



**NOTICE OF SPECIAL MEETING
GRANDVIEW CITY COUNCIL
AMBULANCE SERVICE UTILITY FEE**

You are hereby notified, pursuant to RCW 42.30.080, that the **GRANDVIEW CITY COUNCIL** will conduct a special teleconference meeting on **TUESDAY, JANUARY 19, 2021 at 6:00 p.m.**, with the following agenda:

1. Ambulance Service Utility Fee (Pages 1-28)
2. Adjourn

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CITY OF GRANDVIEW

Anita G. Palacios, MMC
City Clerk

NOTIFICATION:

Mayor and Council
Cus Arteaga, City Administrator
Department Directors
News Media

AMBULANCE UTILITY FEE

TASK LIST AND POSSIBLE TIMELINE

- Individual Council member meetings to review Ambulance Cost of Service report (Pat and Council members) / Jan. 2nd thru Jan. 8th / **DONE**
- Special Council meeting to discuss Ambulance Utility Agenda items (Council) / Jan. 19th /
- Finalize Ambulance Cost of Services Report (Pat) / Jan. 27th
- Finalize 1 Page Handout for Public (English & Spanish w/ Info-graphic material) (Robert and Pat) / Jan. 27th
- Finalize Ordinance / GMC Title 7 Chapter authorizing/establishing an ambulance utility fee (Anita, Quinn, Pat) / Jan. 27th
- Acceptance of draft Ambulance Cost of Services Report, 1 page Public Handout and Ordinance / GMC Title 7 Chapter by Council and set date for Public Hearing (Council) / ?Feb. 2nd Special Meeting? /
- Mail out notices for Public Hearing (Anita) / Feb. 5th
- Public Hearing (Council) / ?March 16th Special Meeting?
- Address any items brought forward at the Public Hearing /
- Place on C.O.W. meeting agenda for discussion and approval to move it to a Regular Council Meeting / ?March 23rd meeting?
- Pass resolution authorizing Ambulance Utility Fee (Council) / April 13th Regular Council Meeting
- Implement Ambulance Utility Fee (Anita) / May 1, 2021

AMBULANCE UTILITY PUBLIC HEARING TIMELINE

Per RCW 35.21.766, Ambulance services—Establishment authorized section (3)(e)(ii), we are required to hold a public hearing in regards to implementing the ambulance utility fee. The RCW states that the legislative authority must hold a public hearing, preceded by at least thirty days' notice provided in each ratepayer's utility bill.

The steps and timeline to accomplish this task would be:

- Set date for City Council to conduct the Public Hearing
- From that date, count back 40 days to establish the date the mailer needs to be prepared and mailed out to all ratepayers.
- Notice should arrive in sufficient time to give ratepayers required 30 days' notice prior to the public hearing.

AMBULANCE UTILITY FEE FACT SHEET

- **Goal is to provide Financial Stability for providing Emergency Medical Services (including Ambulance Service, [EMS/AMB]) for the community of Grandview.**
- **We currently have a system made up of local resources (Grandview Fire Dept.) and contracted ambulance resources (Sunnyside Fire Dept.) to provide the EMS/AMB services. This current system provides us with the ability to provide a high level of care for the least amount of expense to the community.**
- **Why do we need an Ambulance Utility Fee?**
 - **In the past, EMS/AMB services were provided by private companies at no cost to the city.**
 - **Call volume for EMS/AMB services is steadily rising over the years (approximately 4% per year in Grandview).**
 - **The cost of providing those EMS/AMB services has steadily increased over the years.**
 - **The return payments on billing for those EMS/AMB services from individuals, insurance companies and the government over the years has steadily declined.**
 - **Several private company providers have closed for financial reasons and publicly funded agencies (such as fire dept's and hospital districts) have had to take over operating these types of services to keep them available.**

Graphic detailing this info here

- **The City of Grandview started contributing monies in Sept. 2019 in order to be able to continue providing EMS/AMB at our current level of services out of its reserve funds.**
- **To be able to sustain these services financially, the City of Grandview will have to find additional funding or reduce other services in the community to free up funding. We have currently exhausted our EMS reserve funds and are now starting to use the City's overall reserve General Funds to financially support this service.**
- **The cost per household to provide this service will be under \$7.00 per month.**
- **This amount of funding is based on maintaining services at our current levels.**
- **This funding will ensure a financial stability for the City of Grandview to continue to provide for EMS/AMB services.**



GRANDVIEW FIRE DEPARTMENT



AMBULANCE UTILITY COST OF SERVICE AND RATE STUDY

FIRE CHIEF
PAT MASON



NOVEMBER 2020



CHAPTER 1: INTRODUCTION

The City of Grandview needs to implement an ambulance utility fee to be able to maintain the current service level and must verify the rate to be appropriate.

In 2019, 599 (82.7%) of the City's Fire Department calls were related to EMS, while only 125 (17.3%) were fires, hazardous materials, technical rescues, fire prevention, and other service calls. There were 724 calls total in 2019. Based on the average increase in call numbers of 4% per year over the last 10 years, the number of calls is expected to grow to 840 by 2025.

In the 2020 approved budget, the Fire Department is currently supported 60% by the Current Expense Fund and 40% by our existing EMS Fund.

AMBULANCE UTILITY LEGISLATION

The Revised Code of Washington (RCW) Section 35.21.766 gives all cities and towns the authority to establish an ambulance service to be operated as a public utility. This includes the authority for a City Council to set and collect rates and charges for regulating, operating, and maintaining an ambulance utility. It also identifies the policies with regard to classifying expenditures and setting rates for an ambulance utility.

A city must complete the following before implementing support from ambulance utility rates:

- Establish City Council consensus on moving forward with implementing an Ambulance Utility Fee. **Completed.**
- Determine if an Ambulance Utility Fee supported by a public ambulance system will displace a private ambulance provider. In our case, we are already working with a public agency provider and we are not looking to displace a private ambulance provider or make any changes. **This step is not applicable in this case.**
- Complete a "Cost of Service and Rate Analysis."
- Host a public hearing. The hearing must be preceded by at least 30 days' notice provided in each ratepayer's utility bill.
- During the public hearing, allow for public comment and present the following information:
 - The utility's most recent cost of service study,
 - A summary of the utility's current revenues sources,
 - A proposed budget reflecting the reduced allocation of General Fund revenues,
 - Any proposed changes to utility rates, and
 - Any anticipated impact to the utility's level of service.

- Pass an Ordinance approved by the City Council establishing an Ambulance Utility Fee.
- Establish a chapter for the Grandview Municipal Code detailing the Ambulance Utility, such as:
 - Establish how the fee will be applied,
 - Establish the amount of the fee,
 - Establish the future process for adjustments to the fee.

