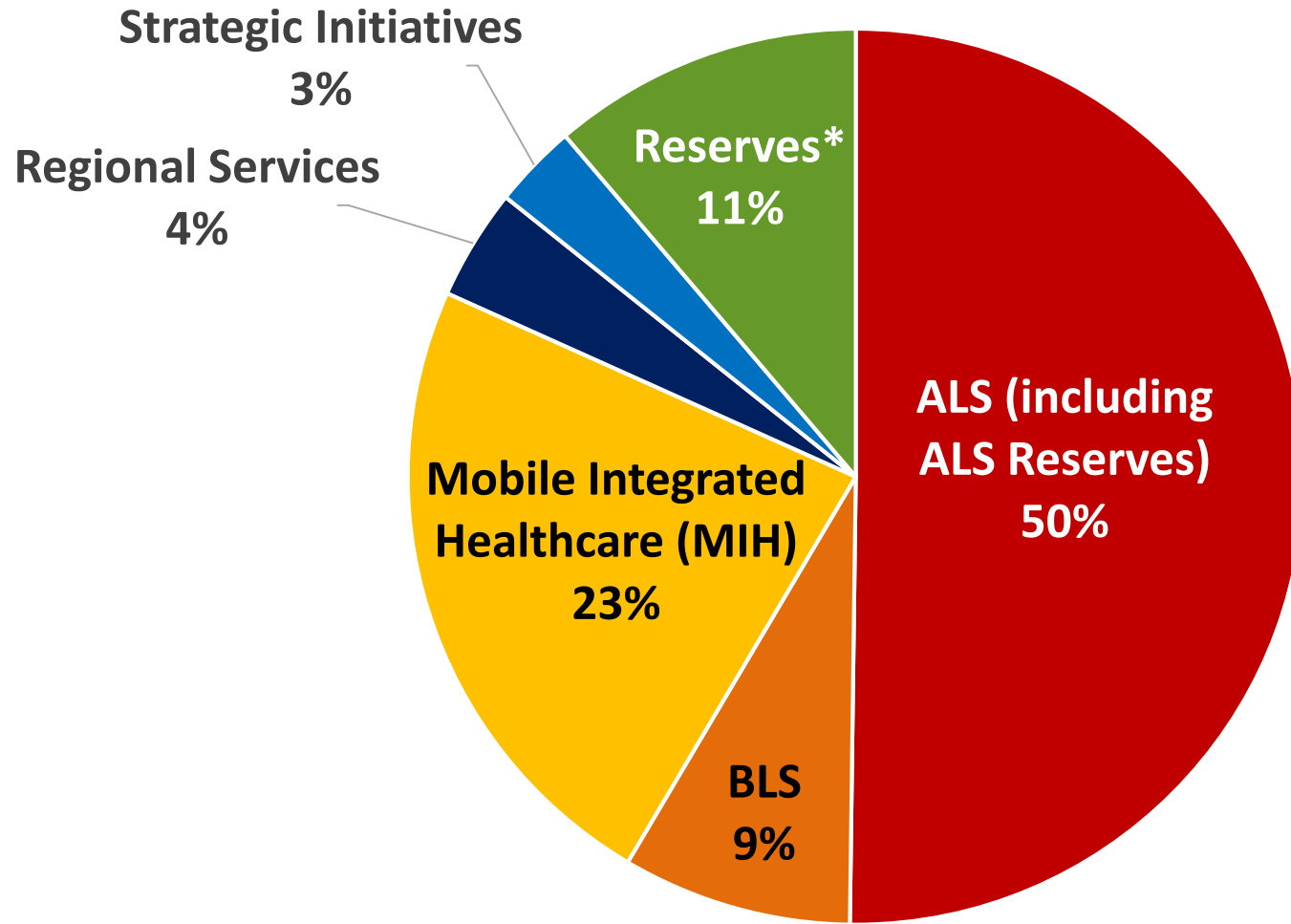
Program Comparison (KC EMS Programs)

(in millions)

EXPENDITURES & RESERVES	STATUS QUO	PROPOSAL	DIFFERENCE	% CHANGE
Advanced Life Support (ALS)	\$342.9	\$370.1	\$27.2	8%
Basic Life Support (BLS)	\$134.6	\$140.6	\$6.0	4%
Mobile Integrated Healthcare (MIH)	\$9.5	\$26.3	\$16.8	177%
Regional Services (RS)	\$76.0	\$78.9	\$2.9	4%
Strategic Initiatives (SI)	\$4.5	\$6.7	\$2.2	49%
ALS Reserves	\$4.7	\$13.8	\$9.1	196%
Rainy Day Reserves	\$25.5	\$27.8	\$2.3	9%
TOTAL EXPENDITURES	\$597.7	\$664.2	\$66.6	11%
Available to Supplement Reserves	\$2.1	\$7.8	\$5.7	278%

What are the changes?

2020-2025 EMS Levy: Programmatic Increases for KC EMS Fund



** Rainy Day Reserves ONLY; ALS Reserves shown as part of ALS*

Available Reserves in the Updated Proposal

2020-2025 EMS Levy: Updated Financial Proposal

PROGRAMMATIC RESERVES		TOTAL (in millions)
ALS Reserves (including placeholder for new unit)		\$13.8
90-day Rainy Day Reserves (required)		\$27.8
SUB-TOTAL PROGRAMMATIC		\$41.6
Available Supplemental Reserves		\$7.8
TOTAL		\$49.4

(Note: Based on August forecast assuming a 27 cent levy)

Pulling it all together

2020-2025 EMS Levy: Updated Financial Proposal

(in millions -- 27 cent levy rate)

REVENUES:	Seattle	KC EMS	Total
Property Taxes	\$451.3	\$643.4	\$1,094.7
Other Revenue (KC EMS Fund)		\$8.6	\$8.6
TOTAL REVENUE	\$451.3	\$652.0	\$1,103.3
EXPENDITURES:			
Advanced Life Support (ALS)	\$149.1	\$370.1	\$519.2
Basic Life Support (BLS)	\$302.2	\$140.6	\$442.8
Mobile Integrated Healthcare (MIH)		\$26.3	\$26.3
Regional Services (RS)		\$78.9	\$78.9
Strategic Initiatives (SI)		\$6.7	\$6.7
TOTAL EXPENDITURES	\$451.3	\$622.6	\$1,073.9
ALS Reserves		\$13.8	\$13.8
Required Rainy Day Reserves (90-days)		27.8	27.8
TOTAL WITH RESERVES	\$451.3	\$664.2	\$1,115.5

See separate attachment for Updated Proposed Financial Plan -- Based on OEFA August Forecast

Financial Plan Summary

2020-2025 EMS Levy: Updated Financial Proposal

EXPENDITURES & REVENUES	Total (in millions)
Total Expenditures	\$1,073.9
Reserves (Expenditure & Rainy Day)	\$41.6
TOTAL EXP. & REV.	\$1,115.5
2020-2025 Property Tax Forecast	\$1,094.7
New Other Revenues (KC)	\$8.6
Carryforward Reserves from 2014-2019	\$20.0
TOTAL REVENUES	\$1,123.3
Funds available to supplement reserves	\$7.8

Cost to the average homeowner: \$168*
(Note: Based on August forecast assuming a 27 cent levy)