

June 12, 2019

MEMORANDUM

To: Gender Equity, Safe Communities, New Americans, and Education Committee
From: Greg Doss, Central Staff Analyst
Subject: CB 119539 & the Emergency Medical Services Levy

Council Bill (CB) 119539 would authorize the Mayor to enter an interlocal agreement (ILA) with King County and would further authorize King County to place on the ballot at the next General Election (November 5, 2019) a measure renewing the county-wide Emergency Medical Services (EMS) Levy. The CB conditions the ballot measure authorization on the execution of the ILA (see Attachment 1). If approved by King County voters, the new levy would provide \$436 million during a six-year period in total revenues to the City of Seattle's Fire Department for emergency medical services.¹

Background

King County's Medic One/EMS system provides residents of King County (including the City of Seattle) with life-saving prehospital medical care through an internationally recognized regional response system². This system relies on coordinated partnerships with fire departments, paramedic agencies, dispatch centers and hospitals. The City of Seattle operates and funds a Medic One emergency services program that is separate from the county program but is part of the regional delivery system. While emergency medical services within the City of Seattle are coordinated through the Seattle Fire Department, all Medic One system staff receive the same training and work with similarly equipped medic vehicles.

The current six-year EMS Levy (2014-2019) supports both Basic Life Support (BLS) and Advanced Life Support (ALS) services. BLS personnel, usually first to arrive on scene, provide immediate basic life support medical care that includes advanced first aid and may include CPR to stabilize the patient. BLS is staffed by firefighters trained as Emergency Medical Technicians (EMTs), certified by the state and required to complete initial and ongoing training.

ALS personnel are paramedics that respond to about 25 percent of calls for service and usually arrive second on scene to provide emergency care for critical or life-threatening injuries and illness. Paramedics receive more than 2,500 hours of intensive training through the University of Washington/Harborview Medical Center Paramedic Training Program.

¹ Projections provided by the City Budget Office.

² Other Medic One system partners include South King County Medic One (Kent), Redmond Medic One, Vashon Medic One, Bellevue Fire Medic One, Shoreline Fire Medic One.

Analysis

The current six-year EMS Levy (2014-2019) is due to expire December 31, 2019. The King County Council is currently reviewing a [proposed ordinance](#) that would place a renewed EMS Levy on the ballot for an additional six years (2020-2025).³ In accordance with [RCW 84.52.069](#), the County may not place a renewal measure on the ballot until it has obtained approval in the form of an ordinance from 75 percent of the cities that (a) lie within its boundaries and (b) have in excess of 50,000 residents.⁴ CB 119539 would provide such authority on behalf of the City of Seattle.

The Medic One/EMS Levy Advisory Task Force (Task Force) created the 2020-2025 EMS Strategic Plan and the Levy's Financial Plan (see Attachment 2). The Task Force is a body that consists of elected and appointed officials from the County, cities, and fire districts served by the system. The Task Force includes Seattle Fire Department Chief Harold Scoggins and is monitored by City of Seattle City Budget Office (CBO) staff.

The proposed ILA was approved by the Task Force and would require the County to transfer to the City of Seattle all EMS revenues collected from taxable property located within the legal boundaries of the City of Seattle. This is consistent with past practice for prior levies. As shown in Table 1, the average millage rate (levy rate per \$1,000 of Assessed Value (AV)) for the current EMS Levy is \$0.27 and produced a six-year total of \$284 million for the City of Seattle.⁵

Table 1. Current 2014-2019 EMS Levy (2019 Estimated)

	2014	2015	2016	2017	2018	2019	Six-Year Total and Average AV
Revenue Amount	\$42.7M	\$43.5M	\$45.8M	\$48.4M	\$50.7M	\$52.5M	\$284M
Millage Rate	\$0.335	\$0.302	\$0.282	\$0.263	\$0.239	\$0.217	\$0.273
Projected Net Total EMS Levy Proceeds for Seattle: \$284M							

As shown in Table 2 (page 3), the proposed 2020-2025 EMS Levy would have an average millage rate of \$0.25. CBO projects that it would produce a six-year total of \$436 million for the City of Seattle. The increasing value of property in Seattle allows the City to collect more revenue at lower rates.