COST OF SERVICE STUDY REQUIREMENTS

According to RCW 35.21.766, a cost of service study is required to identify the total cost necessary to regulate, operate, and maintain the ambulance utility. The City is developing this cost of service study and the related ambulance utility rates to meet the requirements of RCW. This scope of work includes:

- Reviewing and analyzing fire department and ambulance expenditures and workload data,
- Developing the cost of service framework and establishing the cost of service for fire and emergency medical services,
- Establish and identify customer classes and cost allocation methods for the ambulance utility,
- Calculating availability and demand rates for each customer class, consistent with RCW 35.21.766.

To accomplish the scope of work, city staff worked with financial information from the 2019 fiscal year, the 2021 projected fiscal year and call volume data from the last 10 years.

THE GRANDVIEW FIRE DEPARTMENT

The Grandview Fire Department strives to provide a high quality of services for the City's residents and visitors, while taking a modern-day approach to firefighting and emergency medical services that emphasizes treating community members like family. The Department provides for fire suppression, advanced and basic life support ambulance service, technical rescue, hazardous materials response, fire prevention inspections, public fire education programs, emergency preparedness planning, fire cause and origin investigation, and incident management.

The Department staffing includes a full-time Fire Chief and Captain, and volunteers consisting of a Deputy Chief, four Captains, four Lieutenants, five Company Officers, nine Firefighters, six Recruits and three EMS Personnel. Of the thirty-four members currently on the department, twenty-five of them are trained as Emergency Medical Technicians (EMT's). The department currently operates out of one station.

The City currently finances its Fire Department expenditures through the Current Expense Fund and the Emergency Medical Services Fund. The 2019 actual expenditures for the Fire Department are displayed below in Exhibit 1. The total combined cost of providing fire and EMS services in 2019 was \$638,485. The 2021 projected expenditures for the Fire Department are displayed below in Exhibit 2. The total combined projected cost of providing fire and EMS services in 2021 is \$891,570 (a 28.4% increase).

Exhibit 1

2019 General Fund and Emergency Medical Services Fund Expenditures

Expense Category	General Fund	Emerg. Medical Services Fund	Total
Personnel	\$222,580	\$144,425	\$367,005
Supplies & Services	30,678	9,574	\$ 40,252
Equipment	10,240	0	\$ 10,240
Facilities	10,911	4,676	\$ 15,587
Communications	16,266	20,885	\$ 37,151
Ambulance Service	0	85,775	\$ 85,775
Vehicles & Rentals	72,863	9,612	\$ 82,475
Total	\$363,538	\$274,947	\$638,485

Exhibit 2

2021 Projected General Fund and Emergency Medical Services Fund Expenditures

Expense Category	General Fund	Emerg. Medical Services Fund	Total
Personnel	\$253,911	\$163,679	\$417,590
Supplies & Services	50,261	19,609	\$ 69,870
Equipment	12,100	2,000	\$ 14,100
Facilities	13,230	5,670	\$ 18,900
Communications	22,310	30,490	\$ 52,800
Ambulance Service	0	187,600	\$187,600
Vehicles & Rentals	122,020	8,690	\$130,710
Total	\$473,832	\$417,738	\$891,570

In 2019, the Fire Department had a total of 724 emergency responses. Of those responses, approximately 83% or 599 responses were for EMS with the remaining 125 responses for fire and other related calls. All of the EMS calls were inside the city limits of Grandview. In addition, an evaluation of the call numbers for the last 10 years shows that our call volume is rising on average 4% per year.

CHAPTER 2: COST OF SERVICE AND RATE ANALYSIS

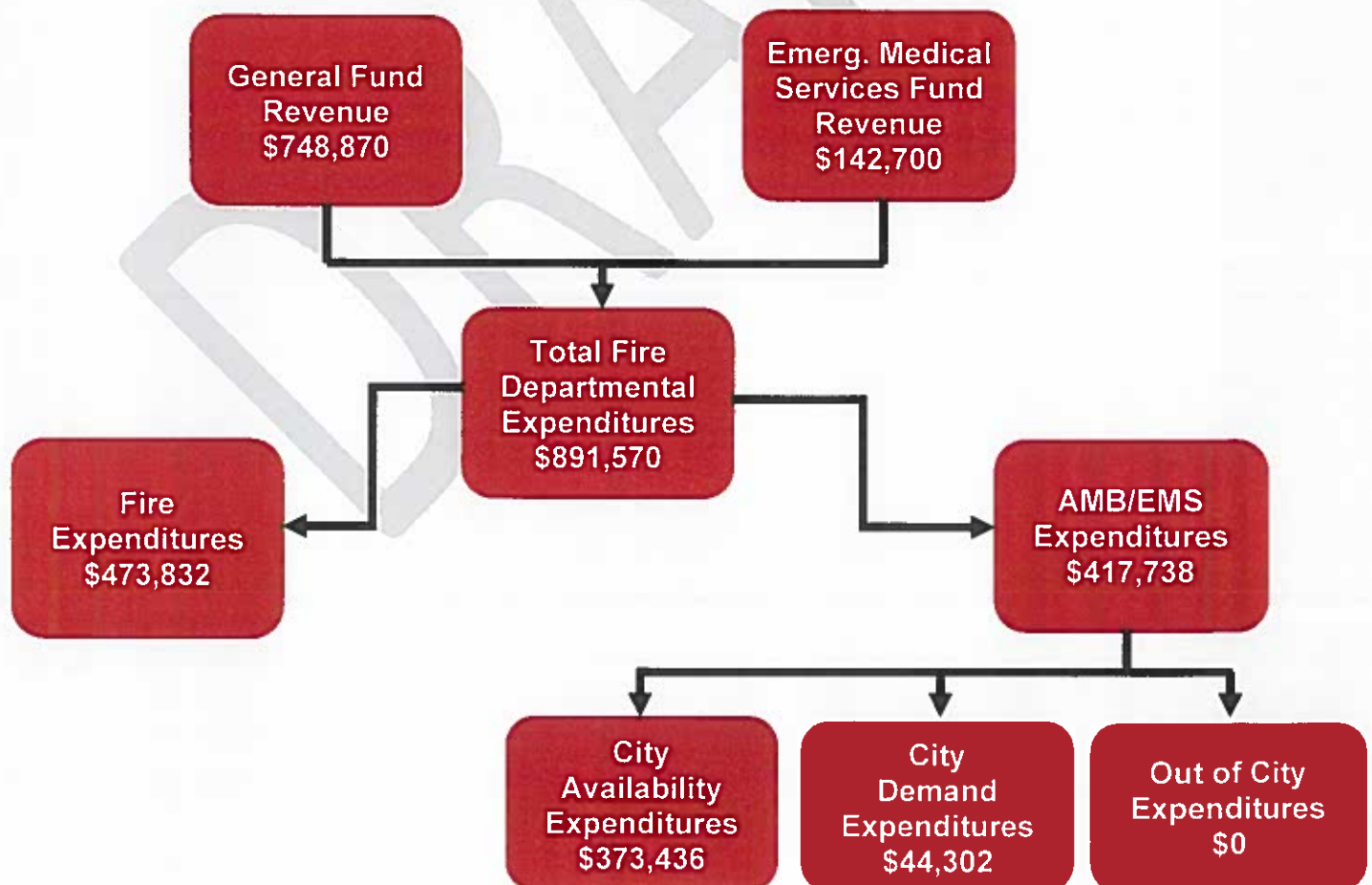
In order to determine the cost of service, the Department's expenditures must be divided between fire and ambulance/EMS activities. The allocation process consisted of the following steps.

