



Signature Report

July 5, 2007

Ordinance 15861

Proposed No. 2007-0282.3

Sponsors Phillips, Ferguson, Patterson,
Constantine, Gossett, Dunn, von
Reichbauer, Hague and Lambert

1 AN ORDINANCE relating to the funding and provision of
2 Medic One emergency medical services; providing for the
3 submission to the electorate of King County, at a special
4 election on November 6, 2007, a proposition imposing the
5 levy of a regular property tax each year for six years,
6 collection beginning in 2008, at a rate of \$0.30 or less per
7 \$1,000 of assessed valuation to continue to provide Medic
8 One emergency medical services.

9

10 **PREAMBLE:**

11 The King County emergency medical services (EMS) system, publicly
12 known as Medic One, is an integrated publicly funded partnership
13 between the county, cities, fire districts, hospitals and the University of
14 Washington.

15 Medic One is a tiered response system that includes basic life support by
16 city and fire district emergency medical technicians, advanced life
17 support by accredited paramedics and regional support programs that

18 provide citizen and emergency personnel training, and medical oversight
19 and planning.

20 Since 1979, Medic One has saved countless lives, tripling the survival
21 rate of victims of cardiac arrest and doubling hospital discharge rates
22 alone. Sustained funding of Medic One is needed to continue this
23 critical service to the residents of King County.

24 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

25 **SECTION 1. Approval of cities over 50,000 population.** Pursuant to RCW
26 84.52.069, approval to place this county-wide levy proposal on the ballot shall be
27 obtained from the legislative bodies of all cities in the county over 50,000 in population,
28 and adopted not later than July 16, 2007, before submission to the electorate of King
29 County on the special election ballot of November 6, 2007.

30 **SECTION 2. Definitions.** The definitions in this section apply throughout this
31 ordinance unless the context clearly requires otherwise.

32 A. "County" means King County.

33 B. "Levy" means the levy of regular property taxes, for the specific purpose and
34 term provided in this ordinance and authorized by the electorate in accordance with state
35 law.

36 C. "Levy proceeds" means the principal amount of funds raised by the levy, any
37 interest earnings on the funds and the proceeds of any interim financing following
38 authorization of the levy.

39 **SECTION 3. City of Seattle reimbursement.** It is recognized that the city of
40 Seattle operates and funds a Medic One emergency medical services program that is

41 separate from the county program but part of the regional delivery system. All levy
42 proceeds collected pursuant to the levy authorized in this ordinance from taxable property
43 located within the legal boundaries of the city of Seattle shall be reimbursed and
44 transferred to the city of Seattle.

45 **SECTION 4. Levy submittal to voters.** To provide necessary funds for the
46 Medic One emergency medical services system under the authority of RCW 84.52.069,
47 the county council will submit to the qualified electors of the county a proposition
48 authorizing a regular property tax levy for six consecutive years, with collection
49 commencing in 2008, at a rate not to exceed \$0.30 per one thousand dollars of assessed
50 value. As provided under state law, this levy shall be exempt from the rate limitations
51 under RCW 84.52.043, but subject in years two through six to the limitations imposed
52 under chapter 84.55 RCW.

53 **SECTION 5. Deposit of levy proceeds.** All funds not reimbursed to the city of
54 Seattle under section 3 of this ordinance shall be deposited into the county emergency
55 medical services fund.

56 **SECTION 6. Eligible expenditures.** If approved by the qualified electors of the
57 county, all proceeds of the levy authorized in this ordinance shall be used in accordance
58 with RCW 84.52.069.

59 **SECTION 7. Medic One financial policies -- findings.** The council finds that it
60 is in the best interest of the county and its taxpayers to formalize financial policies to
61 assure the stability of the Medic One emergency medical services program. Temporary
62 suspension of these financial policies may be necessary under specific circumstances as
63 described in this ordinance.

64 **SECTION 8. EMS financial policy -- contingent appropriation for disaster**
65 **response.** A contingent appropriation for disaster response shall be made each year from
66 the emergency medical services fund. These funds may be expended only with a
67 proclamation of emergency by the county executive requiring significant mobilization of
68 the Medic One emergency medical services system. The proclamation must be filed with
69 the clerk of the council as required by K.C.C. 12.52.030.C, and shall also be filed with
70 the Medic One/EMS advisory committee. Any expenditure must be in accordance with
71 section 6 of this ordinance.