Table 2. Proposed 2020-2025 EMS Levy

	2020	2021	2022	2023	2024	2025	Six-Year Total and Average AV
Revenue Amount	\$68.3M	\$70.0M	\$71.7M	\$73.5M	\$75.3M	\$77.2M	\$436M
Millage Rate	\$0.265	\$0.260	\$0.253	\$0.249	\$0.245	\$0.239	\$0.252
Projected Net Total EMS Levy Proceeds for Seattle: \$436M							

³ See King County Council Bill #2019-0185.

⁴ The following cities have a population over 50,000: Auburn, Bellevue, Burien, Federal Way, Kent, Kirkland, Redmond, Renton, Sammamish, Seattle and Shoreline.

⁵ This figure is based upon current CBO revenue estimates for 2019.

For the owner of a home in King County with a \$594,000 AV (median assessed home value for King County), the 2020 annual levy cost would be \$157.00. Under the current EMS levy rate structure, the cost for the same homeowner would be \$129.00 for 2019.

During 2020, CBO projects that a renewed EMS Levy would produce approximately \$68.3 million for the City of Seattle. In contrast, the 2020 Endorsed Budget assumes approximately \$71.2 million in EMS revenues (\$2.9 million more than current projections). In the event that the renewed EMS Levy is approved by County voters, CBO indicates that the \$2.9 million difference would be backfilled with General Fund and that the difference will be addressed as part of the Mayor’s 2020 Proposed Budget in consideration of any other Fire Department and General Fund issues that arise.

CBO staff have indicated that Levy proceeds fund a portion of annual City EMS and SFD costs and cost growth has exceeded revenue growth from the levy. General Fund resources make up the difference. Over the six years between 2013 and 2019, SFD’s adopted budget, excluding grants, grew by about \$54 million, from \$166 million to \$220 million. During this same period annual revenues from the levy grew approximately \$18 million from \$34.6 million in the last year of the previous EMS levy (2013) to an estimated \$52.5 million in the last year of the current levy (2019).

Key Dates and Next Steps

The following are the last key dates by which the City Council must complete its review process to authorize King County to place a levy renewal proposal before the voters in November 2019:

Monday, June 24, 2019	<ul style="list-style-type: none"> • Last date for Full Council to vote on ordinance requesting item be placed on the ballot, factoring 10 days for Mayoral approval, and 30 days for the ordinance to take effect before the deadline.
Monday, August 5, 2019	<ul style="list-style-type: none"> • King County Council has requested that affected cities each transmit an authorizing ordinance to the County.
Tuesday, August 6, 2019	<ul style="list-style-type: none"> • King County Elections Division deadline for King County Council to submit an ordinance requesting item be placed on the County ballot.

CB 119539 would become effective on the latest of (a) 30 days after its approval by the Mayor; or (b) the date that the King County Executive signs the agreement required by Section 2 of CB119539 (see Attachment 1). The proposed Council Bill has a ratify and confirm clause that would allow the Mayor to sign the agreement during the 30-day period required for the ordinance to take effect.

Attachments:

1. Interlocal cooperation agreement for allocation of property tax revenues between the City of Seattle and King County (2020 -2025)
2. 2020-2025 EMS Strategic Plan and Levy Financial Plan

cc: Kirstan Arestad, Central Staff Director
Dan Eder, Deputy Director

Attachment 1
**Interlocal cooperation agreement for allocation of property tax revenues between the City of
Seattle and King County (2020 -2025)**

**INTERLOCAL COOPERATION AGREEMENT FOR ALLOCATION OF
PROPERTY TAX REVENUES**

BETWEEN THE CITY OF SEATTLE

AND

KING COUNTY

(2020—2025)