- Allocating the expenditures within the Current Expense Fund and Emergency Medical Services Fund budget between those related to fire and ambulance/EMS services,
- Dividing the ambulance/EMS expenditures between availability and demand expenditures, and
- Determining City EMS expenditures versus outside of City EMS expenditures. **It has been determined that there are no outside of City expenditures.**

Exhibit 3 shows the framework and summary for the overall allocation process to determine the cost of service for ambulance/EMS services based on the 2021 projected expenditures. The amounts shown at each step represent the allocated revenues and expenditures.

Exhibit 3

2021 Projected Cost of Service Framework



KEY ASSUMPTIONS

1. The first steps in the process is to analyze the call volumes from 2010 to 2019 with an emphasis on 2019 to determine average rise in call numbers and the percentage of EMS calls to other type calls.
2. The next step involved analyzing actual fire department year end expenditure totals for the 2019 Budget. And then extending that same breakdown to the 2021 Projected Budget. This provided dollar amounts in the Current Expense Fund (Fire Administration, Fire Suppression, Facilities) and Emergency Medical Services Fund to determine the total cost of providing fire and EMS/ambulance services.

The information was divided into the following categories:

- ❖ Personnel
- ❖ Supplies and Services
- ❖ Equipment
- ❖ Facilities
- ❖ Communications
- ❖ Ambulance Services
- ❖ Vehicles

The following sections discuss the allocation factors that were used to support expenditures between fire and EMS/ambulance services and between availability and demand expenditures.

Personnel Expenditures

The City budgets for fire suppression personnel and EMS personnel expenditures in both the Current Expense Fund and the Emergency Medical Services Fund. The personnel expenditures were allocated between fire and AMB/EMS based on the time staff spent responding to fire and EMS emergency calls and/or training. Expenditures were divided based on the information described below.

- Fire Chief / Fire Administration Program; (Current Expense – 100%) / An analysis of the fire chief's position in 2019 determined that 691 hours (33.2% of his time) went to handling AMB/EMS duties. These duties included call response, reports, training, providing training, administrative duties and etc.
- FTE Captain / Fire Suppression Program and the Emergency Medical Services Program; (Current Expense – 75% / EMS – 25%) / An analysis of the FTE captain's position in 2019 determined that 520 hours (25% of his time) went to handling AMB/EMS duties. **These duties included call response, reports, taking training, payroll, equipment maintenance and etc.** The captain's labor expenditures are already divided between Fire Suppression and AMB/EMS (75% / 25%).

- Volunteers / Fire Suppression Program and the Emergency Medical Services Program; (Current Expense – 40% / EMS – 60%) / An analysis of the volunteers in 2019 determined that 60% of their time is spent responding to or training for AMB/EMS duties. 40% of their time is spent responding to or training for fire response duties and etc. The Volunteers labor expenditures are already divided between Fire Suppression and AMB/EMS (40% / 60%).

Supplies and Services

- Administration supplies and service expenditures were allocated to fire response, except 33% of uniforms and clothing and 10% of office and operating expenses.
- The supplies and services expenditures of fire suppression and facilities were allocated to fire response.
- The supplies and services expenditures of EMS were allocated to AMB/EMS.

Equipment

- The equipment expenditures of fire administration, fire suppression and facilities were allocated to fire response.
- The equipment expenditures of EMS were all allocated to AMB/EMS.

Facilities

- There are no facilities expenditures in fire administration, fire suppression or emergency medical services.
- 30% of professional services and public utilities in the Facilities category were allocated to AMB/EMS based on the square footage of the station that is used to house EMS equipment and address AMB/EMS needs.

Communications

- 10% of communications expenditures in fire administration were allocated to AMB/EMS for record keeping, conducting EMS business and etc.
- All communication expenditures in fire suppression are dispatch related and were allocated to fire response.
- There are no communication expenditures in facilities.
- All communication expenditures in emergency medical services are dispatch related and were allocated to AMB/EMS.

Ambulance Services

- Ambulance service fees are the agreed fees paid to the City of Sunnyside for their ambulance to be staffed and available for City of Grandview. Ambulance service fees are allocated to AMB/EMS.

Vehicles

- 10% of fire administration operating rentals and leases line item are allocated for vehicle use to handle AMB/EMS business.
- 18% of fire suppression operating rentals and leases line item (share designated for the FTE Captain's vehicle) are allocated for vehicle use to handle AMB/EMS business.
- All facilities vehicle expenditures were allocated to fire response.
- All emergency medical service vehicle expenditures were allocated to AMB/EMS.

Personnel expenditures and etc. have risen since 2019. In addition, we have projected expenditures for some categories such as ambulance service fees that were not in place in 2019. The dollar amounts in Exhibit 2, 3 and 4 are based on the 2021 proposed budget to provide a more accurate financial breakdown.

Exhibit 4

2021 Projected Fire and AMB/EMS Expenditures by Category

Category	Fire	AMB/EMS	Total
Personnel	\$253,911	\$163,679	\$417,590
Supplies & Services	50,261	19,609	\$ 69,870
Equipment	12,100	2,000	\$ 14,100
Facilities	13,230	5,670	\$ 18,900
Communications	22,310	30,490	\$ 52,800
Ambulance Service	0	187,600	\$187,600
Vehicles & Rentals	122,020	8,690	\$130,710
Total	\$473,832	\$417,738	\$891,570

TOTAL CITY AMBULANCE AVAILABILITY AND DEMAND EXPENDITURES

The expenditures listed in the AMB/EMS category represent the City expenditures for providing AMB/EMS services inside the City. The City has no financial expenditures involved in providing service outside the City limits.