72 **SECTION 9. EMS financial policy -- reserves for unanticipated inflation.**
73 Designated reserves shall be established in the 2008-2013 Medic One emergency medical
74 services levy financial plan to maintain Medic One operations if inflation exceeds
75 forecasted levels. Each designated reserve shall be described in the financial plan and
76 must clearly identify the relevant inflation or cost index linked to its expenditure. Any
77 designated reserve requirement may be temporarily suspended by declaration of
78 unexpected inflation by the county executive, provided that the requirements of section
79 10 of this ordinance are satisfied. Notification of any such temporary suspension must be
80 filed with the clerk of the county council, who shall transmit a copy to the Medic
81 One/EMS advisory committee. Any expenditure of reserve funds requires an
82 appropriation from the county.

83 **SECTION 10. EMS financial policy -- reserve for unanticipated inflation --**
84 **basis for temporary suspension.** A temporary suspension of the inflation reserve in
85 section 9 of this ordinance may be declared only after the relevant inflation or cost index
86 in the preceding year is more than one percent above the level anticipated in the adopted

87 levy financial plan or the most current forecast of the relevant inflation or cost index for
88 the upcoming one-year budget cycle exceeds by one percent or more the assumptions in
89 the adopted levy financial plan.

90 **SECTION 11. EMS financial policy -- undesignated fund balance.** The
91 council intends that the proposed financial plan and annual budgets for the emergency
92 medical services fund shall provide for an undesignated fund balance equal to six percent
93 of that year's adopted revenue. The undesignated fund balance requirement in this
94 chapter may be temporarily suspended by the council if necessary to protect the public
95 health, safety and welfare. The executive shall transmit to the council and the Medic
96 One/EMS advisory committee a report outlining the need to suspend this policy and
97 explaining any extraordinary measures that must be taken to protect the public health,
98 safety and welfare. Any expenditure of undesignated fund balance would require an
99 appropriation from the council.

100 **SECTION 12. Program cost allocations.** Allocations to support the advanced
101 life support services and basic life support services programs shall be made in accordance
102 with the baseline cost and inflation assumptions contained in Attachment C to this
103 ordinance, entitled inflation assumptions and ALS/BLS costs. Allocations will be
104 adjusted proportionately based on actual inflation in the preceding year, as published by
105 the referenced statistical agency.

106 **SECTION 13. Millage reduction.** For the duration of the 2008-2013 Medic One
107 emergency medical services levy, the emergency medical services levy financial plan
108 shall include a reserve for millage reduction. This reserve shall encompass all funds for
109 millage reduction in the adopted emergency medical services levy financial plan, any

110 property taxes collected annually in excess of the amounts in the emergency medical
111 services levy financial plan, any surplus in the emergency medical services levy financial
112 plan as the result of lower than expected expenditures under section 12 of this ordinance
113 and Attachment C to this ordinance, and any unused salary and wage contingency funds
114 for each year in which inflation is equal to or less than the thresholds contained in the
115 emergency medical services financial plan appendix A, Attachment B to this ordinance.
116 Each year, beginning in 2009, any balance in the millage reduction reserve shall be used
117 to reduce the medic one emergency medical services levy from the amount that would
118 otherwise have been levied, except as otherwise authorized by ordinance.

119 SECTION 14. Ratification by voters. This levy shall be submitted to the voters
120 for approval in accordance with RCW 84.52.069.

121 SECTION 15. Call for special election. In accordance with RCW 29A.04.321, a
122 special election is called for November 6, 2007, to consider a proposition authorizing a
123 regular property tax levy for the purposes described in this ordinance. The manager of
124 the records, elections and licensing services division shall cause notice to be given of this
125 ordinance in accordance with the state constitution and general law and to submit to the
126 qualified electors of the county, at the said special county election, the proposition
127 hereinafter set forth. The clerk of the council shall certify that proposition to the manager
128 of the records, elections and licensing services division, in substantially the following
129 form:

130 PROPOSITION ONE: The King County Council passed Ordinance ____
131 concerning funding for the Medic One emergency medical services system. This
132 proposition would replace an expiring levy to continue funding of Medic One emergency

133 medical services. It would authorize King County to impose regular property tax levies
134 of \$0.30 or less per thousand dollars of assessed valuation for each of six consecutive
135 years, with collection beginning in 2008, as provided in King County Ordinance _____.

136 Should this proposition be:

137 Approved? _____

138 Rejected? _____

139 **SECTION 16. Interlocal agreement.** The county executive is hereby authorized
140 and directed to enter into an interlocal agreement with the city of Seattle relating to the
141 Medic One program, to implement the provisions of section 3 of this ordinance.

