

City of College Place



# Ambulance Utility Cost of Service and Rate Study Revised Results

Peter Moy, Principal

June 5, 2018





# Revisions From the Previous Briefing

- ◆ Received additional and more detailed incident information from Walla Walla
- ◆ Included ambulance purchase and replacement costs
- ◆ Included current General Fund support and allocated EMS Levy and General Fund support to both availability and demand costs
- ◆ Added a four hires scenario to provide one full time firefighter/EMT on duty 24/7
  - Provides BLS only
  - Provides All Transports at BLS level



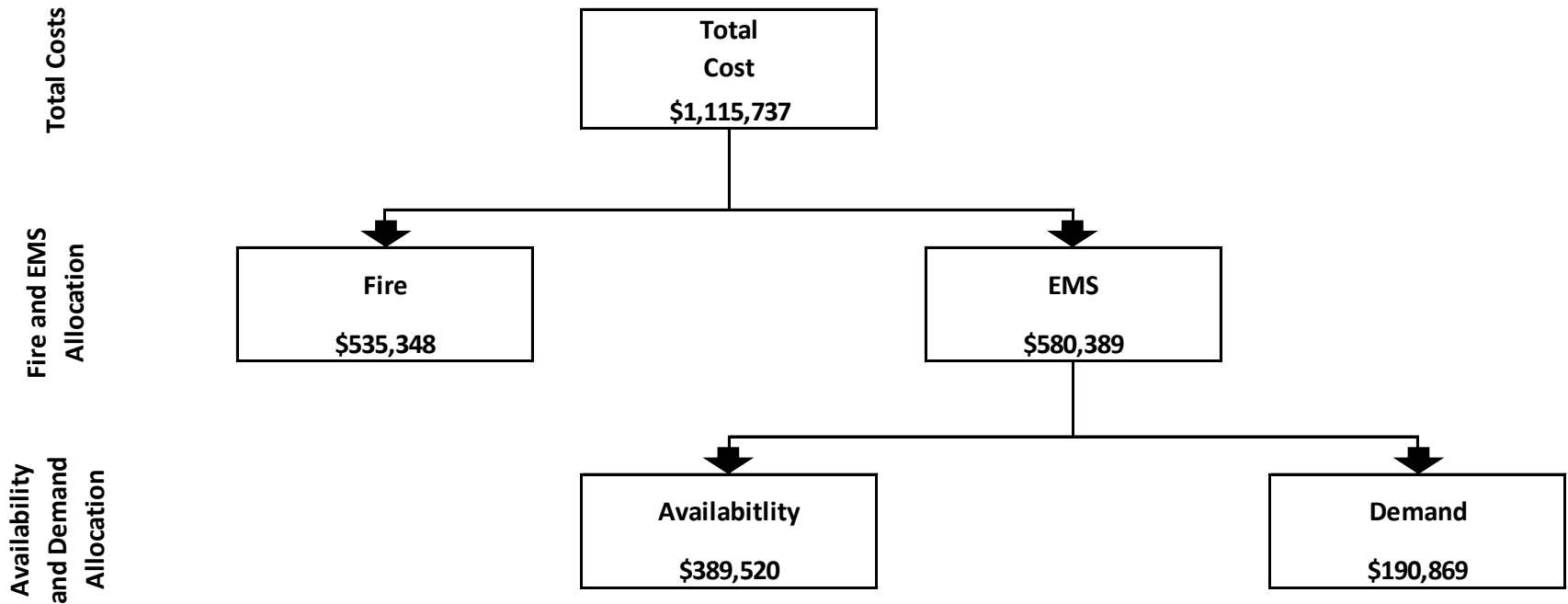
# Scenarios

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- ◆ **Scenario 1: Baseline at Full Cost Recovery Through Rates**
  - City initially purchases a used ambulance and also begins reserving for ambulance replacement
  - City starts transporting BLS incidents
  - The ambulance utility is fully funded through rates
  - EMS Levy revenue is used to offset both availability and demand costs
- ◆ **Scenario 2: Baseline With General Fund Support**
  - Same as baseline but the level of General Fund support is maintained and used to offset both availability and demand costs
- ◆ **Scenario 3: Additional Phased-In Staffing**
  - One additional staff added in both 2019 and 2020
  - General Fund support is maintained
  - Ambulance utility rates support the additional cost
- ◆ **Scenario 4: Additional Staffing for One On-Duty 24/7 Firefighter/EMT**
  - Four additional staff are added to the one current staff member
  - General Fund support is maintained
  - Ambulance utility rates support the additional cost
- ◆ **Scenario 5: All Transports Provided by the City**
  - Four additional staff are added to the one current staff member
  - General Fund support is maintained
  - Includes previous ALS transports performed by Walla Walla but at BLS rates



# 2018 Cost of Service Framework and Results





# Key Assumptions

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- ◆ Salaries and benefits related to the Fire Prevention were allocated all to fire
- ◆ Salaries and benefits for the paid firefighters (including new staff) were allocated based on the proportion of time spent on fire and EMS/ambulance responses during their shift
- ◆ Stipends for volunteers were allocated based on the ratio of fire and EMS incidents and EMS stipend costs were allocated all to demand costs