Once AMB/EMS expenditures are identified, they are then divided between availability and demand expenditures. According to RCW 35.21.766, availability expenditures are attributable to the basic infrastructure needed to respond to a single call for service and may include dispatch, labor, training, equipment, patient care supplies, and equipment maintenance expenditures, while demand expenditures are attributable to the burden placed on the AMB/EMS service by responding on individual calls.

To determine availability and demand expenditures, the following assumptions and allocation factors were used.

1. On average 2 Grandview Fire Department (GFD) personnel and the ambulance crew respond to EMS calls.
2. The average EMS call lasts one hour.
3. Total EMS expenditures, minus the ambulance agreement fees, were divided by 8,760 (total hours in a year) to arrive at a **base cost per hour for EMS services**.
 - o \$417,738 (Exhibit 3 – AMB/EMS Expenditures) minus \$187,600 (Exhibit 4 – AMB. Service Expenditures) equals \$230,138 // \$230,138 divided by 8,760 (hours in a year) equals \$26.27 (**base cost per hour for EMS services**)
4. Ambulance agreement fees were divided by 8,760 (hours in a year) to arrive at a **base cost per hour for ambulance agreement fees**.
 - o \$187,600 (Exhibit 4 – AMB Service Expenditures) divided by 8,760 (hours in a year) equals \$21.42 (**base cost per hour for ambulance agreement fees**)
5. Two hours of the base cost per hour for EMS services (**Number 3**) rate and one hour of the base cost per hour for ambulance agreement fees (**Number 4**) were combined to determine the **Per Call Demand Cost**.
 - o \$26.27 (Bullet 3) plus \$26.27 (Bullet 3) plus \$21.42 (Bullet 4) equals \$73.96 (**Per Call Demand Cost**)
6. The number of EMS calls documented in 2019 (599) was used as the number of hours to determine **Total Demand Expenditures**.
 - o \$73.96 (Per Call Demand Cost) times 599 (Total EMS Calls) equals **\$44,302.04 (Total Demand Expenditures)**

The Availability versus Demand expenditures have been broken down in Exhibit 5.

Exhibit 5

2021 Projected AMB/EMS Expenditures Per Hour

Total GFD EMS Expenditures	\$230,138	Per Hour	\$26.27 (As per Bullet #3 above)
Total Ambulance Agreement Fees	\$187,600	Per Hour	\$21.42 (As per Bullet #4 above)
Total (Exhibit 3 – AMB/EMS Expenditures)	\$417,738		

2021 Projected AMB/EMS Demand Expenditures

Total Per Call Cost: $26.27 + 26.27 + 21.42 = \73.96 (Demand Cost Per Call)
(As per Bullet #5 above)

Total Demand Cost: $73.96 \times 599 = \$44,302.04$ (2021 Total Demand Expenditures)
(As per Bullet #6 above)

2021 Projected AMB/EMS Availability and Demand Expenditures

Total Availability Expenditures	\$373,436
Total Demand Expenditures	<u>\$ 44,302</u>
Total AMB/EMS Expenditures	\$417,738

The total AMB/EMS Expenditures are \$417,738 representing 47% of the total department expenditures. Of that total, \$373,436, representing 89%, is for the Availability Expenditures and \$44,302, representing 11%, is for the Demand Expenditures.

The City of Grandview does not bill for its services. Therefore, we currently do not have an expenditure recovery system.

Revenues from our existing EMS Levy will be utilized to offset the Demand Expenditures with the balance used to offset a portion of the Availability Expenditures. This will allow us to lessen the impact of the Ambulance Utility Fee to our citizens. Thus, our rates will be equal per account across the utility at this time.

CHAPTER 3: AMBULANCE UTILITY RATE ANALYSIS

Once the availability and demand expenditures are identified, the next step is to determine the availability and demand rates. RCW 35.21.766 establishes the following rate policies.

- Availability expenditures must be uniformly applied across user classifications,
- Demand expenditures must be based on each user classification's burden on the utility,
- Transport revenues must be allocated against the demand expenditures,
- The expenditures for exemptions or reductions are a general expense of the utility and are designated as an availability cost to be spread uniformly across the utility user classifications,
- Medicaid eligible persons who reside in a nursing home, boarding home or adult family home, or who receive in-home services are exempt, and
- Designated classes consistent with Article VIII, section 7 of the state Constitution may be exempt from or have reduced rates.

CUSTOMER CLASSES

To determine the rates, the total number of customers in the City needs to be identified. To do this the City identified the various classes that customers would be grouped into. Next, the City determined the total number of Equivalent Residential Units (ERUs) for

the single family, multi-family and commercial customer classes. The City uses ERUs in order to make all customers classes equivalent to single family billing units.

For the single-family class, each billing unit is a single ERU. For the multi-family class (including mobile home parks), the ERUs represent the total number of housing units in a complex.

For the commercial class, the ERUs represent the total number of employees divided by the City's average household size (3.3 persons).

Municipal organizations were considered the same as the commercial class with the exception that each building and/or location is considered to be a separate business. The Assisted Living/Nursing Home class, each resident is considered to be one ERU noting the exemption for Medicaid eligible persons.

To calculate the ERUs for business and municipal classes, the City has set a maximum number of 66 employees that will be utilized to calculate their ERUs. Based on this maximum, the maximum number of ERUs that will be billed is 20 (i.e. 66 employees divided by 3.3 persons per household) for the commercial, hotel/motel and municipal classes. The maximum number of ERUs was not capped for the multi-family class since the ERUs in this class represent the total number of housing units at a location, such as the number of apartments in an apartment complex.

Based on the maximum number of 20 ERUs, the City's initial data shows a total of 3,616 ERUs. See Exhibit 6.

Exhibit 6

Estimated Number of Billing ERUs by Customer Class

Customer Class	Regular	Medicaid	Total Billing ERUs	Percent of Total Billing ERUs
Residential	2,247	0	2,247	20%
Multi-Family	894	0	894	20%
Commercial	339	0	339	20%
Municipal	81	0	81	20%
Assisted Living/ Nursing Homes	34	21	55	20%
Total	3,595	21	3,616	100%

In addition to the number of ERUs, the City EMS responses in 2019 were divided by customer classes. Exhibit 7 shows a breakdown of the 599 EMS responses by customer class. The following information was used to help determine what class calls would be put in.