142 **SECTION 17. Ratification.** Certification of the proposition by the clerk of the
143 county council to the King County manager of records, elections and licensing services in
144 accordance with law before the election on November 6, 2007, and any other act
145 consistent with the authority and before the effective date of this ordinance are hereby
146 ratified and confirmed.

147 **SECTION 18.** The manager, King County records, elections and licensing
148 services division, is hereby authorized and requested to prepare and distribute a local
149 voters' pamphlet, pursuant to K.C.C. 1.10.010, for the special election called for in this
150 ordinance, the cost of the pamphlet to be included as part of the cost of the election.

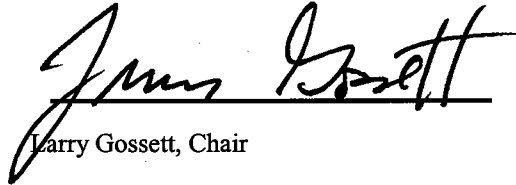
151 **SECTION 19. Severability.** If any provision of this ordinance or its application

152 to any person or circumstance is held invalid, the remainder of the ordinance or the
153 application of the provision to other persons or circumstances is not affected.
154

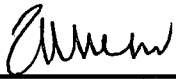
Ordinance 15861 was introduced on 4/30/2007 and passed as amended by the Metropolitan King County Council on 7/2/2007, by the following vote:

Yes: 8 - Mr. Gossett, Ms. Patterson, Ms. Lambert, Mr. von Reichbauer, Mr. Dunn, Mr. Ferguson, Ms. Hague and Mr. Constantine
No: 0
Excused: 1 - Mr. Phillips


KING COUNTY COUNCIL
KING COUNTY, WASHINGTON


Larry Gossett, Chair

ATTEST:


Anne Noris, Clerk of the Council

APPROVED this 6 day of July, 2007.


Ron Sims, County Executive

RECEIVED
2007 JUL - 6 PM 12:49
KING COUNTY COUNCIL CLERK

Attachments A. Emergency Medical Services Levy Financial Plan, including footnotes, B. Inflation Assumptions and Reserve /Contingency Thresholds, C. Inflation Assumptions and ALS BLS Costs