- ◆ The time not responding to incidents is considered stand-by or availability time and is calculated based on the proportion of the demand time for fire and EMS incidents
- ◆ Administrative costs were allocated based on the ratio of total fire and EMS incidents
- ◆ Equipment under Fire Suppression was allocated all to fire while equipment expenses from Rescue and Emergency Aid were allocated to EMS based on response time ratios



## Key Assumptions (continued)

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- ◆ Used ambulance purchased at \$30,000 in 2018
- ◆ Replacement funding for two new ambulances is about \$56,000 per year for six years
- ◆ General Fund and EMS Levy Funds are allocated based on the proportion of availability and demand time
- ◆ The all transports scenario assumes all transports could be done as BLS, but it is recognized that it might not be completely possible. Additional transport revenues are collected at the average BLS reimbursement.



# 2018 Baseline Availability and Demand Costs

<b>Ambulance Utility Revenue Requirement</b>	<b>Availability</b>	<b>Demand</b>	<b>Total</b>
Annual In City Cost	\$ 389,520	\$ 190,869	\$ 580,389

<b>Offsetting Revenues</b>	<b>Availability</b>	<b>Demand</b>	<b>Total</b>
Emergency Medical Services Levy	\$ 232,000	\$ 58,000	\$ 290,000
Estimated Transport Revenue		\$ 79,264	\$ 79,264
<b>Total Revenue</b>	\$ 232,000	\$ 137,264	\$ 369,264

<b>Adjusted Cost</b>	\$ 157,520	\$ 53,605	\$ 211,126
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# Customer Classes and 2018 Billing Units

Billing Units	Regular	Percent of Billing Units	Medicaid	Percent of Medicaid Billing Units	Total Billing Units	Percent of Total Billing Units
Single Family	3,168	74%		0%	3,168	72%
Multi Family	641	15%		0%	641	15%
Nursing Home	117	3%	128	100%	245	6%
Commercial	114	3%		0%	114	3%
Public/Streets/Schools	233	5%		0%	233	5%
<b>Total</b>	<b>4,273</b>	<b>100%</b>	<b>128</b>	<b>100%</b>	<b>4,401</b>	<b>100%</b>

- ◆ Additional 40 Single Family and 180 Multi Family billing units added in 2019
- ◆ Assumed overall growth rate of 1.0%





# 2018 Estimated Incidents by Customer Class

Customer Class	In City Calls	Percentage of Regular Calls
Single Family	501	49%
Multi Family	64	6%
Nursing Home	347	34%
Commercial	52	5%
Public/Streets/Schools	61	6%
<b>Total</b>	<b>1,025</b>	<b>100%</b>