- Incidents on public streets or open land were included under municipal,
- Incidents that did not have a customer class listed are shown under miscellaneous and
- Responses to the assisted living/nursing home class were distributed between the regular and Medicaid categories based on the estimated proportional share of ERUs between these categories for this customer class.

Exhibit 7

Number of EMS Incidents by Customer Class (599 Calls Total)

<i>Customer Class</i>	<i>Regular</i>	<i>Medicaid</i>	<i>Total Billing ERUs</i>	<i>Percent of Total Billing ERUs</i>
Residential	253	0	2,247	20%
Multi-Family	134	0	894	20%
Commercial	52	0	339	20%
Municipal	79	0	81	20%
Assisted Living/ Nursing Homes	60	21	55	20%
Total	578	21	3,616	100%

AVAILABILITY AND DEMAND RATES

The law requires that revenues such as ambulance billing, EMS levy, grants and etc., be subtracted from the revenue needed for the ambulance utility. We do not bill for our services, so we have no revenue from billing. We do receive EMS levy dollars and an annual Trauma grant. The 2021 projected budget includes \$141,500 in EMS levy revenues and \$1,200 in Trauma grant revenues. To calculate the cost that can be recovered from AMB/EMS utility rates, these two revenues were subtracted from the availability and demand expenditures identified previously in this study. Exhibit 8 shows those revenues and their application to the availability and demand expenditures of the AMB/EMS expenditures.

Because the \$141,500 in EMS levy revenues was greater than the \$44,302 in demand expenditures, the remaining \$97,198 in revenue was then used to offset availability expenditures. As a result, there are no demand expenditures and remaining net expenditures of \$275,038 are all availability expenditures. The details of this calculation are displayed below in Exhibit 8.

Exhibit 8

Adjusted Availability and Demand Expenditures

	Availability	Demand	Total
Ambulance/EMS Utility Expenditures	\$373,436	\$ 44,302	\$417,738

Adjustments (Less Revenues)		Total
EMS Levy		(\$141,500)
Trauma Grant	(\$ 1,200)	\$ 1,200
Net Ambulance Utility Expenditures	\$372,236	(\$ 97,198)

Based on the net ambulance utility expenditures of \$275,038 and 3,595 regular ERUs (i.e. 3,616 total ERUs minus the 21 ERUs attributed to Medicaid), the projected AMB/EMS rate per ERU is \$78.24 per year or \$6.52 per month, as shown below in Exhibit 9.

Exhibit 9

Utility Rates

Customer Class	Availability	Demand	Annual Rate Per ERU	Monthly Rate Per ERU
Residential	\$78.24	\$0	\$78.24	\$6.52
Multi-Family	\$78.24	\$0	\$78.24	\$6.52
Commercial	\$78.24	\$0	\$78.24	\$6.52
Municipal	\$78.24	\$0	\$78.24	\$6.52
Assisted Living/ Nursing Homes	\$78.24	\$0	\$78.24	\$6.52

CHAPTER 4: SUMMARY OF INFORMATION

Projected Annual Fire Department Budget (2021):	\$891,570
Current Expense Revenue:	\$748,870
EMS Revenue:	\$142,700

Projected 2021 Expenditures to Provide Fire Services: \$473,832

Projected 2021 Expenditures to Provide AMB/EMS Services:	\$417,738
Availability Expenditures:	\$373,436
Demand Expenditures:	\$ 44,302

EMS Revenues to Offset Demand and Availability Expenditures: \$142,700

Net Expenditures to Provide AMB/EMS Services: \$275,038

Estimated ERUs: 3,595 (3,616 -21 for Medicaid exemption)

Annual Cost per ERU:	\$ 78.24
Monthly Cost per ERU:	\$ 6.52

CHAPTER 5: CONCLUSIONS AND ITEMS FOR CONSIDERATION

Based on the Cost of Service Study, the net cost to provide AMB/EMS services in 2021 will be \$275,038. This includes the cost of providing AMB/EMS services minus EMS levy and Trauma grant revenues. If the City chooses to initiate the \$78.24 per year rate fee per ERU, then the AMB/EMS services would require less support from the Current Expense fund. Currently the Current Expense fund support has been increased by \$170,000 to cover the projected expenditures for 2021. Although this study determined the maximum allowable rate for 2021, the City will decide how much it will actually charge if it chooses to initiate it and how much, if any, from the Current Expense fund will be requested to support the AMB/EMS services. The City also has the option to have an updated study done in the future and then adjust the rates at a future date.

APPENDIX A: COST OF SERVICES ANALYSIS DETAILS

A – 1: 2019 Actual Cost Breakdown Allocation

A – 2: 2021 Projected Cost Breakdown Allocation

A – 3: Miscellaneous Data Used for this Study

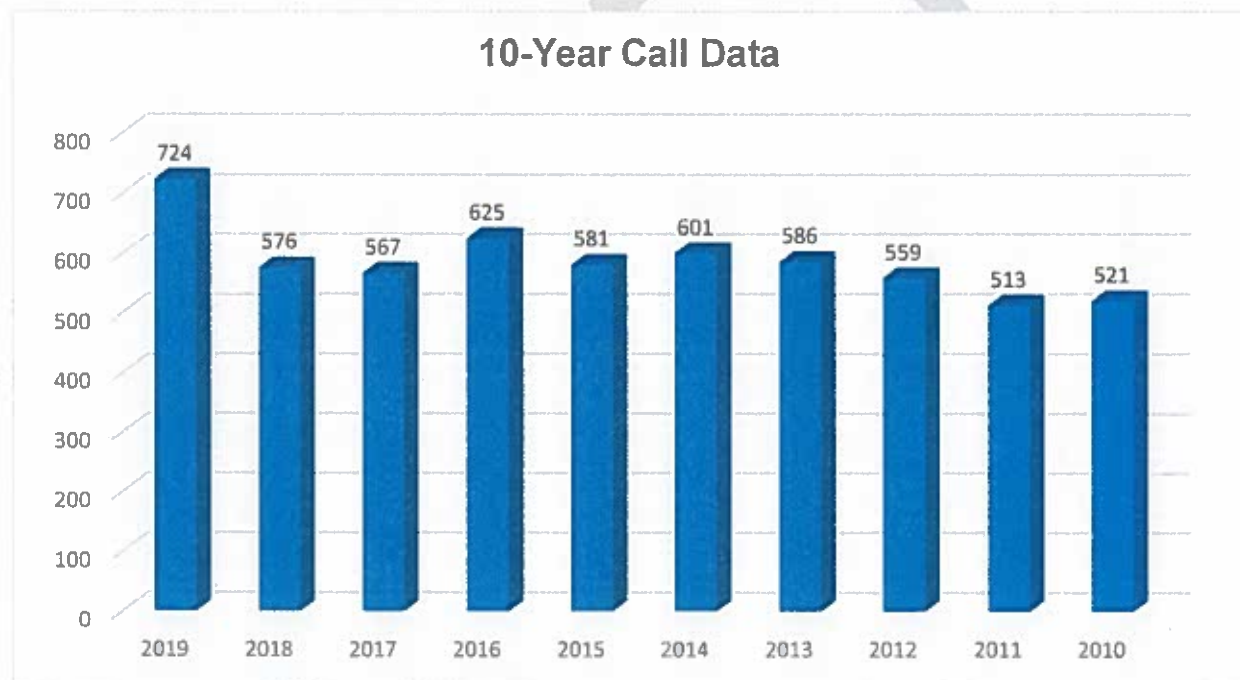
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A – 3