EMERGENCY MEDICAL SERVICES LEVY FINANCIAL PLAN

	2006	2007	2008	2009	2010	2011	2012	2013
	Actuals	Estimated	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
BEGINNING FUND BALANCE	10,733,241	9,296,940	6,070,111	7,478,574	9,530,365	12,298,857	13,976,201	14,467,537
REVENUES								
Property Taxes	38,112,894	39,324,543	62,349,590	64,065,620	65,813,748	67,630,570	69,508,371	71,460,527
State Grants	1,463	0	0	0	0	0	0	0
Intergovernmental Payment	278	0	0	0	0	0	0	0
Charges for Services	80,571	82,950	52,000	54,340	56,785	59,341	62,011	64,801
Interest Earnings/Miscellaneous Revenue	1,352,798	483,574	306,541	366,450	457,458	571,897	649,893	672,740
Other Financing Sources	9,059	5,040	4,503	3,567	3,179	2,831	2,621	2,457
Transfer from Current Expense Subfund	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000
EMS REVENUE TOTAL	39,932,064	40,271,107	63,087,633	64,864,978	66,706,170	68,639,638	70,597,895	72,575,526
EXPENDITURES								
Advanced Life Support Services	(27,445,965)	(27,945,082)	(34,558,361)	(36,100,374)	(37,869,114)	(40,021,655)	(42,274,793)	(45,408,597) (a)
Bellevue Fire Department	(5,719,090)	(6,210,085)	(7,368,004)	(7,602,457)	(7,870,564)	(8,237,859)	(8,631,040)	(9,048,314)
King County Medic One	(12,456,489)	(11,783,566)	(14,080,283)	(14,795,608)	(15,189,092)	(15,880,326)	(16,620,212)	(17,405,389)
Redmond Fire Department	(4,233,568)	(4,780,238)	(5,345,018)	(5,776,283)	(5,902,923)	(6,178,394)	(6,473,280)	(6,786,235)
Shoreline Fire Department	(3,659,425)	(3,758,230)	(4,840,864)	(4,689,502)	(4,919,102)	(5,148,662)	(5,394,400)	(5,655,196)
Skykomish/King County Fire District 50	(60,000)	(60,000)	(170,058)	(178,911)	(187,592)	(196,243)	(205,509)	(215,346)
Vashon Fire Department	(1,317,393)	(1,352,963)	(1,603,505)	(1,688,221)	(1,770,877)	(1,853,518)	(1,941,984)	(2,035,871)
New Units/Unallocated	N/A	N/A	(907,463)	(937,900)	(1,579,607)	(2,059,465)	(2,522,081)	(3,755,693) (b)
Outlying Area Service Levels	N/A	N/A	(243,167)	(431,491)	(449,356)	(467,189)	(486,285)	(506,554) (c)
Basic Life Support Services	(9,420,513)	(9,674,868)	(14,390,254)	(14,886,717)	(15,333,319)	(15,738,118)	(16,163,048)	(16,599,450) (d)
Auburn Fire Department	(360,914)	(371,121)	(574,225)	(594,040)	(611,863)	(628,018)	(644,976)	(662,392)
Bellevue Fire Department	(1,164,786)	(1,208,884)	(1,862,757)	(1,927,035)	(1,984,852)	(2,037,257)	(2,092,268)	(2,148,765)
Black Diamond Fire Department	(48,770)	(50,087)	(63,976)	(66,184)	(68,170)	(69,970)	(71,859)	(73,799)
Bothell Fire Department	(190,302)	(201,298)	(316,243)	(327,156)	(336,972)	(345,869)	(355,208)	(364,800)
Duvall Fire Department	(110,372)	(110,372)	(145,444)	(150,463)	(154,977)	(159,069)	(163,364)	(167,775)
Eastside Fire and Rescue	(949,850)	(949,850)	(1,328,850)	(1,374,704)	(1,415,950)	(1,453,334)	(1,492,578)	(1,532,881)
Enumclaw Fire Department	(230,549)	(230,549)	(285,744)	(295,604)	(304,473)	(312,512)	(320,951)	(329,617)
Kent Fire and Life Safety	(759,340)	(775,056)	(1,190,773)	(1,231,863)	(1,268,823)	(1,302,323)	(1,337,489)	(1,373,605)
King County Fire District 2	(227,173)	(239,292)	(374,201)	(387,114)	(398,729)	(409,256)	(420,307)	(431,656)
King County Fire District 20	(106,458)	(112,317)	(164,387)	(170,059)	(175,161)	(179,786)	(184,641)	(189,627)
King County Fire District 27	(67,418)	(69,238)	(92,176)	(95,357)	(98,218)	(100,811)	(103,533)	(106,329)
King County Fire District 40	(210,667)	(210,667)	(299,191)	(309,515)	(318,801)	(327,218)	(336,054)	(345,128)
King County Fire District 44	(252,271)	(252,271)	(324,765)	(335,972)	(346,052)	(355,189)	(364,780)	(374,630)
King County Fire District 47	(18,705)	(19,210)	(23,051)	(23,846)	(24,561)	(25,209)	(25,890)	(26,589)
King County Fire District 49 (51)	(18,354)	(18,850)	(22,909)	(23,700)	(24,411)	(25,056)	(25,733)	(26,428)
King County Fire District 50	(32,348)	(33,221)	(40,921)	(42,333)	(43,603)	(44,754)	(45,962)	(47,203)
Kirkland Fire Department	(495,286)	(512,252)	(789,132)	(816,362)	(840,855)	(863,056)	(886,361)	(910,295)
Maple Valley Fire and Life Safety	(304,293)	(304,293)	(409,441)	(423,570)	(436,278)	(447,797)	(459,889)	(472,307)
Mercer Island Fire Department	(235,416)	(244,629)	(376,189)	(389,170)	(400,846)	(411,429)	(422,539)	(433,949)
Milton Fire Department	(14,104)	(14,889)	(20,320)	(21,021)	(21,652)	(22,224)	(22,824)	(23,440)
North Highline Fire Department	(271,067)	(280,748)	(404,954)	(404,928)	(431,497)	(442,890)	(454,849)	(467,131)
Northshore Fire Department	(203,896)	(211,146)	(326,232)	(337,489)	(347,615)	(356,793)	(366,427)	(376,321)
Pacific Fire Department	(36,000)	(36,972)	(51,115)	(52,879)	(54,466)	(55,904)	(57,414)	(58,964)
Pierce County Fire District 27	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Redmond Fire Department	(539,880)	(574,375)	(863,640)	(893,442)	(920,248)	(944,545)	(970,050)	(996,244)
Renton Fire Department	(492,082)	(514,465)	(801,932)	(829,604)	(854,495)	(877,056)	(900,739)	(925,061)
Sea Tac Fire Department	(213,386)	(221,407)	(343,637)	(355,495)	(366,161)	(375,829)	(385,977)	(396,399)
Shoreline Fire Department	(376,181)	(380,055)	(580,829)	(600,872)	(618,900)	(635,240)	(652,393)	(670,009)
Snoqualmie Fire Department	(52,033)	(53,702)	(82,646)	(85,498)	(88,063)	(90,388)	(92,829)	(95,336)
South King Fire and Rescue	(772,172)	(787,067)	(1,210,071)	(1,251,827)	(1,289,386)	(1,323,429)	(1,359,165)	(1,395,866)
Tukwila Fire Department	(224,182)	(231,283)	(357,958)	(370,310)	(381,420)	(391,490)	(402,061)	(412,918)
Vashon Fire Department	(129,619)	(129,619)	(180,435)	(186,661)	(192,261)	(197,337)	(202,666)	(208,139)
Woodinville Fire and Life Safety District	(311,139)	(324,180)	(480,561)	(497,144)	(512,060)	(525,580)	(539,772)	(554,347)
Regional Services	(3,826,680)	(4,798,846)	(6,102,144)	(6,478,134)	(6,838,366)	(7,197,262)	(7,578,964)	(7,945,012)
Strategic Initiatives	(674,484)	(867,040)	(1,246,580)	(1,491,275)	(1,253,878)	(1,239,355)	(1,195,153)	(1,114,543)
Encumbrance Carryover	0	0	0	0	0	0	0	0
ALS Salary and Wage Contingency	0	0	(2,104,452)	(2,199,152)	(2,298,114)	(2,401,529)	(2,509,598)	(2,622,530) (e)
EMS 2002-2007 Reserves	(723)	(212,100)	0	0	0	0	0	0 (f)
Disaster Response Contingency	0	0	(3,216,379)	(4,809,156)	(5,085,682)	(5,378,109)	(5,687,350)	(6,014,373) (g)
Prior Disaster Response Underexpenditure	0	0	0	3,216,379	4,809,156	5,085,682	5,378,109	5,687,350 (h)
King County Auditor's Office			(61,000)	(64,759)	(68,360)	(71,947)	(75,763)	(79,822)
EMS EXPENDITURE TOTAL	(41,368,365)	(43,497,936)	(61,679,170)	(62,813,187)	(63,937,677)	(66,962,294)	(70,106,560)	(74,096,976)