\*Based on 2016 and 2017 actuals with 1.5% incident growth added



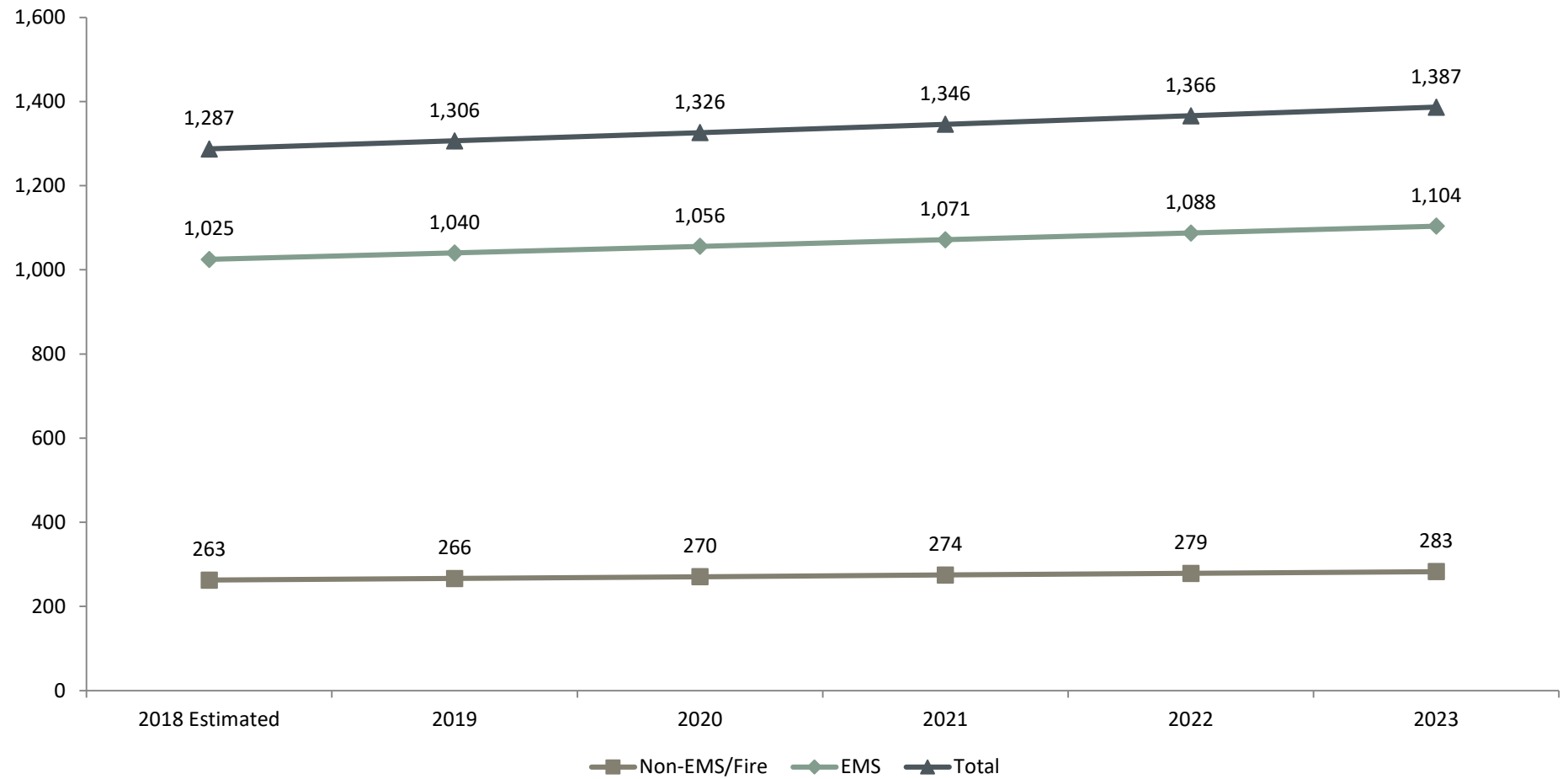
## 2018 Baseline Billing Rates By Customer Class\*