2019 Call Data: EMS – 599 / Fire & Other – 125 / Total 724

EMS Call Type:	Number
Accident – Injury	19
Accident – Unknown	8
Alarm Medical	10
EMR – Lift Assist	29
EMR – Medic	316
EMR – Red	214
EMR – Yellow	3
Total	599

Calls Per Year (Last 10 Years) / Average Yearly Increase – 3.9%



$724 - 521 = 203$ * $521 = 39\%$ * $10 = 3.9\%$ increase in calls per year average

Fire Administration Ambulance/EMS Analysis:

Calls & Reports - 335 Hours

Training taken and/or given - 8 Hours per month / 96 Hours per year

EMS Admin. & etc. – 5 Hours per week / 260 Hours per year

691 (total hours) of 2080 = 33.2% of personnel expenditures

1/3 of uniform and clothing expenditures were allocated to ambulance/EMS expenditures

10% of Office Supplies, Communication (phones, internet, ERS record keeping) & vehicles were allocated to ambulance/EMS expenditures

Fire Suppression Ambulance/EMS Analysis:

18% of vehicle expenditures were allocated to ambulance/EMS expenditures for call response and etc.

Facilities Ambulance/EMS Analysis:

30% of Professional Services and Public Utilities were allocated to ambulance/EMS expenditures based on square footage of the station used for EMS. Two apparatus bays, 1 office and misc. parts of the other offices, training room, bathrooms, kitchen and foyer.

Emergency Medical Services Fund:

All emergency medical services expenditures were allocated to ambulance/EMS expenditures.

Public Hearing Topics:

The utility's most recent cost of service study

A summary of the utility's current revenues sources,

A proposed budget reflecting the reduced allocation of General Fund revenues,

Any proposed changes to utility rates

Anticipated Impact to the Utility's Level of Service

The impact of establishing this Ambulance Utility Fee is to provide financial stability to be able to continue providing the service at the level that we are now. Without this funding, there is the possibility that the level of service will have to decrease.

Anticipated Budget

Revenues: (Estimated Accounts) 3,450 X \$6.00 = \$20,700 X 12 = \$248,400

Expenditures: (Applied to Availability Expenditures)

Ambulance Services	187,600
Communications	29,200
Operating Rentals & Leases	7,690
Insurance	5,920
Personnel	17,990
Total	248,400

ORDINANCE NO. 2021-____

**AN ORDINANCE OF THE CITY OF GRANDVIEW, WASHINGTON,
ADOPTING A NEW TITLE 7 OF THE GRANDVIEW MUNICIPAL
CODE ESTABLISHING AN AMBULANCE UTILITY**

WHEREAS, the City of Grandview has not had consistent private ambulance services; and,

WHEREAS, it is important to the City of Grandview and to the citizens of the City that a viable, consistent ambulance service be in operation in the City of Grandview; and,

WHEREAS, the City of Grandview is not adequately served by existing private ambulance services; and,

WHEREAS, Section 35.21.766 of the Revised Code of Washington authorizes cities to establish municipal ambulance services, to be operated as a public utility where the City is not adequately served by existing private ambulance services; and,

WHEREAS, the City is also authorized, pursuant to Section 35.21.768 of the Revised Code of Washington to adopt an ordinance levying and collecting an excise tax for the purpose of operating and maintaining the municipal ambulance service;

WHEREAS, the City Council of the City of Grandview finds and determines that establishing an ambulance utility within the City is in the best interest of the City, its residents, and will promote the general health, safety and welfare of the City and its residents; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GRANDVIEW, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. A new Title 7 of the Grandview Municipal Code Chapter entitled "Ambulance Utility" is adopted to read as follows:

**TITLE 7
AMBULANCE UTILITY**

**Chapter 7.04
Ambulance Utility**

Sections:

- 7.04.010** Purpose and legislative findings.
- 7.04.020** Ambulance utility established.
- 7.04.030** Definitions.
- 7.04.040** Administration.

- 7.04.050 Utility zones.
- 7.04.060 Ambulance service – City utility zone.
- 7.04.070 Ambulance service – Outside utility zone.
- 7.04.080 Base utility charges.
- 7.04.090 Ambulance utility rates.
- 7.04.100 Emergency Medical Services and Ambulance Utility Fund.
- 7.04.110 Severability.

7.04.010 Purpose and legislative findings.

The purpose of this chapter is to confirm and establish a system of emergency medical service/ambulance service operated by the City of Grandview as a public utility of the City of Grandview. The City Council finds and determines that the City establish a public utility ambulance service system pursuant to RCW 35.21.766 and 35.21.768. Furthermore, the City Council finds and determines that the City of Grandview is not adequately served by any existing private ambulance service. The City Council declares its intent and purpose to confirm and ratify the existing city-operated ambulance utility as the ambulance utility of the City of Grandview with exclusive right to provide necessary and appropriate ambulance services to residents of the City in accordance with law and the provisions below. The ambulance utility charges set forth below are based on benefits of the ambulance utility accruing to all residents, schools, churches, nonprofit agencies, businesses and industries within the City of Grandview, to wit:

A. Availability of ambulance personnel qualified to administer emergency medical service, which personnel are employees and volunteers of the City of Grandview, thereby subject to personnel policies, supervision, direction, funding and control by the City, subject to budgetary direction and control of a legislative body elected by citizens of the City of Grandview;

B. Availability of city-owned, operated and maintained equipment and emergency medical supplies, located within public facilities in the City facilitating timely response to calls for emergency medical services and 24-hour-per-day accessibility;

C. Reduced emergency medical service fees for residents, schools, churches, nonprofit agencies, businesses and industries within the City of Grandview;