EMERGENCY MEDICAL SERVICES LEVY FINANCIAL PLAN

	2006	2007	2008	2009	2010	2011	2012	2013
	Actuals	Estimated	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
ENDING FUND BALANCE	9,296,940	6,070,111	7,478,574	9,530,365	12,298,857	13,976,201	14,467,537	12,946,087
RESERVES AND DESIGNATIONS								
Encumbrances	(977,521)	(977,521)	(977,521)	(977,521)	(977,521)	(977,521)	(977,521)	(977,521)
Reappropriation	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
Designations								
Prepayment	0	0	0	0	0	0	0	0
ALS Provider Balances	0	(1,022,900)	(1,022,900)	(1,022,900)	(1,022,900)	(1,022,900)	(1,022,900)	(1,022,900) (i)
ALS Provider Loans	0	0	0	0	0	0	0	0
Reserves for Unanticipated Inflation								
Diesel Cost Stabilization	0	0	(756,000)	(1,512,000)	(2,457,000)	(2,897,541)	(2,933,280)	(1,613,304) (j)
Pharmaceuticals/Medical Equipment	0	0	(230,000)	(506,000)	(828,000)	(1,097,000)	(877,600)	(447,576) (k)
Call Volume/Utilization Reserve	0	0	(244,000)	(488,000)	(732,000)	(1,159,800)	(1,220,000)	(832,000) (l)
Reserves								
Chassis Obsolescence	0	0	(375,000)	(375,000)	(562,500)	(562,500)	(562,500)	(562,500) (m)
Risk Abatement	0	0	0	(565,000)	(565,000)	(565,000)	(565,000)	(565,000) (n)
Millage Reduction	0	0	0	0	(1,000,000)	(1,500,000)	(2,000,000)	(2,500,000) (o)
TOTAL RESERVES AND DESIGNATIONS	(1,002,521)	(2,025,421)	(3,630,421)	(5,471,421)	(8,169,921)	(9,807,262)	(10,183,801)	(8,545,801)
ENDING UNDESIGNATED FUND BALANCE	8,294,419	4,044,690	3,848,153	4,058,944	4,128,936	4,168,939	4,283,736	4,400,286
Fund Balance as % of Revenue	N/A	N/A	6.10%	6.26%	6.19%	6.07%	6.07%	6.06%
EXCESS OVER/UNDER 6% MINIMUM	N/A	N/A	62,895	167,045	126,566	50,561	47,862	45,754