THIS AGREEMENT is entered into pursuant to the "Interlocal Cooperation Act," codified as Ch. 39.34 RCW, by and between The City of Seattle ("The City") and King County ("The County"); WITNESSETH:

WHEREAS, the County desires to place before the qualified electors of King County a ballot proposition authorizing the County to levy additional regular property taxes County-wide in amounts up to 26.5 cents per thousand dollars of assessed valuation each year for six consecutive years on all taxable property within King County for the support of emergency medical services ("EMS") pursuant to the powers granted to it in RCW 84.52.069; and

WHEREAS, the City operates and funds an emergency medical services program which is independent from, but coordinated with the County's program; and

WHEREAS, a portion of the revenues to be collected pursuant to the County-wide EMS levy will be attributable to taxable property located within the legal boundaries of the City; and

WHEREAS, the parties hereto desire to reimburse and transfer to the City for the support of its emergency medical services program all revenues to be collected pursuant to the County-wide EMS levy from the taxable property located within the legal boundaries of the City of Seattle; and

WHEREAS, the County has determined that the reimbursement and transfer agreement set forth below will not affect the County's ability to provide emergency medical service throughout the County; and

WHEREAS, RCW 84.52.069 provides that no County-wide EMS levy proposal may be placed on the ballot without the legislative authority of at least 75% of those cities with a population exceeding 50,000.

Attachment 1
Interlocal cooperation agreement for allocation of property tax revenues between the City of
Seattle and King County (2020 -2025)

Now, Therefore, the parties agree as follows:

1. The County shall submit to the qualified electors of King County at a general election to be held on November 5, 2019, a proposition authorizing the County to levy additional regular property taxes each year for exactly six consecutive years beginning in 2019 for collection beginning in 2020 on taxable property within the County in amounts up to twenty-six and a half (26.5) cents per thousand dollars of assessed valuation pursuant to RCW 84.52.069 for expenses incurred in the provision of emergency medical services.
2. This Agreement shall commence upon its signing by both parties. This Agreement shall terminate when all property taxes levied by King County under this Agreement have been collected and the proper share transferred to the City.
3. Upon approval by the qualified electors of King County of the authority for additional regular property tax levies as set forth in RCW 84.52.069 and paragraph 1 of this Agreement, the County shall transfer to the City all revenues collected pursuant to the County-wide EMS levy from taxable property located within the legal boundaries of the City.

The total amount transferred shall not be less than the smaller of the following:

- a) All revenues that could be collected under a County-wide EMS levy from taxable property located within the legal boundaries of the City a levy rate of twenty-six and a half (26.5) cents per thousand dollars of assessed valuation, accounting for historical rates of under collection: or
- b) The amount identified for the corresponding tax collection year as “Projected Net Seattle Property Taxes” set forth in the King County 2020-2025 “Emergency Medical Services Levy Overview – Proposed Financial Plan (March 2019 Forecast)” dated May 17, 2019 attached as Exhibit 1; or
- c) All revenues that could be collected under a county-wide EMS levy from taxable property located within the legal boundaries of the City at the highest levy rate that the county is allowed to impose under state law, accounting for historical rates of undercollection.

In any year in which the County has imposed the highest levy allowed under state law, but the distribution of assessed value growth would result in a net transfer of money from the rest of King County to Seattle under “b” above, then Seattle agrees to receive its transfer under “c” above.

4. Transfer of the revenues set forth in Paragraph 3 above shall be administered by the King County Finance and Business Operations Division of the Department of Executive Services in the manner and at such times as the County transfers revenues produced pursuant to levies listed in or authorized by RCW 84.52.043, provided if the

Attachment 1
Interlocal cooperation agreement for allocation of property tax revenues between the City of Seattle and King County (2020 -2025)

amount to be transferred requires a payment in excess of the actual EMS levy revenues collected within the legal boundaries of the City, the additional transfer amount shall be distributed in the same manner as King County distributes taxes for an annexation.