D. Ambulance utility charges set and established by elected officials of the City of Grandview, differentiating between types of services offered and specific needs of different components of the community: residential, educational, charitable, commercial and industrial;

E. Uniform regulation of ambulance utility services provided to residents, businesses and industries within the City of Grandview, established pursuant to ordinances adopted by the elected officials of the City and regulations and laws of the County, State and federal government;

F. Availability of enhanced emergency medical service levy revenues associated with operation of the City-owned and operated ambulance utility for residents, schools, churches, nonprofit agencies, businesses and industries within the City of Grandview and surrounding service area; and

G. Enhancement of the general health, safety and welfare of residents of the City of Grandview.

7.04.020 Ambulance utility established.

From the effective date of this chapter, the ambulance service operated and maintained by the City of Grandview is hereby confirmed and established as the ambulance utility of the City of Grandview. Such utility is and shall be the exclusive provider of ambulance services to and for residents of the City of Grandview except as specifically provided otherwise in the sections below. This chapter sets forth the uniform requirements for residents within the City regarding use, operations and funding of the ambulance utility

7.04.030 Definitions.

The following definitions apply to this chapter:

A. "Ambulance" means any vehicle designed and used to transport the ill and injured and to provide personnel, facilities and equipment to treat patients before and during transportation.

B. "Ambulance service" means those emergency medical services provided by the City ambulance utility, including but not limited to emergency medical services provided by paramedic and emergency medical technician personnel of the City of Grandview, emergency medical transport, nonemergency medical transport, administration of such services, and other emergency or nonemergency services customarily provided by the ambulance service.

C. "City" means the City of Grandview.

D. "Emergency equipment" means such facilities and equipment, including ambulance vehicles and medical supplies, to be used in the treatment of persons injured, ill, incapacitated, or transported by the ambulance or ambulance service.

E. "Emergency medical service" means medical treatment and care which may be rendered at the scene of any medical emergency or while transporting any patient in an ambulance to an appropriate medical facility, including ambulance transportation between medical facilities.

F. "Basic life support" means noninvasive emergency medical services requiring basic medical treatment skills as defined in Chapter 18.73 RCW.

G. "Advanced life support" means invasive emergency medical services requiring advanced medical treatment skills as defined by Chapter 18.71 RCW.

H. "Household" means any residential unit in the City, including all single-family residences, each apartment or individual unit in multiple dwelling units, each manufactured home and any other residential dwelling unit within the City; except the term "household" shall not include units or rooms intended, designed and used for itinerant or temporary housing, such as hotels, motels, or bed-and-breakfast businesses where occupancy does not exceed 30 days.

I. "Business" means any person, corporation, partnership or other entity engaged in commerce or nonprofit or charitable activities in the City, including those commercial uses described in Chapters 17.41, 17.42, 17.44, 17.45, 17.50, 17.52 and 17.54 GMC, and including public and private schools, and churches, where such person, corporation, partnership or other entity operates from an established building or other location within the City, including but not limited to stores, shops, vending businesses (including mobile vending businesses licensed under Chapter 5.14 GMC), offices, schools, churches, hotels, motels, bed-and-breakfast businesses, or other

permanent or temporary structure, except where a person operates a licensed business in a residence pursuant to approved license for home occupation. For purposes of this chapter, "school" means each separate school facility operated as a separate educational entity with its own administrative staff, such as a principal, vice principal and other assigned staff.

J. "Industry" means any business, firm, person, corporation or other entity engaged in manufacturing or other industrial use described in Chapter 17.52 or 17.54 GMC, where such business, firm, person, corporation or other entity operates from an established building or other location within the City and is subject to the business license requirements of GMC Title 5.

7.04.040 Administration.

The City shall administer, implement and enforce the provisions of the ambulance service and this chapter.

7.04.050 Utility zones.

The service areas of the ambulance service shall be designated by utility zones described below.

A. City Utility Zone. All properties, structures, facilities and areas within the City limits of the City of Grandview, as such now exist and are expanded or modified, are hereby designated and established as the City utility zone.

B. Outside Utility Zone. All properties, structures, facilities and areas lying outside the City limits of the City of Grandview, as such are established, approved and delineated by appropriate agencies of the State of Washington and the Emergency Medical Services Medical Program Director with jurisdiction over the ambulance service.

C. Criteria for Designation and Creation of Utility Zones. The City utility zone is created and designated as a separate service zone for reasons and purposes as follows, including but not limited to:

1. Areas within the City are accessed using City streets and rights-of-way, allowing the City to provide efficient emergency response over streets and rights-of-way maintained and established by the City, together with the availability of other utility services (water, sewer, streets) and franchise utility services (power, gas, telecommunications);

2. Addresses and street maps for residences, schools, businesses and other structures are established and maintained by the City within such zone, facilitating efficiency of emergency response;

3. Access to individual lots, including residential, school, commercial and industrial, is subject to development standards and zoning requirements of the City, thus facilitating rapid emergency response and access to such properties, lots and structures;

4. Properties, facilities and structures within the City are identified, categorized and listed within the City's emergency response plan, as required by law, which includes designation of and procedures for response to hazardous sites and continuing City inspection and regulation of such sites;

5. Immediate assistance from the Grandview Police Department is available as needed or requested for emergency medical services to locations within the City;

6. The City maintains a system of regular, scheduled fire safety inspections for commercial and industrial facilities and structures within the City, as well as inspections for all new construction, thus facilitating fire prevention and safety and reducing risk of the need for emergency medical responses.

D. The outside utility zone is created and designated as a separate service zone for reasons and purposes as follows, including but not limited to:

1. Streets and rights-of-way necessary to access properties and facilities outside the City are not within the jurisdiction or control of the City, and are not subject to City maintenance and care, thus increasing the need for precaution and reducing efficiency of response;

2. For mutual aid fire services, which are likely to include emergency medical or ambulance response by the City, there is no availability of City water utility access for assured minimum fire flows, thus increasing the possibility of more destructive fires and consequent need for emergency medical treatment of affected persons;

3. Access to lots within the outside utility zone is subject to locating unmarked, unpaved driveways developed to rural standards, thus increasing response times and decreasing efficiency of response;

4. Designation of addresses is not subject to control or maintenance by the City, thereby causing less efficient response;

5. Designation of hazardous sites within the outside utility zone is not subject to control by the City;

6. Such hazardous sites are not subject to inspection or regulatory control by the City, thus increasing the need for precaution and reducing efficiency of emergency response;

7. Lack of immediate assistance from law enforcement agencies with jurisdiction in the outside utility zone.

E. Creation of Additional Utility Zone(s). The City reserves the right to create additional or modified utility zones based upon criteria deemed appropriate and necessary in order to provide for the efficient provision of ambulance utility services.