Customer Class	Annual Charge			Monthly Charge		
	Availability	Demand	Total	Availability	Demand	Total
Single Family	\$ 36.86	\$ 8.27	\$ <b>45.14</b>	\$ 3.07	\$ 0.69	\$ <b>3.76</b>
Multi Family	\$ 36.86	\$ 5.22	\$ <b>42.08</b>	\$ 3.07	\$ 0.43	\$ <b>3.51</b>
Nursing Home	\$ 36.86	\$ 154.99	\$ <b>191.86</b>	\$ 3.07	\$ 12.92	\$ <b>15.99</b>
Commercial	\$ 36.86	\$ 23.99	\$ <b>60.85</b>	\$ 3.07	\$ 2.00	\$ <b>5.07</b>
Hotels/Motels	\$ 36.86	\$ -	\$ <b>36.86</b>	\$ 3.07	\$ -	\$ <b>3.07</b>
Public/Streets/Schools	\$ 36.86	\$ 13.67	\$ <b>50.54</b>	\$ 3.07	\$ 1.14	\$ <b>4.21</b>

\* Except for the Single Family Customer class an individual property might have more than one billing unit. For example, a nursing home with 40 beds would pay \$191.86 for each bed resulting in an annual cost of \$7,674.40. A multi-family apartment building with 10 units would pay \$420.80 per year.



# Five Year Incident Forecast





# 2019 Availability/Demand Expenses and Revenues

		Availability	Demand	Total
Scenario 1	Expenses	\$ 465,592	\$ 213,716	\$ 679,308
	Revenues	<u>\$ 234,320</u>	<u>\$ 139,033</u>	<u>\$ 373,353</u>
	<b>Net Expenses/(Revenues)</b>	<b>\$ 231,272</b>	<b>\$ 74,684</b>	<b>\$ 305,956</b>
Scenario 2	Expenses	\$ 465,592	\$ 213,716	\$ 679,308
	Revenues	<u>\$ 389,750</u>	<u>\$ 177,890</u>	<u>\$ 567,640</u>
	<b>Net Expenses/(Revenues)</b>	<b>\$ 75,842</b>	<b>\$ 35,826</b>	<b>\$ 111,669</b>
Scenario 3	Expenses	\$ 506,929	\$ 210,800	\$ 717,728
	Revenues	<u>\$ 409,237</u>	<u>\$ 158,402</u>	<u>\$ 567,640</u>
	<b>Net Expenses/(Revenues)</b>	<b>\$ 97,691</b>	<b>\$ 52,398</b>	<b>\$ 150,089</b>
Scenario 4	Expenses	\$ 770,322	\$ 160,643	\$ 930,966
	Revenues	<u>\$ 448,212</u>	<u>\$ 119,427</u>	<u>\$ 567,640</u>
	<b>Net Expenses/(Revenues)</b>	<b>\$ 322,110</b>	<b>\$ 41,216</b>	<b>\$ 363,326</b>
Scenario 5	Expenses	\$ 770,322	\$ 202,220	\$ 972,542
	Revenues	<u>\$ 433,597</u>	<u>\$ 264,824</u>	<u>\$ 698,421</u>
	<b>Net Expenses/(Revenues)</b>	<b>\$ 336,726</b>	<b>\$ (62,605)</b>	<b>\$ 274,121</b>



# 2019 Rate Comparisons by Scenario

	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
Single Family	\$ 62.85	\$ 22.34	\$ 29.78	\$ 77.97	\$ 56.40
Multi Family	\$ 57.15	\$ 19.60	\$ 25.95	\$ 74.82	\$ 56.40
Nursing Home	\$ 267.41	\$ 120.47	\$ 171.94	\$ 190.86	\$ 56.40
Commercial	\$ 84.90	\$ 32.91	\$ 48.81	\$ 90.14	\$ 56.40
Hotels/Motels	\$ 51.47	\$ 16.88	\$ 21.75	\$ 71.69	\$ 56.40
Public/Streets/Schools	\$ 70.52	\$ 26.02	\$ 33.45	\$ 82.21	\$ 56.40

- ◆ Because Scenario 1 is at full cost recovery without any General Fund Support, there is a demand charge, which means that different customer classes pay different rates. For Scenario 5, the demand costs' share of the General Fund support and added transport revenues help to offset all the demand costs so all customer classes pay the same availability rate.



# Scenario 1 Annual Rate Forecast

	2019		2020		2021		2022		2023		
Single Family	\$ 51.47	\$ 11.38	\$ 47.02	\$ 10.91	\$ 47.88	\$ 11.38	\$ 48.75	\$ 11.86	\$ 49.63	\$ 12.35	
	<b>\$62.85</b>		<b>\$57.92</b>		<b>\$59.26</b>		<b>\$60.61</b>		<b>\$61.98</b>		
Multi Family	\$ 51.47	\$ 5.68	\$ 47.02	\$ 5.44	\$ 47.88	\$ 5.68	\$ 48.75	\$ 5.92	\$ 49.63	\$ 6.16	
	<b>\$57.15</b>		<b>\$52.46</b>		<b>\$53.56</b>		<b>\$54.67</b>		<b>\$55.79</b>		
Nursing Home	\$ 51.47	\$215.94	\$ 47.02	\$208.98	\$ 47.88	\$220.23	\$ 48.75	\$231.87	\$ 49.63	\$243.92	
	<b>\$267.41</b>		<b>\$256.00</b>		<b>\$268.11</b>		<b>\$280.62</b>		<b>\$293.55</b>		
Commercial	\$ 51.47	\$ 33.42	\$ 47.02	\$ 32.35	\$ 47.88	\$ 34.09	\$ 48.75	\$ 35.89	\$ 49.63	\$ 37.75	
	<b>\$84.90</b>		<b>\$79.36</b>		<b>\$81.97</b>		<b>\$84.64</b>		<b>\$87.38</b>		
Hotels/Motels	\$ 51.47	\$ -	\$ 47.02	\$ -	\$ 47.88	\$ -	\$ 48.75	\$ -	\$ 49.63	\$ -	
	<b>\$51.47</b>		<b>\$47.02</b>		<b>\$47.88</b>		<b>\$48.75</b>		<b>\$49.63</b>		
Public/Streets/Schools	\$ 51.47	\$ 19.05	\$ 47.02	\$ 18.44	\$ 47.88	\$ 19.43	\$ 48.75	\$ 20.46	\$ 49.63	\$ 21.52	Availability
	<b>\$70.52</b>		<b>\$65.46</b>		<b>\$67.31</b>		<b>\$69.21</b>		<b>\$71.15</b>		Demand
											<b>Total</b>



# Scenario 2 Annual Rate Forecast

	2019		2020		2021		2022		2023			
Single Family	\$ 16.88	\$ 5.46	\$ 12.73	\$ 5.04	\$ 13.90	\$ 5.57	\$ 15.07	\$ 6.11	\$ 16.25	\$ 6.66		
	<b>\$22.34</b>		<b>\$17.78</b>		<b>\$19.47</b>		<b>\$21.19</b>		<b>\$22.92</b>			
Multi Family	\$ 16.88	\$ 2.72	\$ 12.73	\$ 2.52	\$ 13.90	\$ 2.78	\$ 15.07	\$ 3.05	\$ 16.25	\$ 3.32		
	<b>\$19.60</b>		<b>\$15.25</b>		<b>\$16.68</b>		<b>\$18.12</b>		<b>\$19.58</b>			
Nursing Home	\$ 16.88	\$103.59	\$ 12.73	\$ 96.63	\$ 13.90	\$107.88	\$ 15.07	\$119.52	\$ 16.25	\$131.57		
	<b>\$120.47</b>		<b>\$109.37</b>		<b>\$121.78</b>		<b>\$134.59</b>		<b>\$147.82</b>			
Commercial	\$ 16.88	\$ 16.03	\$ 12.73	\$ 14.96	\$ 13.90	\$ 16.70	\$ 15.07	\$ 18.50	\$ 16.25	\$ 20.36		
	<b>\$32.91</b>		<b>\$27.69</b>		<b>\$30.60</b>		<b>\$33.57</b>		<b>\$36.62</b>			
Hotels/Motels	\$ 16.88	\$ -	\$ 12.73	\$ -	\$ 13.90	\$ -	\$ 15.07	\$ -	\$ 16.25	\$ -		
	<b>\$16.88</b>		<b>\$12.73</b>		<b>\$13.90</b>		<b>\$15.07</b>		<b>\$16.25</b>			
Public/Streets/Schools	\$ 16.88	\$ 9.14	\$ 12.73	\$ 8.53	\$ 13.90	\$ 9.52	\$ 15.07	\$ 10.54	\$ 16.25	\$ 11.61	Availability	Demand
	<b>\$26.02</b>		<b>\$21.26</b>		<b>\$23.42</b>		<b>\$25.62</b>		<b>\$27.86</b>		<b>Total</b>	



# Scenario 3 Annual Rate Forecast

	2019		2020		2021		2022		2023			
Single Family	\$ 21.75	\$ 8.03	\$ 34.98	\$ 9.51	\$ 34.78	\$ 9.80	\$ 36.36	\$ 10.33	\$ 37.95	\$ 10.86		
	<b>\$29.78</b>		<b>\$44.49</b>		<b>\$44.58</b>		<b>\$46.69</b>		<b>\$48.81</b>			
Multi Family	\$ 21.75	\$ 4.20	\$ 34.98	\$ 4.97	\$ 34.78	\$ 5.12	\$ 36.36	\$ 5.40	\$ 37.95	\$ 5.67		
	<b>\$25.95</b>		<b>\$39.95</b>		<b>\$39.90</b>		<b>\$41.76</b>		<b>\$43.63</b>			
Nursing Home	\$ 21.75	\$150.19	\$ 34.98	\$181.67	\$ 34.78	\$191.30	\$ 36.36	\$205.95	\$ 37.95	\$221.40		
	<b>\$171.94</b>		<b>\$216.65</b>		<b>\$226.08</b>		<b>\$242.31</b>		<b>\$259.36</b>			
Commercial	\$ 21.75	\$ 27.06	\$ 34.98	\$ 32.37	\$ 34.78	\$ 33.70	\$ 36.36	\$ 35.85	\$ 37.95	\$ 38.09		
	<b>\$48.81</b>		<b>\$67.35</b>		<b>\$68.48</b>		<b>\$72.21</b>		<b>\$76.04</b>			
Hotels/Motels	\$ 21.75	\$ -	\$ 34.98	\$ -	\$ 34.78	\$ -	\$ 36.36	\$ -	\$ 37.95	\$ -		
	<b>\$21.75</b>		<b>\$34.98</b>		<b>\$34.78</b>		<b>\$36.36</b>		<b>\$37.95</b>			
Public/Streets/Schools	\$ 21.75	\$ 11.70	\$ 34.98	\$ 13.99	\$ 34.78	\$ 14.56	\$ 36.36	\$ 15.50	\$ 37.95	\$ 16.46	Availability	Demand
	<b>\$33.45</b>		<b>\$48.97</b>		<b>\$49.34</b>		<b>\$51.86</b>		<b>\$54.41</b>		<b>Total</b>	