FOOTNOTES TO EMERGENCY MEDICAL SERVICES LEVY FINANCIAL PLAN

(a) For 2008-2013, ALS provider allocation estimates are shown based on the 2007 distribution of units.

(b) Funding assumes the schedule for new King County units in the strategic plan (cumulative):

2008	0.5 units
2009	0.5 units
2010	1.0 units
2011	1.0 units
2012	1.5 units
2013	2.0 units

New units and/or fractional units will be allocated based on a thorough regional analysis using the established criteria for paramedic units. The major unit indicators include the following:

- Unit workload;
- Unit response time;
- Availability in primary service area and dependence on backup;
- Frequency and service impact of multiple alarms; and
- Paramedic exposure to critical skill sets.

Consistent with this criteria, new unit allocations will be recommended by the EMS Advisory Committee and appropriated by the King County Council.

(c) Funding is included to address paramedic service level disparities in Vashon and Skykomish (including potential elimination of paramedic transport fees). Expenditure of these funds requires approval by the EMS Advisory Committee in addition to appropriation by the King County Council.

(d) For 2008-2013, BLS provider allocation estimates are shown for illustration purposes only. Provider allocation levels were adjusted based on 2005 call volumes and 2007 assessed valuation; actual 2008 allocations will be based on data that is not yet available in accordance with the BLS allocation formula.

(e) ALS Salary and Wage contingency is considered a reserve under the restrictions of sections 10 and 11 of the Medic One emergency medical services levy ordinance. This annual contingency is equal to a one percent increase over assumed paramedic COLA levels. Pursuant to the ordinance, expenditure of this reserve is linked to the consumer price index, subject further to appropriation by the King County Council. These funds can also be used to replenish other reserves for unanticipated inflation (also subject to the provisions of sections 10 and 11 of the Medic One emergency medical services levy ordinance), or can be made available for millage rate reduction.

(f) Reserves for the 2002-2007 levy, in particular for Regional Services in 2007, are listed here as an expenditure in anticipation of a supplemental appropriation over the course of 2007.

(g) Disaster Response Contingency is phased in between 2008 and 2009. Funding is equal to the cost of full mobilization of the Medic One paramedic system for a period of three weeks. This contingency is subject to the restrictions in section 9 of the Medic One emergency medical services levy ordinance.

(h) Although appropriated, Disaster Response Contingency funds are not assumed to be expended, reflected as a credit in the following year. In the event of a disaster that depletes these funds, the County Executive, EMS Advisory Committee, and County Council will work collaboratively to rebalance the financial plan for the remainder of the levy period.