7.04.060 Ambulance service – City utility zone.

All persons receiving emergency medical service within the City, including residents, employees of businesses and industries, and customers or business invitees thereof while within the City, shall be deemed to be within the City utility zone for purposes of administration of this chapter. Calls for ambulance service generated within the City of Grandview shall be made or referred to the City of Grandview Fire Department..

7.04.070 Ambulance service – Outside utility zone.

All persons residing outside the City limits, who receive initial emergency medical service outside the City limits, shall be deemed to be within the outside utility zone for purposes of administration of this chapter, regardless of whether or not, in the course of such emergency medical service, such persons are transported or provided any portion

of such service within the City limits. Calls for emergency medical service and ambulance service generated outside the City limits of the City of Grandview shall be referred to the appropriate fire district having jurisdiction.

7.04.080 Base utility charges.

A. City Utility Zone Fee Formula. A monthly service fee for the operations of the utility shall be established from time to time by ordinance of the City Council in conformity with RCW 35.21.776. The amount of the fee shall be based upon cost of regulating ambulance services and the cost of providing the EMS program as determined by a cost-of-service study done pursuant to RCW 35.21.766(3). Those costs, after deducting transport charges and other fund contributions, shall be divided among Grandview residents and other occupants based on a calculation of demand costs and availability costs, consistent with accepted principles of utility rate setting:

1. The rate attributable to availability costs of the utility shall be uniformly applied across all user classifications within the City utility zone.

2. The rate attributable to the demand costs shall be established and billed to each user classification based on each user classification's burden on the utility.

3. The base utility charge shall be collected and enforced in the same manner and with the procedures established for City utilities including, but not limited to, water, sewer and garbage utilities.

B. Base Utility Charge – Rates. The following monthly utility charges shall be assessed and collected:

1. Residential Units. Each residential unit shall be assessed a monthly base utility charge in the amount indicated in GMC7.01.090.

2. Commercial Businesses and Industries. Each commercial business shall be assessed a monthly base utility charge in the amount indicated in the schedule of fees and charges for each "equivalent residential unit (ERU)" computed as follows: The ERU shall be calculated by dividing the total number of employees employed by such business or industry, up to a maximum of 66 employees, by the number representing the average "household size" of residential and housing units within the City (as published from time to time by the Office of Financial Management of the State of Washington). (Note: For purposes of initial calculation, the household size is 3.3 persons per household according to current OFM calculations. The total number of employees would thus be divided by 3.3, and the resulting number multiplied by the monthly base fee as indicated in the schedule of fees and charges; provided, however, that a church shall not be assessed a base utility charge greater than the minimum monthly base ambulance utility fee.)

3. Assisted Living and Nursing Homes. Any nursing home or rest home which is licensed by the State of Washington or adult family home or assisted living facility shall be billed based upon the number of rooms per facility. Those rooms occupied by residents who are Medicaid eligible shall be exempt from this calculation. The number of residential units shall be based upon the number of residential units authorized for the facility by the governmental agency having jurisdiction over such matters.

4. Adjustment of Base Utility Rate. The base utility rate may be adjusted annually by the City Council to reflect adjustments or changes in maintenance and operations costs of the ambulance utility; provided, however, that no annual increase shall exceed six percent.

5. Medicaid Adjustment. As provided by this section, the base rate established above shall be adjusted for persons who are Medicaid eligible and who reside in a nursing home, boarding home, adult family home, or receive in-home services. Any customer seeking an exemption from the utility fee must file a written Medicaid exemption application to the Finance Director. Medicaid eligibility will be verified before an exemption is granted.

6. Federally Subsidized Rental Properties. Owners and landlords of properties with multiple rented residential units that are not individually metered and that are subject to rent control under Section 8 of the Housing Act of 1937 (42 U.S.C. § 1437f) or other similar federal housing programs may request that the City assign, cost-allocate, and disseminate monthly assessments, as authorized by this section, to the tenant leaseholder of each residential unit; provided, that:

a. The owner or landlord making such request shall provide to the Finance Director proof of participation in Section 8 or other similar federal rent controlled housing program(s) for each individual unit the owner or landlord is seeking assignment, cost-allocation, and dissemination of monthly assessment; and

b. The owner or landlord making such request shall submit and continually update a listing of each federally subsidized tenant leaseholder's name and address to the Finance Director; and

c. Upon the City's approval of such request, provided no statutory or other prohibitions exist, the tenant leaseholder shall then bear fiscal responsibility for monthly utility assessments as authorized by this section; provided, that:

i. The owner or landlord making such request, as a condition of its business license or occupancy and operational permit, shall assume financial liability for any past due amount, to include late fees, for each delinquent uniquely addressed utility assessment in the event that:

(A) Any tenant leaseholder subject to this request becomes 45 or more days delinquent on any assessed utility fee, as authorized under this section and published in SMC 2.02.020(D); or

(B) Any utility fee assessment addressed to the tenant leaseholder is returned marked undeliverable by the U.S. Postal Service.

ii. The City may take enforcement action, to include interruption of City utility services, until such time that any past due amount, to include late fees, for each delinquent utility assessment is paid in full.

Nothing in this section shall create a warranty of eligibility for reimbursement in a federally subsidized housing program or other housing assistance program.

C. Emergency Medical Services and Ambulance Fund. All base utility charge revenues collected pursuant to this chapter shall be deposited by the City into the Emergency Medical Services and Ambulance Fund. Such revenues shall be used solely for the operation, maintenance and capital needs of the ambulance service utility and emergency medical services provided thereby.

7.04.090 Ambulance utility rates.

A. The monthly ambulance utility rate per ERU: \$ _____

7.04.100 Emergency Medical Services and Ambulance Utility Fund.

There is established within the budget of the City a separate fund to be known as the "Emergency Medical Services and Ambulance Utility Fund." Monies deposited in this fund shall be used for the purposes of operation, maintenance and capital needs of the City's ambulance and emergency medical services utility.

7.04.110 Severability.

In the event any provision, sentence, clause or portion of this chapter is found to be unconstitutional or unenforceable by a court of competent jurisdiction, such finding or determination of unconstitutionality or unenforceability shall not be deemed or construed to render ineffective or unenforceable any remaining portion of this chapter

Section 2. This Ordinance shall be in full force and effect five (5) day after its passage and publication as required by law.

PASSED by the **CITY COUNCIL** and **APPROVED** by the **MAYOR** at its regular meeting on _____, 2021

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

PUBLICATION:

EFFECTIVE: