

EMS Budget and Levy Scenarios

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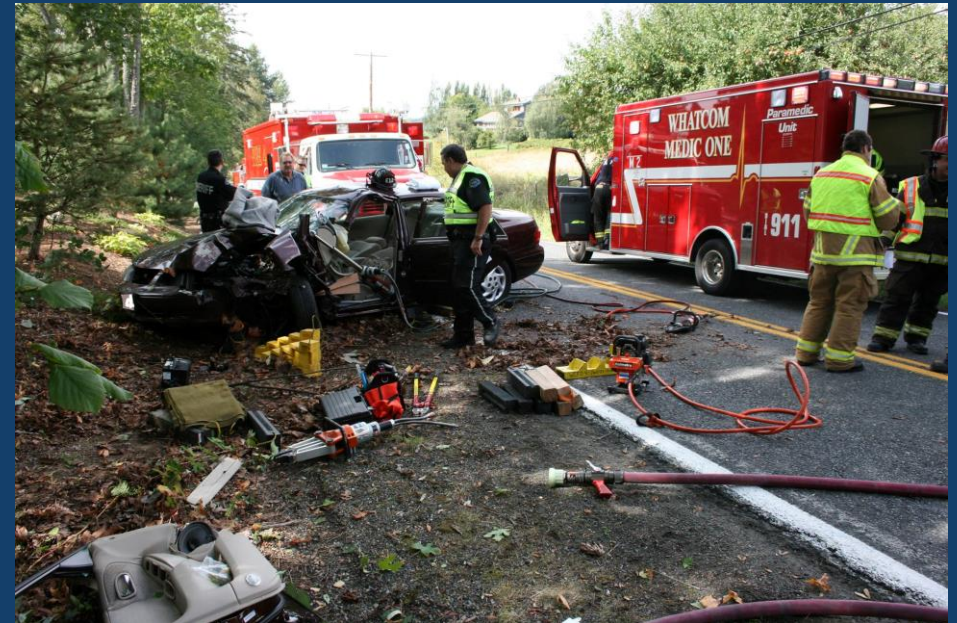
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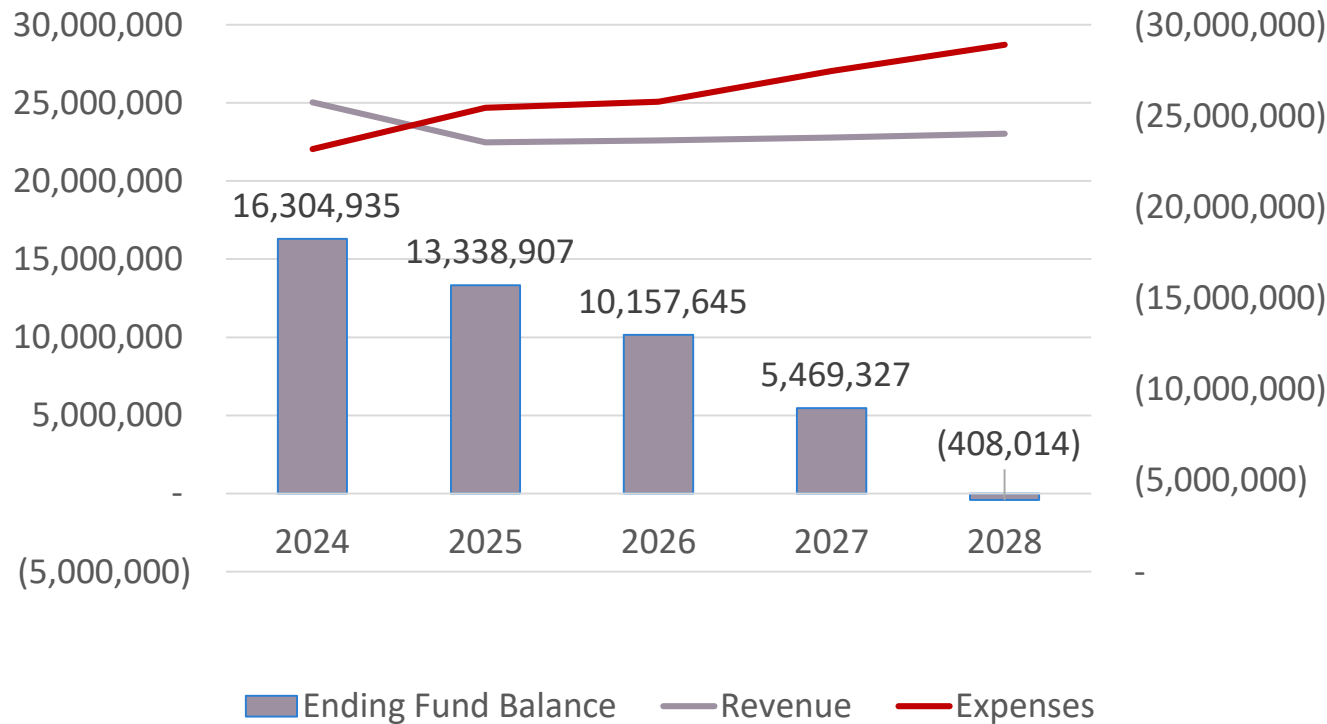
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The Challenge

Whatcom EMS Levy Fund Balance
New Construction Only



There is a structural imbalance in the Whatcom County Emergency Medical Services (EMS) Fund

- Revenues are not keeping pace with expenses due to inflationary pressures and unplanned costs.
- Structural deficit estimated at \$2.9 million for 2025 and may grow to \$5.5 million by 2028.



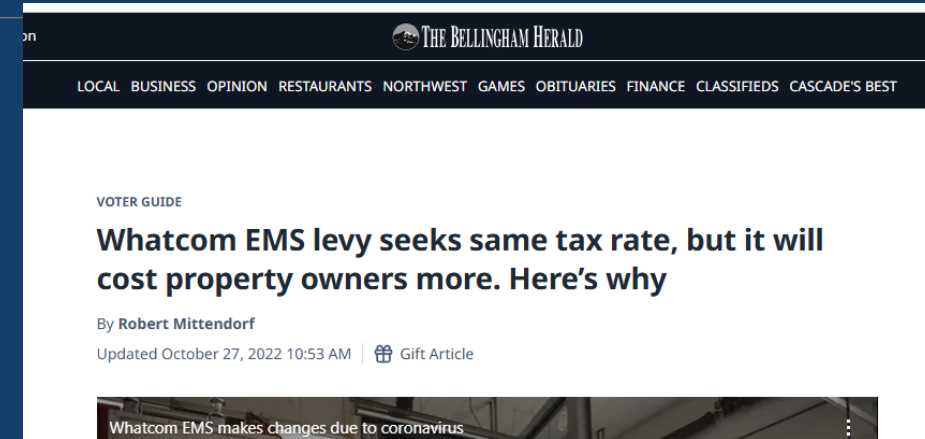
Background

- In July 2022, following the EMS Oversight Board (EOB)'s recommendation, the Council adopted the 2023-2028 EMS Levy Plan – and put the levy on the ballot.
- The Levy Plan's budget included \$13.2 million in property tax revenue in 2023, slowly increasing to \$13.9 million in 2028 thanks to new construction.
- In Oct 2022, after the Council put the measure on the ballot but before the voters approved the measure, the Assessor published new assessed values that showed the rate proposed could generate \$15.5 million.



Background

- **After the levy passed**, the question remained – should the county levy the smaller amount in the levy plan (\$13.2 million) or the larger amount authorized by voters (\$15.5 million)?
- Executive proposed, and council approved, the smaller amount (\$13.2 million), which was aligned with the Levy Plan & the county budget already adopted by council.
- The difference between what was approved by the voters and what was implemented is carried forward to future years and is often referred to as “banked capacity”.
- For the tax year 2025, the EMS Levy had the authority to collect \$16.1 million, but only levied for \$13.6 million, leaving **\$2.5 million in banked capacity**.



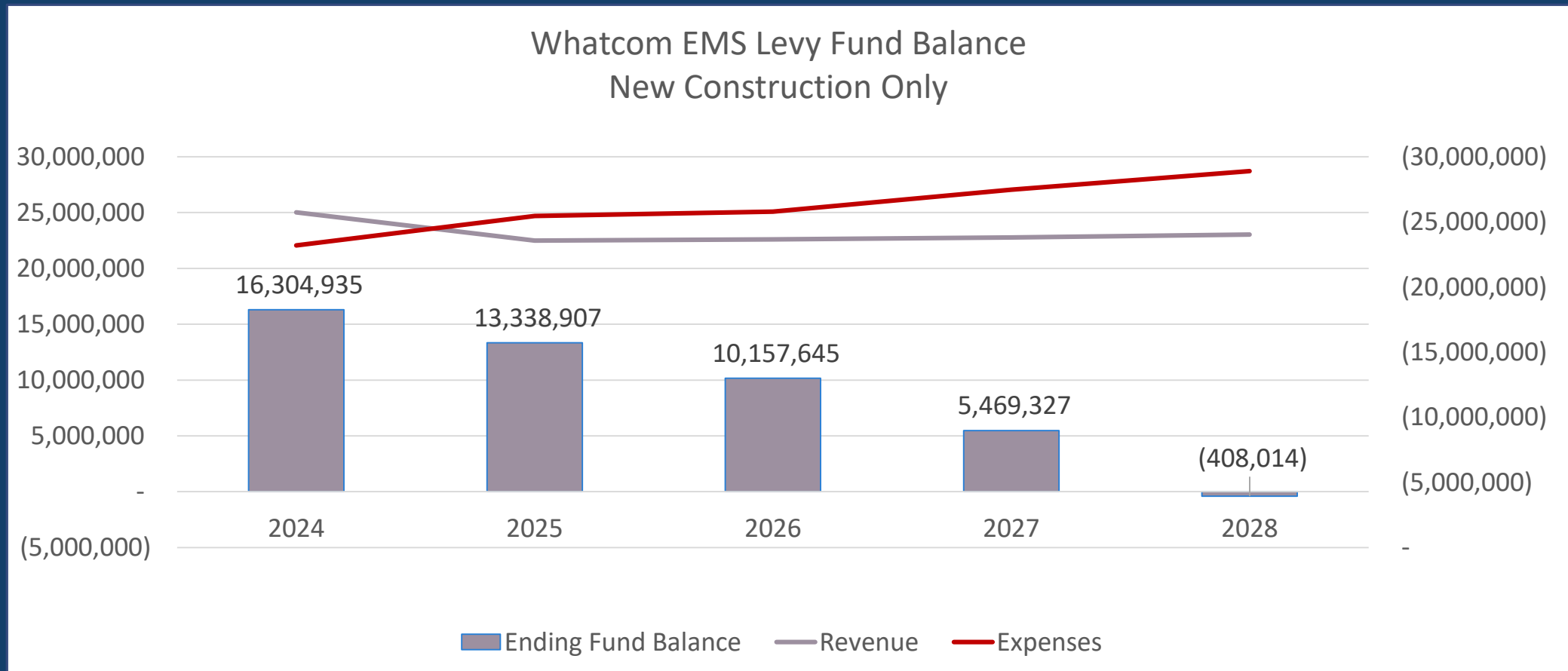
Structural Imbalance & Fund Reserve

- EMS Levy plan has fixed revenue (property tax) and variable expenditures.
- Significant inflation from 2021 to 2023. ALS reimbursements, dispatch costs, County indirect costs, and paramedic school costs all were more expensive than budgeted.
- Total expenditures for 2025: \$25.3 million, approx. \$2.8 million more than budgeted.
- The EMS Levy Plan stipulates that the EMS fund balance should be at least 70% and no less than 50% of current year's operating expenditures.
- If the reserves fall below minimum target balance, the EMS Administrator along with appropriate bodies, shall develop a plan to achieve compliance.