FOOTNOTES TO EMERGENCY MEDICAL SERVICES LEVY FINANCIAL PLAN

- (i) ALS Provider Balances are funds that have been allocated to specific providers, but not yet appropriated. These funds are banked for future capital costs, or to cover future collective bargaining obligations.
- (j) The EMS Levy Financial Plan assumes diesel price of \$2.38 per gallon. As of May 1, 2007, the average diesel fuel price in the Seattle metropolitan area is \$3.04 per gallon. This reserve is adequate to fund ALS operations at up to \$3.38 per gallon for a period of 18 months; for 2013, coverage is reduced to 9 months. This reserve is subject to the restrictions under sections 10 and 11 of the Medic One emergency medical services levy ordinance. Pursuant to the ordinance, expenditure of this reserve is linked to the average price of diesel fuel, as reported by the US Department of Energy. These funds can also be used to replenish other reserves for unanticipated inflation (also subject to the provisions of sections 10 and 11 of the Medic One emergency medical services levy ordinance).
- (k) The pharmaceutical/medical equipment reserve mitigates unanticipated medical cost inflation. A buffer of 2.5 percent is achieved through 2010, staged to 1.0 percent by 2013. This reserve is subject to the restrictions under sections 10 and 11 of the Medic One emergency medical services levy ordinance. These funds can also be used to replenish other reserves for unanticipated inflation (also subject to the provisions of sections 10 and 11 of the Medic One emergency medical services levy ordinance).
- (l) The call volume/utilization reserve provides limited funding to address unanticipated demands on the Medic One emergency medical services system. These funds are intended to augment service levels or otherwise mitigate the demand for emergency medical services. This reserve is subject to the restrictions under sections 10 and 11 of the Medic One emergency medical services levy ordinance. Pursuant to the ordinance, expenditure of this reserve is linked to call volumes and other criteria listed in footnote b, as reviewed by the EMS advisory committee. These funds can also be used to replenish other reserves for unanticipated inflation (also subject to the provisions of sections 10 and 11 of the Medic One emergency medical services levy ordinance).
- (m) Disruption to the six-year vehicle replacement cycle may occur with discontinuation of chassis models that facilitate reuse of vehicle components and equipment. The chassis obsolescence reserve designates funds to partially offset potentially higher vehicle replacement costs.
- (n) The Medic One program faces substantial operational risks. A risk management reserve is established to ensure the continuity of smaller providers in the event of significant loss. Any assistance provided from this reserve will be limited, and will require consideration by the EMS Advisory Committee.
- (o) Beginning in 2010, provision is made to potentially reduce the effective levy rate. While the primary purpose of this reserve is to receive unexpended contingency funds for outyear levy reduction, these funds are also available to replenish other reserves.

APPENDIX A TO EMERGENCY MEDICAL SERVICES LEVY FINANCIAL PLAN
Inflation Assumptions and Reserve/Contingency Thresholds

ALS Salary and Wage Contingency

Linked to preceding annual change in CPI-U for Seattle-Tacoma-Everett

Source: US Department of Labor. Bureau of Labor Statistics, Series ID: CUURA423SA0

	2006	2007	2008	2009	2010	2011	2012
2006 Actual / 2007-2012 Assumption	3.69%	3.70%	3.45%	3.00%	2.64%	2.70%	2.70%
Annual Contingency Threshold	N/A	4.70%	4.45%	4.00%	3.64%	3.70%	3.70%
Cumulative Contingency Threshold	N/A	4.70%	8.15%	11.15%	13.79%	16.49%	19.19%

Diesel Cost Stabilization Reserve

Linked to preceding annual change in average national diesel fuel price per gallon, adjusted for state fuel taxes

Source: US Department of Energy Energy Information Administration, On-Highway Diesel Fuel Price Series

	2006	2007	2008	2009	2010	2011	2012
2006 Actual / 2007-2012 Assumption	\$2.38	\$2.54	\$2.69	\$2.85	\$3.01	\$3.19	\$3.37
Annual Reserve Threshold	N/A	6.90%	5.80%	5.80%	5.80%	5.80%	5.80%
Cumulative Reserve Threshold	N/A	\$2.57	\$2.72	\$2.87	\$3.04	\$3.22	\$3.40

Pharmaceuticals/Medical Equipment Reserve

Linked to preceding annual change in Producer Price Index for Pharmacy/Drug Prices

Source: US Department of Labor. Bureau of Labor Statistics, Series ID: PCU446110446110

	2006	2007	2008	2009	2010	2011	2012
2006 Actual / 2007-2012 Assumption	14.64%	12.50%	11.80%	11.80%	11.80%	11.80%	11.80%
Annual Reserve Threshold	N/A	13.50%	12.80%	12.80%	12.80%	12.80%	12.80%
Cumulative Reserve Threshold	N/A	13.50%	25.30%	37.10%	48.90%	60.70%	72.50%

Call Volume/Utilization Reserve

Linked to annual ALS total call volume

Source: ALS program data

	2006	2007	2008	2009	2010	2011	2012
2006 Estimate / 2007-2012 Assumption	26,381	26,803	27,232	27,668	28,110	28,560	29,017
Annual Reserve Threshold	N/A	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%
Cumulative Reserve Threshold	N/A	27,071	27,504	27,944	28,391	28,846	29,307

