

Whatcom County Emergency Medical Services  
Levy Planning Committee/Finance Sub-Committee



**Memorandum to the Whatcom County Council Regarding Impacts to the proposed \$0.199 EMS Levy Rate from the Finance Sub-Committee.**

July 11, 2022

**Finance Committee Members**

Tyler Schroeder	Whatcom County Deputy Executive
Mike Hilley	Whatcom County EMS Manager
Marianne Caldwell	Whatcom County Finance
Forrest Longman	COB Finance
Chief Larry Hoffman	Fire District 7
Scott Korthuis	City of Lynden Mayor (Small City Rep.)
Dewey Desler	Citizen Finance Rep.
Rob Roy Graham	Whatcom County Fire Commissioners
Ben Boyko	Div. Chief Fire District 7
Scott Ryckman	Div. Chief BFD

**Whatcom County Councilmembers**

The Whatcom County Emergency Medical Services (EMS) Levy Finance Committee has analyzed options for the EMS program at the introduced levy rate of \$0.199 per thousand dollars of assessed valuation. This levy rate would leave a shortfall of nearly \$30 million over the 6-year life of the levy, as currently outlined in the levy plan. The following changes to the ongoing EMS levy program would be required to ensure financial stability at that rate:

- reduction from five to four Advanced Life Support (ALS) units;
- elimination of the Community Paramedic Program; and
- elimination of proposed funding to fire districts and fire departments for Basic Life Support (BLS) services.

This would represent a dramatic departure from the levy plan.

The Whatcom County EMS Oversight Board (EOB) began development of recommendations for renewal of the EMS levy in early 2021. The levy Finance Committee was tasked with developing a financial model to provide a financial basis for EOB policy recommendations. Ultimately, the EOB recommended a levy rate of \$0.295 per thousand of assessed valuation. This represents an estimated \$4.7 million increase in collections from the current levy (\$8.6 million in 2022). There are a number of factors driving this recommendation, most significantly:

1. **Program expansion to provide \$1.5 million per year to support Basic Life Support (BLS) operations throughout the County.** BLS is the foundation of EMS services in Whatcom County. In the last three years, the BLS response system has become increasingly stressed and has seen a significant increase call volume. In addition, the countywide fire districts have seen decreased volunteerism in the recruiting of firefighter/EMTs and part-time personnel. It's assumed these

trends will continue and strategies must be developed to meet these increased demands for service. Further, in the early 2000s, when Whatcom County implemented BLS transport, funding was not made available to offset the impacts on the fire agencies providing services in their respective areas. These funds, anticipated to be part of a long-term operational sustainability plan will help offset system-wide reduced participation in volunteer programs and support expanded BLS services in Bellingham and Whatcom County.

2. **Increasing the per unit reimbursement rate from \$2.39 million to \$2.57 million annually (2023 projected).** The current reimbursement rate is insufficient to operate the program. The City of Bellingham's Medic One program began the levy cycle with \$1 million in reserve. As of the end of 2021, that reserve has been entirely depleted. The reimbursement rate must be increased for the City of Bellingham to continue to provide this service.
3. **Dramatic inflationary pressures have accelerated the overall cost of the program.** All costs associated with the program have increased, including labor, medical supplies, vehicles, and fuel. This reflects a \$1.2 million projected increase in the first year of the program compared with a more typical 2% inflation rate.
4. **The dynamic of the reserve target of 70% of operating expenses coupled with inflationary pressures drives increase in year one to ensure sufficient fund balance in year six.** The reserve is targeted to ensure that there is an adequate reserve balance in place for one year of operation if a subsequent levy fails to be renewed. This year is needed to continue operating the system while revamping the plan and then holding a new election for the levy plan. Year one is structured to contribute over \$850,000 to the reserve balance. This is offset by years four through six projected as a deficit (culminating with a \$1 million deficit in year six). The EOB was comfortable with a projected deficit in the out years because of the uncertainty of projecting that far, but reduction in the levy rate would make that deficit a certainty and defer an inevitable increase in rates to the next renewal.
5. **Increasing funding for ALS Training over the life of the levy.** This levy plan anticipates funding the current model of Paramedic Apprenticeship over the life of the Levy, at \$1.2M - \$1.4/year. The last levy plan did not include this ongoing financial support to ALS Training. The program will continue to develop the admissions of outside agencies to offset costs to the Whatcom County EMS Levy as well as strengthen the program for the future.

We hope you will reconsider these recommendations that were developed with the many people working on the EMS levy plan presented for your approval for years 2023 through 2028.