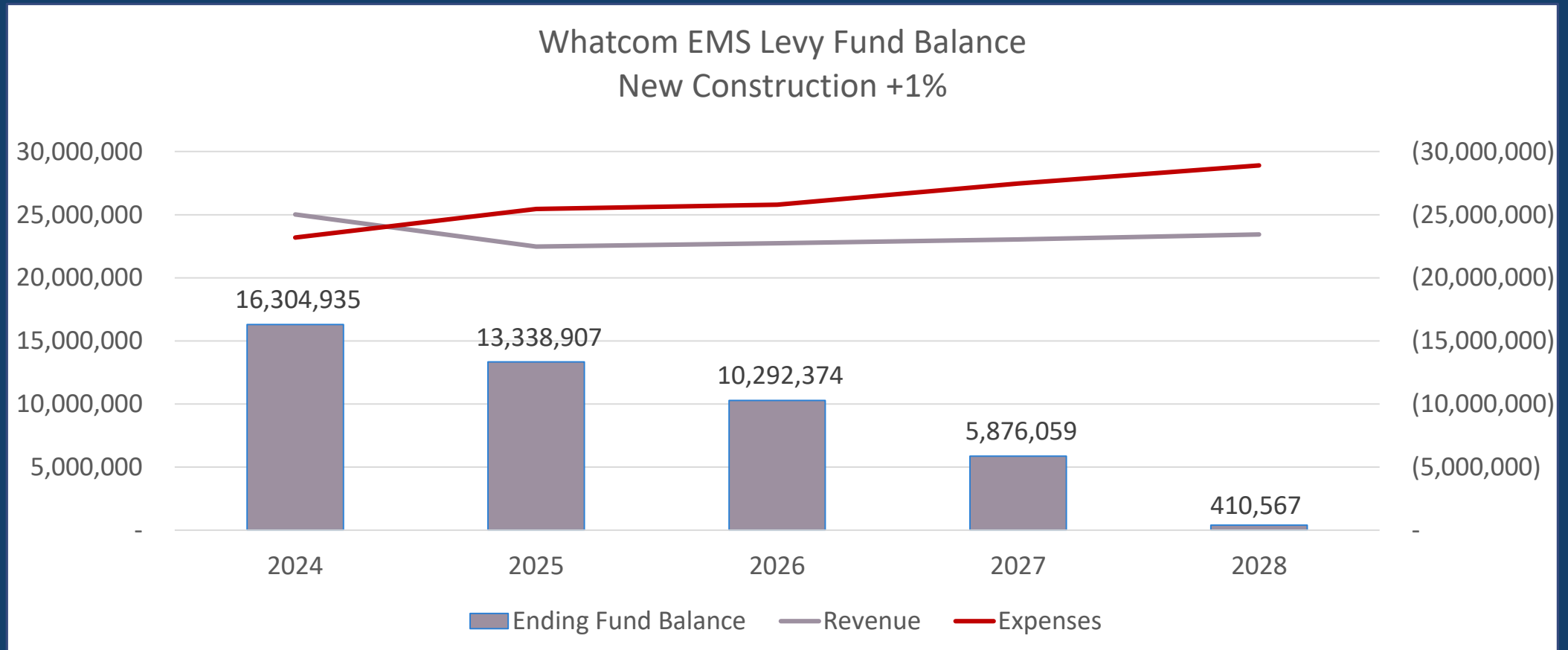
Fund Balance Projection

- Option #1: Maintain current levy amount plus new construction.



