



## WHATCOM COUNTY COUNCIL

### MEMORANDUM

**TO:** Whatcom County Council  
**CC:** Whatcom County Executive Satpal Sidhu  
**FROM:** Councilmember Kaylee Galloway  
**DATE:** October 7, 2025  
**RE:** EMS Levy and Banked Capacity

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#### BACKGROUND

In July 2022, Council adopted the [2023-2028 EMS Levy Plan](#) and placed the EMS levy on the November 2022 ballot for voter consideration. Voters agreed by 63.95% to renew the property tax levy at a rate of \$0.295 or less per thousand dollars of assessed valuation for each of the six consecutive years. Based on assessed values at the time of the Levy Plan adoption, a levy rate of \$0.295 would have raised approximately \$13.2 million. However, when the Assessor published the new assessed values in October 2022, the proposed \$0.295 rate would actually generate about \$15.5 million (the highest lawful levy amount). A district's highest lawful levy is equal to the highest amount the district could have lawfully levied since 1985. That highest lawful levy can be increased by 1% a year plus the assessed value of new construction.

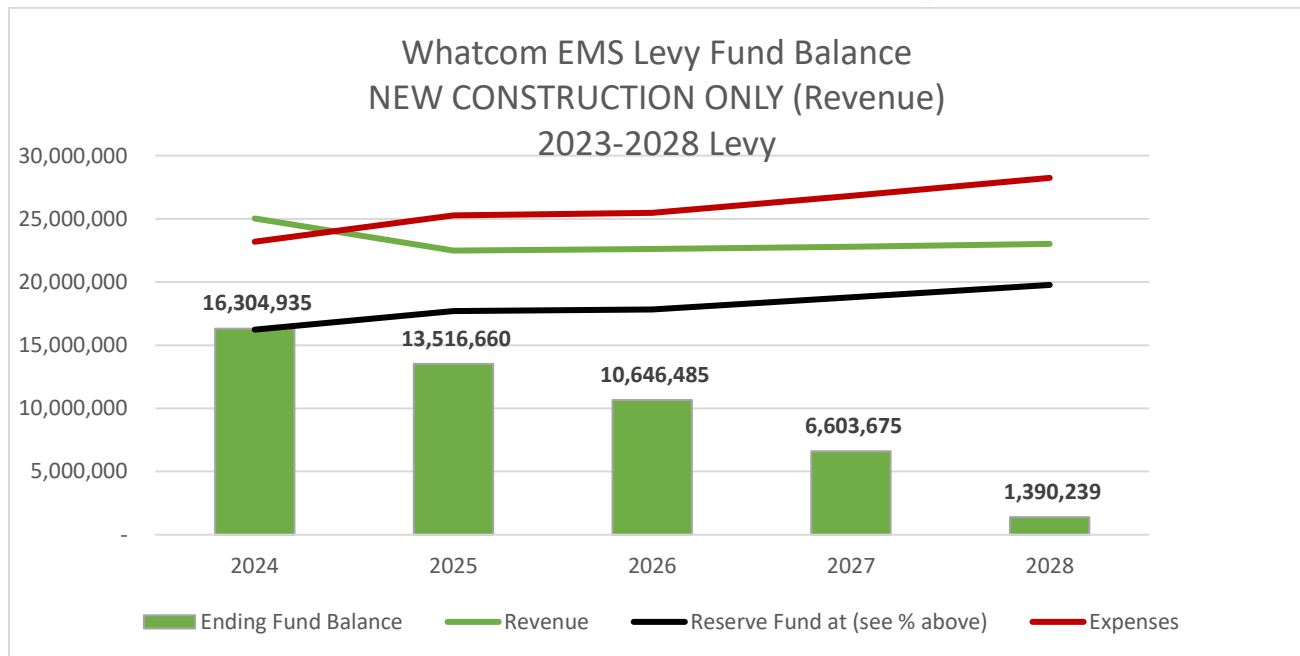
After the successful ballot measure, the County was faced with the question of how much to levy – the amount budgeted in the Levy Plan or the highest lawful levy amount approved by voters. The County Executive's Office proposed to the Council a levy amount of \$13,235,000, which matched both the Levy Plan and the budget adopted by the Council. On November 22, 2022, the County Council approved [Ordinance 2022-075](#), authorizing the levy of taxes for Countywide Emergency Medical purposes for 2023 in the amount of \$13,235,000, or about \$0.252 per thousand dollars of assessed valuation, which was a rate lower than what was authorized by the voters. The approved Levy Plan's budget included \$13.2 million in revenues from the property tax levy in 2023 and slightly higher amounts each year with \$13.9 million anticipated for 2028.