**APPENDIX B TO EMERGENCY MEDICAL SERVICES LEVY FINANCIAL PLAN
Inflation Assumptions and ALS/BLS Costs**

Advanced Life Support Program

Per Unit Costs	2007	2008	Inflator
	Estimated	Projected	
Wages	937,565	981,630	CPI + 1%
Overtime	133,471	139,744	CPI + 1%
Benefits	265,299	290,505	Weighted Average: Employee Benefits, PERS 2, and LEOFF 2
Medical Supplies and Equipment	48,415	54,466	Pharmacy/Drug Inflation
Office Supplies and Equipment	9,698	10,057	CPI
Uniforms, Fire & Safety Supplies	9,905	10,271	CPI
Dispatch	38,268	39,684	CPI
Communications Costs	16,296	16,899	CPI
Vehicle Maintenance Costs	39,016	42,059	Vehicle Costs
Facility Costs	17,600	18,252	CPI
Training Costs	6,526	6,767	CPI
Misc Costs	2,864	2,970	CPI
Capital	75,228	81,095	Vehicle Costs
Overhead	83,356	87,273	CPI + 1%

Inflator Detail: CPI

Linked to preceding annual change in CPI-U for Seattle-Tacoma-Everett
Source: US Department of Labor. Bureau of Labor Statistics, Series ID: CUURA423SA0

	2006	2007	2008	2009	2010	2011	2012
2006 Actual / 2007-2012 Assumption	3.69%	3.70%	3.45%	3.00%	2.64%	2.70%	2.70%

Inflator Detail: Employee Benefits

Average increase in employee benefit costs for ALS providers
Source: Adopted budgets for ALS jurisdictions (King County, Seattle, Bellevue, Redmond, Shoreline, Vashon)

	2008	2009	2010	2011	2012	2013
2008-2013 Assumption	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%

Inflator Detail: PERS 2

Blended Calendar Year Employer Contribution Rate
Source: Washington State Actuary

	2008	2009	2010	2011	2012	2013
2008-2013 Assumption	6.64%	8.20%	8.69%	8.71%	8.71%	8.71%

Inflator Detail: LEOFF 2

Blended Calendar Year Employer Contribution Rate

Source: Washington State Actuary

	2008	2009	2010	2011	2012	2013
2008-2013 Assumption	5.46%	5.39%	5.39%	5.39%	5.39%	5.39%

Inflator Detail: FICA Base

Proportion of salaries subject to FICA

Source: Historical average and tax law changes

	2008	2009	2010	2011	2012	2013
2008-2013 Assumption	96.50%	96.50%	96.50%	96.50%	96.50%	96.50%

Inflator Detail: Vehicle Costs

Linked to preceding annual change in overall transport costs adjusted by average fuel cost

Source: US Department of Labor, Bureau of Labor Statistics, Series ID: CUUR0000SAT

	2006	2007	2008	2009	2010	2011	2012
2006 Actual / 2007-2012 Assumption	7.80%	6.90%	5.80%	5.80%	5.80%	5.80%	5.80%

Inflator Detail: Pharmacy/Drug Inflation

Linked to preceding annual change in Producer Price Index for Pharmacy/Drug Prices

Source: US Department of Labor, Bureau of Labor Statistics, Series ID: PCU446110446110

	2006	2007	2008	2009	2010	2011	2012
2006 Actual / 2007-2012 Assumption	12.50%	11.80%	11.80%	11.80%	11.80%	11.80%	11.80%

New Unit Allocation Schedule

	2008	2009	2010	2011	2012	2013
Marginal New Units	0.50	-	0.50	-	0.50	0.50
Cumulative Increase	0.50	0.50	1.00	1.00	1.50	2.00
New Unit Startup Costs	16,627	-	19,936	-	23,947	26,103

Non-Unit Allocated Costs

	2008	2009	2010	2011	2012	2013
Vehicle Transition	918,735	-	-	-	-	-
Deferred Operating	152,039	152,039	152,039	152,039	152,039	152,039
Outlying Area Service	243,167	431,491	449,356	467,189	486,285	506,554
SIR/WRA reimbursables	12,000	12,000	12,000	12,000	12,000	12,000
Port of Seattle reimbursables	40,000	40,000	40,000	40,000	40,000	40,000
Total	1,365,942	635,531	653,396	671,228	690,325	710,593

Basic Life Support Program

Linked to preceding annual change in CPI-U for Seattle-Tacoma-Everett

Source: US Department of Labor. Bureau of Labor Statistics, Series ID: CUURA423SA0

	2006	2007	2008	2009	2010	2011	2012
2006 Actual / 2007-2012 Assumption	3.69%	3.70%	3.45%	3.00%	2.64%	2.70%	2.70%
Baseline Expenditures		9,674,868					
Policy Additions			45.05%				