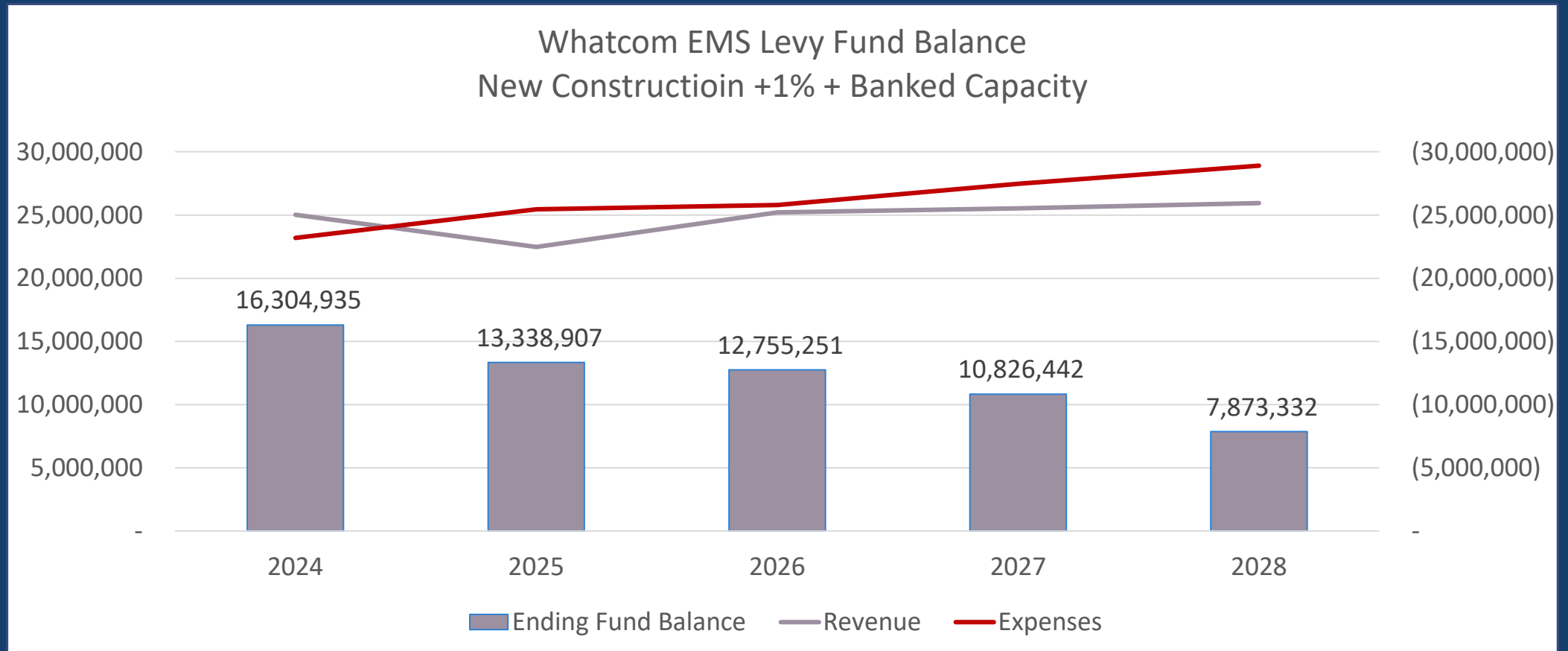
Fund Balance Projection

- Option #2: Increase current levy amount by 1% annually plus new construction



Fund Balance Projection

- Option #3: Utilize full banked capacity each year



Analysis

- Minimum fund reserve should be maintained – at least 3 months of operating costs, or \$7.25 million in 2028.
- **Most practical path to maintain reserves is to levy full voter-approved capacity for the EMS Fund beginning in 2026.**
- This would result in an impact of an additional \$26 a year on a \$635k home.



Next Steps

- EMS Oversight Board will meet on Friday, October 10, to discuss and consider a recommendation regarding banked capacity.
- The County Executive will include a proposal on the EMS Fund budget in the MBR adjustments.