The 2022 decision to proceed with a lower rate left the County with approximately \$2.3 million in unused annual taxing authority associated with the EMS levy (also referred to as banked capacity, which is calculated by taking the difference between a district's highest lawful levy and the actual levy in any given year). On November 21, 2023, the County Council approved [Ordinance 2023-066](#), authorizing the levy of taxes for Countywide Emergency Medical Purposes for 2024 with no increases. On November 18, 2024, the County Council approved [Ordinance 2024-059](#), authorizing the levy of

taxes for Countywide Emergency Medical Purposes for 2025 with an increase of \$133,949, which was a 1% increase from the previous year. As of the 2025 tax year, the banked capacity was \$2,503,105. According to preliminary estimations by the County Assessor's office, taking the 2025 highest lawful levy and increasing that figure by 1%, Whatcom County EMS has a preliminary highest lawful levy for the 2026 tax year of \$16,282,100.57. This amount is exclusive of any add-ons due to new construction value or increases to state-assessed utility valuation, which have yet to be calculated. Banked capacity can be carried over for future collection per [RCW 84.55.092](#) and [WAC 458-19-065](#).

## CHANGED CIRCUMSTANCES

Unfortunately, some of the assumptions made during development of the 2023-2028 Levy Plan differ from reality, leaving a discrepancy between the budgeted vs. actual cost of providing planned levels of service and revenue generation. Inflation-driven cost escalations and stagnant or unpredictable revenues have created significant challenges for the EMS fund, resulting in a structural imbalance (expenses exceeding revenues) and a rapidly depleting fund balance inconsistent with the County's target reserve policy. It is currently projected that without intervention the fund's reserves will be about \$1.4 million by the end of 2028.



Contractual obligations make it difficult to significantly reduce costs and expenditures without also reducing levels of service. For example, 75% of operating funds are personnel and the remainder is equipment, training, fuel, fleet, and other operations costs. Given the previously negotiated personnel contracts based on CPI-W + 1%, increased costs for providing critical ALS services has outpaced revenue collections. Based on current assumptions that contracted costs will accelerate at 5.6% annually, expenditures in 2028 may reach \$28.2 million, well above the \$25.1 million anticipated in the Levy Plan. This threatens the fund's reserve and could create cash flow issues in 2028 and beyond.

Furthermore, the Countywide Emergency Medical Services Fund is dependent on billing client health insurance, including Medicare and Medicaid, as well as Ground Emergency Medical Transportation

(GEMT), which provides supplemental Medicaid payments to public, government-owned ambulance providers to cover the gap between their actual costs and lower state Medicaid reimbursement rates. While the County EMS has received around \$2 million in billing revenue and \$2.3 million in GEMT in the past, passage of H.R. 1, the “One Big Beautiful Bill Act,” combined with other federal level uncertainties make the future of Medicaid reimbursement and GEMT unclear.

On September 25, 2025, the What-Comm Administrative Board approved its budget for 2026, including \$310,000 in additional dispatch fees that were not contemplated in the adopted 2025-2026 biennium budget. These higher costs are also anticipated in 2027 and 2028, adding approximately \$900,000 in expenses through the end of the levy cycle. Additionally, Bellingham announced that it plans to issue bonds to fund the construction of the new What-Comm building. The cost of debt service for the bonds will be spread across the agencies served by What-Comm, and the EMS system’s share of these additional costs is estimated at \$300,000 annually, beginning in 2027. Combined, these expenses will result in an additional \$1.5 million in anticipated EMS expenses.