5. All revenues received pursuant to the County-wide EMS levy and this Agreement shall be used only for the provision of emergency medical care or emergency medical services as specified in RCW 84.52.069(5) and shall be deposited into a special revenue account established by the City for that purpose. The City shall provide the county a report describing the City's use of the proceeds annually.

6. In return for the County's agreement to impose taxes and transfer tax proceeds as set forth in Paragraphs 2 and 3 above, the City gives its approval by ordinance for the submission to the qualified electors of King County of the County-wide multi-year additional property tax levy proposition for emergency medical services described in Section 1 above.

7. Nothing in this Agreement shall be deemed to prohibit the City from levying an annual tax levy pursuant to RCW 84.52.052 or a levy pursuant to RCW 84.52.069 to fund emergency medical services.

8. The parties hereto expressly reserve for themselves the right to amend this Agreement. No amendment hereto will be effective unless it is in writing and signed by the authorized representatives of the parties hereto.

KING COUNTY

THE CITY OF SEATTLE

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Acting under authority of

Acting under authority of

Ordinance _____

Ordinance _____

Approved as to form:

Approved as to form:

Prosecuting Attorney

City Attorney

EMERGENCY MEDICAL SERVICES LEVY OVERVIEW - PROPOSED FINANCIAL PLAN (March 2019 Forecast) - 26.5 cents

	2020 Proposed	2021 Proposed	2022 Proposed	2023 Proposed	2024 Proposed	2025 Proposed	2020-2025
REVENUES							
Countywide Assessed Value ¹	656,319,197,968	693,524,944,440	712,596,618,825	751,691,052,134	788,827,836,006	831,746,638,767	
Countywide EMS Levy	173,924,587	178,513,101	182,676,134	186,778,325	190,889,449	195,028,265	1,107,809,863
Countywide EMS Levy with Undercollection	172,185,342	176,727,970	180,849,373	184,910,542	188,980,555	193,077,983	1,096,731,764
Levy Rate	0.2650	0.2574	0.2564	0.2485	0.2420	0.2345	0.2277
Proportion	40.91%	41.05%	41.16%	41.30%	41.42%	41.47%	
Projected Seattle EMS Levy	71,152,549	73,279,628	75,189,497	77,139,448	79,066,410	80,878,222	456,705,753
Projected Seattle Undercollection	(711,525)	(732,796)	(751,895)	(771,394)	(790,664)	(808,782)	(4,567,058)
Projected Net Seattle Property Taxes	70,441,023	72,546,832	74,437,602	76,368,054	78,275,746	80,069,439	452,138,696
Seattle Revenue	70,441,023	72,546,832	74,437,602	76,368,054	78,275,746	80,069,439	452,138,696
Proportion	59.09%	58.95%	58.84%	58.70%	58.58%	58.53%	58.78%
Projected King County EMS Levy	102,772,039	105,233,473	107,486,637	109,638,877	111,823,039	114,150,044	651,104,109
Projected Undercollection	(1,027,720)	(1,052,335)	(1,074,866)	(1,096,389)	(1,118,230)	(1,141,500)	(6,511,041)
Projected Net King County Property Taxes	101,744,318	104,181,139	106,411,771	108,542,488	110,704,809	113,008,543	644,593,068
Projected King County Other Revenue	893,200	1,029,200	1,239,200	1,439,200	1,616,200	1,766,200	7,983,200
King County Revenue	102,637,518	105,210,339	107,650,971	109,981,688	112,321,009	114,774,743	652,576,268
TOTAL REVENUE	173,078,542	177,757,170	182,088,573	186,349,742	190,596,755	194,844,183	1,104,714,964
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	7,818,342	6,780,058	5,766,710	4,916,794	3,592,111	1,988,800	30,862,814
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)							9,223,119
King County Supplemental Reserves							8,405,970
City of Seattle Supplement Revenue							817,149

¹ Does not include City of Milton