# Scenario 4 Annual Rate Forecast

	2019		2020		2021		2022		2023		
Single Family	\$ 71.69	\$ 6.28	\$ 59.95	\$ 5.84	\$ 62.01	\$ 6.21	\$ 64.09	\$ 6.60	\$ 66.19	\$ 6.99	
	<b>\$77.97</b>		<b>\$65.78</b>		<b>\$68.22</b>		<b>\$70.69</b>		<b>\$73.18</b>		
Multi Family	\$ 71.69	\$ 3.13	\$ 59.95	\$ 2.91	\$ 62.01	\$ 3.10	\$ 64.09	\$ 3.29	\$ 66.19	\$ 3.49	
	<b>\$74.82</b>		<b>\$62.86</b>		<b>\$65.11</b>		<b>\$67.38</b>		<b>\$69.68</b>		
Nursing Home	\$ 71.69	\$119.17	\$ 59.95	\$111.83	\$ 62.01	\$120.25	\$ 64.09	\$128.99	\$ 66.19	\$138.05	
	<b>\$190.86</b>		<b>\$171.78</b>		<b>\$182.26</b>		<b>\$193.08</b>		<b>\$204.24</b>		
Commercial	\$ 71.69	\$ 18.44	\$ 59.95	\$ 17.31	\$ 62.01	\$ 18.61	\$ 64.09	\$ 19.96	\$ 66.19	\$ 21.37	
	<b>\$90.14</b>		<b>\$77.26</b>		<b>\$80.62</b>		<b>\$84.06</b>		<b>\$87.56</b>		
Hotels/Motels	\$ 71.69	\$ -	\$ 59.95	\$ -	\$ 62.01	\$ -	\$ 64.09	\$ -	\$ 66.19	\$ -	
	<b>\$71.69</b>		<b>\$59.95</b>		<b>\$62.01</b>		<b>\$64.09</b>		<b>\$66.19</b>		
Public/Streets/Schools	\$ 71.69	\$ 10.51	\$ 59.95	\$ 9.87	\$ 62.01	\$ 10.61	\$ 64.09	\$ 11.38	\$ 66.19	\$ 12.18	Availability
	<b>\$82.21</b>		<b>\$69.82</b>		<b>\$72.62</b>		<b>\$75.47</b>		<b>\$78.37</b>		Demand
											<b>Total</b>



# Scenario 5 Annual Rate Forecast

	2019		2020		2021		2022		2023	
Single Family	\$ 56.40	\$ -	\$ 45.86	\$ -	\$ 48.28	\$ -	\$ 50.74	\$ -	\$ 53.22	\$ -
	<b>\$56.40</b>		<b>\$45.86</b>		<b>\$48.28</b>		<b>\$50.74</b>		<b>\$53.22</b>	
Multi Family	\$ 56.40	\$ -	\$ 45.86	\$ -	\$ 48.28	\$ -	\$ 50.74	\$ -	\$ 53.22	\$ -
	<b>\$56.40</b>		<b>\$45.86</b>		<b>\$48.28</b>		<b>\$50.74</b>		<b>\$53.22</b>	
Nursing Home	\$ 56.40	\$ -	\$ 45.86	\$ -	\$ 48.28	\$ -	\$ 50.74	\$ -	\$ 53.22	\$ -
	<b>\$56.40</b>		<b>\$45.86</b>		<b>\$48.28</b>		<b>\$50.74</b>		<b>\$53.22</b>	
Commercial	\$ 56.40	\$ -	\$ 45.86	\$ -	\$ 48.28	\$ -	\$ 50.74	\$ -	\$ 53.22	\$ -
	<b>\$56.40</b>		<b>\$45.86</b>		<b>\$48.28</b>		<b>\$50.74</b>		<b>\$53.22</b>	
Hotels/Motels	\$ 56.40	\$ -	\$ 45.86	\$ -	\$ 48.28	\$ -	\$ 50.74	\$ -	\$ 53.22	\$ -
	<b>\$56.40</b>		<b>\$45.86</b>		<b>\$48.28</b>		<b>\$50.74</b>		<b>\$53.22</b>	
Public/Streets/Schools	\$ 56.40	\$ -	\$ 45.86	\$ -	\$ 48.28	\$ -	\$ 50.74	\$ -	\$ 53.22	\$ -
	<b>\$56.40</b>		<b>\$45.86</b>		<b>\$48.28</b>		<b>\$50.74</b>		<b>\$53.22</b>	

Availability	Demand
<b>Total</b>	



# Key Policy Decisions

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- ◆ Should the City establish an ambulance utility?
- ◆ If yes, should the City set its ambulance utility rates at full cost recovery (Scenario 1)?
- ◆ Should the City maintain its current General Fund and EMS Levy support and is the allocation of revenues between availability and demand costs reasonable (Scenario 2)?
- ◆ Should the City add additional full time staff (Scenarios 3 and 4)?
- ◆ Should the City do all transports as a BLS service (Scenario 5)?



## Next Steps

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- ◆ Prepare a draft report for City comment
- ◆ Prepare a final report



# Final Questions/Thoughts

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