**PATH FORWARD**

In order to avoid service reductions and unsustainable depletion of the EMS Levy fund balance by 2028, it is necessary to intervene. There are three main levers that the County Executive and Council can consider as we determine the best path forward:

- 1. Amend the County’s EMS Levy Reserve Policy to more accurately reflect the maturation of the EMS levy.
- 2. Review the current budget and identify cost savings and expense reductions.
- 3. Increase revenues to offset rising costs, maintain a healthier fund balance, and ensure levels of service throughout Whatcom County as outlined in the Levy Plan are minimally disrupted.

**EMS Levy Fund Reserve Policy**

Found on page 46 the [2023-2028 EMS Levy Plan](#):

Policy Overview	
Reserves are a proactive management tool to protect EMS’s ability to provide emergency medical service when there are unexpected events or changes in revenue or expenditures. EMS reserves ensure the system can withstand revenue and economic disruptions, unanticipated expenditure demands including capital requirements, and meet other necessary non-recurring expenses. Reserves are a key factor in external agencies measurement of EMS’s financial strength.	
Reserve Policy Principles	
Purpose	To ensure adequate resources for cash flow and mitigate short-term effects of unforeseen events. Reserve funds are necessary to enable the EMS system to deal with unforeseen emergencies, changes in economic conditions, or revenue loss.

<b>Approval</b>	The County Executive shall approve this policy and: <ul style="list-style-type: none"> <li>• The creation or deletion of any reserve amounts</li> <li>• Changes in reserve amount funding formulas</li> <li>• Reserve balances, as part of the annual budget process</li> <li>• Reserve replenishment plans</li> </ul>
<b>Target Balance</b>	The EMS fund balance should be approximately 70% of the current year's budgeted operating expenditures and shall be budgeted at no less than 50% of these expenditures. With other revenue sources, this would allow funding for one year if a levy fails to be renewed. The year needed to hold a new election for a levy would provide time to create a plan moving forward.
<b>Reserve Minimum Target Balance</b>	Should a reserve fall below its minimum target balance, The EMS Administrator, in consultation with the EMS Finance Advisory Committee shall create a plan to bring the Reserve to the balance described in this policy. The plan shall be approved by the TAB and EOB Committee before presenting to the County Executive and adopted for replenishing the reserve balance to the target.
<b>Policy administered by the EMS Administrator</b>	

Updating the policy to more accurately reflect the maturation of the EMS levy would involve a more refined approach that aligns with an anticipated levy renewal and treats emergency reserves as contingency funds, which is consistent with the practices of more mature EMS levies and remains responsive to evolving operational needs.

#### **2023-2028 EMS Levy Planned Levels of Service:**

Expense reductions will likely result in reduced levels of service and thus Council may need to consider a recalibration of the priorities established in the [2023-2028 EMS Levy Plan](#).

The EMS levy pays for five Paramedic Units (Advanced Life Support), operation costs, training (including paramedic school), equipment, technology, vehicles, and the community paramedic program. The 2023-28 EMS Levy Plan provides recommendations for the continued support of Whatcom County's Emergency Medical Services (WCEMS) Advanced Life Support (ALS) system and to better support Basic Life Support (BLS) systems. Funds from the levy were intended to support, and where appropriate, expand Fire System Based Emergency Medicine to meet increasing and expanding community needs.

#### The Levy Plan called for:

- The addition of a fifth Advanced Life Support unit based in Lynden – resulting in reduction in average response times in the northern and eastern foothill areas of the county and only rare occurrences of “no medic units available” status.

- As a result of this new unit, EMS system will be able to more equally distribute travel times and call loads among units by:
  - Moving Medic Unit 10 to North Whatcom Fire & Rescue Station 12
  - Moving Medic 45 to FD7 Station 46
- Increased funding for Basic Life Support
- Increased funding for the Community Paramedic Program, which focuses on substance abuse and mental health-related calls.

#### ALS recommendations

All recommendations refer to supporting ongoing practices or programs:

- Using Standard Unit Allocation model to fund each unit
- Supporting Medical Service Officer position at District 7 and Bellingham Fire
- Supporting EMS 1 Field Supervisor Position for Bellingham. Consider expansion.
- Continuing new ALS360 gurney program (\$523,000/year)
- Continuing Centralized Electronic Patient Care Records system - Image Trend (\$185,000/year)

#### BLS recommendations

BLS agencies face increased call volume and transports, decreased volunteer/part-time workforce, and increased costs related to staffing, supplies, training, durable medical equipment, and recruitment.

- BLS cost allocation of \$1.5 million per year to offset impacts on agencies
- TAB to develop 6-year stability plan for BLS programs
- Continue current programs:
  - Equipment exchange (\$20,000/year)
  - ALS360 gurneys (\$523,000/year)
  - Centralized Electronic Patient Care Records system - Image Trend (\$185,000/year)

#### EMS System Data Recommendations

- Expand the integration of systems like Image Trend and the JULOTA platform. Continue to develop integrated platforms that favor bi-directional community health information sharing.
- Continue the development and deployment of secure dashboards for applicable community partners. Provide information sharing and increased continuous quality improvement data support to the various EMS sectors.

#### BLS Education and Training Recommendations

- Continue to fund and support the county-wide BLS training, tracking, and compliance software Rescue Hub for EMT initial and recertification compliance. Further develop BLS Training Programs throughout the county that enhance and improve the quality of training through the Education Committee and Training Officers.
- Develop and fund BLS/Emergency Services Evaluator workshops/conference that supports the EMS systems requirements for the certification process. (quarterly workshops/conference).
- Build more capacity for EMT training with an emphasis on flexibility and availability. Monitor future capacity and cost as the levy budget develops in the next cycle.

#### ALS Education and Training Recommendations

- Fully fund the current model of Paramedic Apprenticeship over the life of the Levy and 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.
- Support existing Peer Support programs within the Fire Agencies for the mental health of emergency responders. Develop additional training for Community Paramedics, Paramedics, and EMTs in the areas of trauma-informed care, PEER support, mental health responses, health equities in EMS, Pandemic training, Mental First Aid for First Responders, and other specialized training for the changing Fire-Based EMS environment.

#### Diversion, Prevention, and Community Outreach Recommendations

- Fund an additional two Community Paramedic Units to serve the larger and growing county. Planning for all future units should include a Community Paramedic Unit paired with every ALS Ambulance. (\$500,000/year)
- Further the Community CPR/AED and First Aid programs with a goal of becoming a citizen CPR “Heart Safe” community defined by numbers of people trained in CPR that supports increased survival rates from Sudden Cardiac Arrest. (\$5,000/year)
- Create public awareness/prevention programs aimed at reducing morbidity and mortality related to sudden traumatic injuries as part of the County’s trauma prevention outreach.

#### Prospect Medical Dispatch Recommendations

- Continue to support the Fire Agencies Prospect Dispatch Center annual fees at approximately \$2.1 million with a projection of up to \$2.3 million per year that supports the day-to-day operations along with supporting technology upgrades necessary to continue to orient and adapt to a dynamic and evolving needs of the community.
- Continue to have the TAB integrate with the Fire Chiefs Operations Committee to make recommendations to the EOB regarding future recommendations regarding the Prospect Dispatch Center.
- Ask the EOB to investigate/determine an alternate method for invoicing/paying for dispatch fees to move the remaining portion of the Fire Fees (BFD, LFD, WC) from those general funds. In this scenario, all dispatch fees would be invoiced directly to the Fire Districts/Departments from What-Comm.

#### Administration Recommendations

- Continue support for the current configuration of the WCEMS Administrative office employing an EMS Manager, EMS Training Specialist, EMS Data Analyst, and the EMS Administrative Office Coordinator for the six-year levy period. In addition, this budget supports the Medical Program Director as a contracted position where the EMS office administratively supports the MPD.
- Continue to support the Whatcom County Medical Program Director’s contract with a negotiated stipend for the six-year levy period. This agreed amount will include CPI-W inflators using the Seattle/King County CPI-W index in June of each year with a minimum of 3.0%. This would include a \$5,000 training and continuing education budget.

#### **Potential Cost Savings and Expense Reductions:**

The Technical Advisory Board (TAB) was tasked with identifying budget reductions and potential savings. In July 2025, the TAB met and made the following recommendations:

1. Banked Capacity Collection. Take action to immediately collect the full banked capacity to align with the voter-approved EMS levy's original rate. Note: While this action will not fully restore the levy to its original rate, it will bring us significantly closer, helping to stabilize funding in the near term.
2. Reserve Policy Adjustments. Revise the reserve policy to reflect the maturation of the EMS levy. This includes transitioning from the original position of maintaining emergency operating reserves toward a more refined approach—one that aligns with a renewed levy and treats emergency reserves as contingency funds, consistent with the practices of more mature EMS levies. Additionally, we recommend considering a tiering-down concept over the life of multiple levy cycles. This would allow for a gradual and strategic reduction in reserve levels as the system stabilizes and matures, ensuring that reserve policies remain responsive to evolving operational realities. Note: The subcommittee is currently researching reserve fund policies from three other counties in Western Washington to inform our approach and ensure alignment with best practices.
3. MIH Unit Implementation Delay. Continue the delay of implementing the two additional CPM/MIH units that were originally recommended to be phased in over the life of the current levy cycle.
4. Evaluation of CPM Units and EMS Office Staffing. Consider shutting down the currently operating CPM units. Note: The subcommittee did not conduct a cost analysis to determine whether any financial incentives or savings may be realized from reducing or eliminating CPM operations. If cost savings are being prioritized, we recommend evaluating EMS Office expenditures before considering reductions to ALS services, including CPM units, which provide direct patient care and system-wide value. Furthermore, we suggest developing a prioritized list of EMS Office roles deemed essential to operations. Should a recommendation regarding EMS Office staffing be pursued, it would be appropriate for that to precede any consideration of reductions to CP positions.

Here is a breakdown of estimated cost savings/expense reductions and the impacts to levels of service:

- Delaying implementation of expanding the Community Paramedic Program would save future costs. Each community paramedic unit costs about \$250,000 per year so delaying expansion of two more would save an estimated \$500,000. Please note, these costs are not currently reflected in the fund balance projections so delaying implementation will not impact the current projections, but if the program became budgeted it would have an impact on the fund balance and future projections.
- Shutting down the Community Paramedic Program would save about \$750,000 per year. There are three current community paramedics, two serving Bellingham and one based out of District 7 serving the rest of the County. An analysis of a variety of Community Paramedic programs in other jurisdictions showed the benefits and cost savings these programs can deliver in the long run. As Whatcom County continues to grow, so do our needs and demands on the EMS system.

Community Paramedics help reduce call volume by responding to frequent utilizers of the system. They often respond to people who are vulnerable, such as from falling or overdosing, and can help with prevention by making connections in the community. This program meets growing/evolving needs and can help delay growing the EMS system in more expensive ways.

- Evaluate reducing Whatcom County EMS Office staffing levels. In total, the office budget is approximately \$500,000. The County is responsible for administering the EMS Levy funds and working with all the stakeholders. The WCEMS Administration is tasked with supporting the EMS system in the areas of strategic initiatives, contract administration, system performance, monitoring financial stability, supporting training and education systems, data development, and communications. In addition, the WCEMS Administration supports the Whatcom County Medical Program Director in the areas of EMT and Paramedic certifications and licensure, operational and medical practices as well as developing treatments and future technologies for better patient outcomes. The current EMS Administration staff positions were formally approved in the EMS Levy Plan, but there would be benefit in evaluating the positions to determine if there are any possible cost savings by eliminating duplication of resources. For example, some of the WCEMS office responsibilities like training could be absorbed by Bellingham Fire Department staff at no increased cost. Mission Critical Partners (MCP) considered WCEMS office structure in the [Fire and EMS Study](#), and “MCP does not believe the office is rife with waste.”

Other major expenditures Council could consider reducing or eliminating include:

- Reduce or eliminate the BLS allocations, which currently are \$1.5 million per year. BLS allocations are already modest, and arguably there are needs for increased investments. Reducing or eliminating the BLS allocation would have disproportionate impacts on rural fire districts that rely on these funds to support minimal staffing levels and their volunteer EMTs and firefighters. Furthermore, BLS units have seen increased demand for transport services, so further reductions would challenge their current levels of service.
- Eliminate the newest medic unit (M75) based in Lynden, which serves the northern and eastern foothill areas of the county. Return back to four medic units. Cost savings are estimated to be around \$2.5 million per year. This would result in reduced levels of ALS services, especially to more rural but growing communities. It would increase demand on the other four ALS units, including having to cover a larger territory which will increase response times.

The Mission Critical Partners [Fire and EMS Study](#) identifies several other potential cost savings that would need to be further analyzed. The report did not go into full depth on how these areas would save money and perhaps some of these strategies are already a work in progress. The Executive, WCEMS Office, and Council should work collaboratively with stakeholders to identify opportunities to innovate that could result in further cost savings. Based on the report, ideas to explore include:

- Regional coordination, and in some cases consolidation, to enhance opportunities to share fleet management, facilities management, purchasing and procurement programs, and chiefs and command staff.



- Co-location of What-Comm and Prospect dispatch. While there is discussion of possible quicker communications times and more efficiency, the study does not quantify what if any cost savings would occur.
- There are five ALS Units in Whatcom County at a cost of about \$13.8 million per year. Each Medic Unit is staffed with two paramedics, which ensures a high level of clinical expertise on every call. MCP recommends the County explore transitioning to a single-tier system, which would staff each medic unit with one paramedic and one EMT. This could reduce staff costs, but would require the medical director to approve alternative response configurations.
- Paramedic training being provided through local academic institutions to increase the availability of qualified personnel within the region. Paramedic training accounts for \$1.6 million in the EMS Levy budget. Bellingham Fire District leads the paramedic training efforts in the county, with instructional staff drawn directly from within the department. These instructors bring significant operational experience and are deeply committed to the training process. However, this model presents cost challenges, as utilizing department personnel—particularly at current wages and benefit levels—results in higher instructional costs compared to those at traditional academic institutions. Much of this program is taught using overtime pay, which further increases costs.

The intent of identifying potential cost savings is to spur cooperative innovation. However, it is also important to consider that many of these expense reductions and cost savings could impact levels of service and hinder or prevent necessary expansion into the future. This needs to be a longer-term conversation because the County’s growing population and evolving community needs will eventually necessitate an expansion in the system rather than a contraction. How the system grows and evolves needs to be strategic, innovative, and cooperative among all the stakeholders. There are some interventions like community paramedics that may cost upfront, but meet a growing community need and delay the need to expand the system in more costly ways such as adding another ALS Medic Unit.

### **Options for Increasing Revenue:**

Regardless of method, increased funding is necessary to maintain existing levels of services and may allow for modest expansions of critical programs like the [Community Paramedics Program](#), which is consistent with:

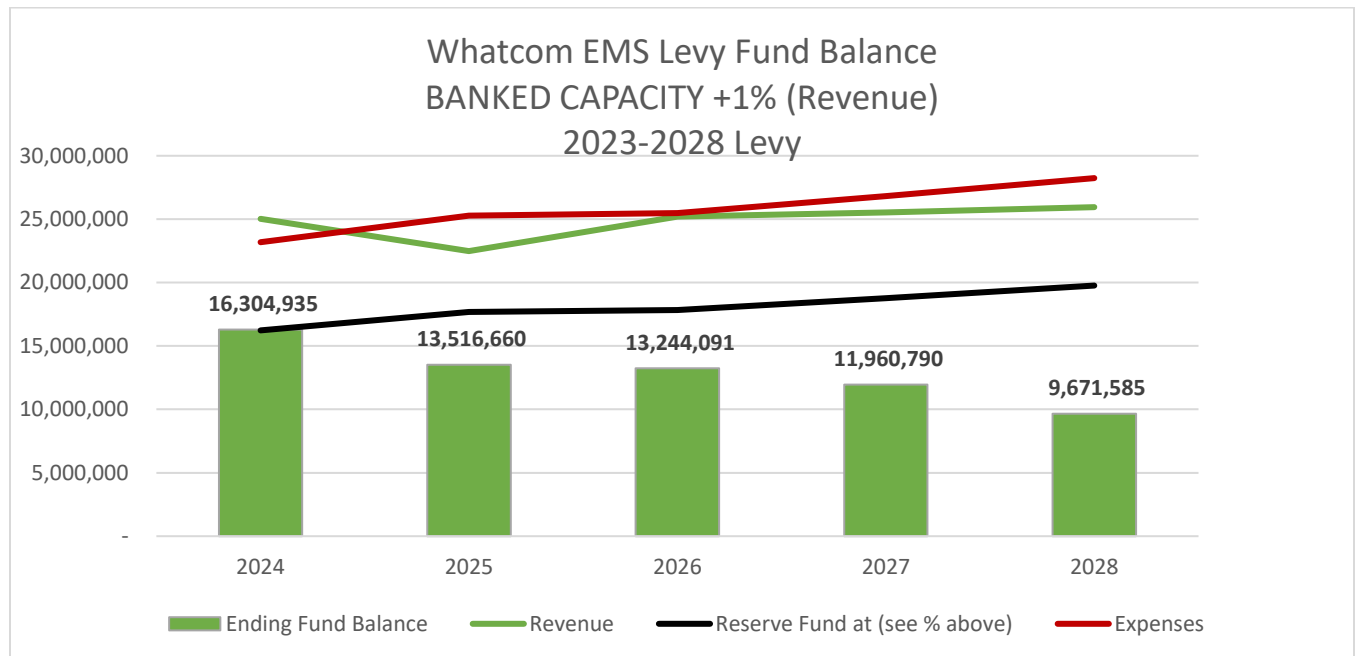
- The 2023-2029 EMS Levy Plan (which called for 5 community paramedics)
- Council’s priorities established in [Ordinance 2023-039](#), Exhibit A
- The [Justice Project Implementation Plan](#)
- [Resolution 2024-017](#), recognizing the fentanyl crisis, and the subsequent [Executive Order 2024-02](#) and [Fentanyl Operations Plan](#).

There are a few options for Council to consider that would help increase revenues for the EMS system:

### **Banked Capacity**

The Mission Critical Partners [Fire and EMS Study](#) “recommends that the County consider utilizing its banked capacity and the 1% levy lift in the future to maintain financial stability”. The report states “The ‘banked capacity’ and levy lift should be enacted for the remaining years of the current levy term to

offset rising costs and potential funding reductions, including those related to Medicare and the Ground Emergency Medical Transportation (GEMT) program.” The County currently has approximately \$2.5 million in banked capacity/unused property taxing authority. This is the difference between the highest lawful levy amount set by voter approval of \$0.295 per thousand dollars of assessed valuation and the current rate of collection. Using the banked capacity would close the gap on the structural imbalance, minimize the impacts to levels of service, and restore the fund balance to a healthier level. Here is a graph that shows projections if the full banked capacity plus 1% was used:



### Grant Opportunities

The MCP [Fire and EMS study](#) notes that state and federal grant opportunities have varied and dwindled over the years, but that regional or statewide applications have a higher chance at success compared to single entity applications. Whatcom EMS and Fire Districts should consider applying to every applicable state or federal grant opportunity. Examples of federal programs include Assistance to Firefighters Grants, Staffing for Adequate Fire and Emergency Response, and Fire Prevention and Safety grants.

### EMS Billing

As noted in the MCP [Fire and EMS study](#), EMS billing has long been used as a revenue source to help offset operational costs, though billing alone does not fully recover the expense of running the EMS system. There are many complicating factors associated with billing, making it hard to grasp whether collections are fully realized. Currently, BLS billing is done by each fire district and it is not clear if all fire districts bill. This may be an underrealized opportunity for increased revenues for BLS and in the long run could alleviate the EMS Levy’s BLS allocation. ALS providers manage the billing for ALS services, and the reimbursements are returned to the EMS levy budget. Since the EMS Administration does not coordinate billing and does not have access to billing information, MCP was unable to determine whether Whatcom County uses soft billing or hard billing practices. This should be further investigated. Soft billing does not aggressively follow up on nonpayment where hard billing is more

assertive and continual action is taken to recover the cost. If Whatcom County ALS and BLS providers are not using a hard billing approach, this again could be a missed opportunity to recover costs and increase revenues to both the Districts and EMS Levy Fund.

#### Paramedic Training Tuition

Another potential, though modest, revenue generating option is further increasing the paramedic training tuition for out of area students who are affiliated with other agencies. There could also be benefit to expanding the paramedic training slots to allow for more out of area students and possibly unaffiliated candidates willing to pay out of pocket. There is a nationwide workforce shortage for paramedics and a regional shortage for paramedic training programs. Bellingham Fire District offers a high caliber training program that is often highly sought after by neighboring cities and counties to train their aspiring paramedics. Expanding paramedic training would necessitate hiring additional instructors, which could help reduce costs in the long run such as in overtime wages, and could reduce potential burnout/turnover rates of instructors carrying a more than full time workload.

#### Sales and use tax for emergency communication systems and facilities

Another option is authorizing a ballot measure that would collect a sales and use tax for emergency communication systems and facilities. In Washington, the 911 sales and use tax measures are a local option, requiring voter approval in each county or city that wishes to impose or increase the tax ([RCW 82.14.420](#)). This is separate from the statewide 911 excise tax levied on phone lines. Funds can be used for costs associated with financing, design, acquisition, construction, equipping, operating, maintaining, remodeling, repairing, reequipping, and improvement of emergency communication systems and facilities. Several counties and cities have considered or passed a 911 tax. A 911 tax could help fund both Prospect and What-Comm Dispatch services. Currently, the EMS levy funds about \$2.6-3 million for dispatch, and that is expected to rise. Whatcom County, along with the cities of Bellingham and Lynden, also use some General Fund funding for dispatch not covered by the EMS Levy, which is about \$740,000 per year in total from the three agencies. The County's share is about \$307,000 in 2024 and an expected \$275,000 in 2025. The County's EMS Administration recently had a meeting with the Fire Chiefs and the Chiefs suggested considering authorization of a 911 tax through a vote of the public.

#### **CONCLUSION:**

Solving this issue and getting back on track will likely require striking a balance between changing the target fund balance policy, reducing expenditures with the lowest impact to level of services, innovating to realize further cost savings, and increasing revenue. Fortunately, with strategic intervention now, it is not too late to correct the course. It is important that we make careful decisions to avoid jeopardizing the health of the system and the welfare of the public. This is also a rural equity issue in that every community member no matter their income status or where they live deserves access to excellent levels of service from our emergency response agencies. And last, but definitely not least, we must support our first responders, who are out there every day saving lives.