



TO: Elizabeth Pauli, City Manager
FROM: Teresa Green, Fire Department Manager - Finance, Tacoma Fire Department
Toryono Green, Fire Chief, Tacoma Fire Department *Te*
COPY: City Council and City Clerk
SUBJECT: Emergency Medical Services Levy Lid Lift - Resolution - April 18, 2023
DATE: April 3, 2023

SUMMARY AND PURPOSE:

TFD is requesting a resolution transmitting a proposition to the Pierce County Auditor to be placed on the ballot for the election on Tuesday, August 1, 2023, that would authorize an increase in the City of Tacoma Emergency Medical Services property tax levy to \$0.50 per \$1,000 of assessed value for collection in 2024 and authorize annual increases in the levy each year thereafter.

BACKGROUND:

Tacoma Fire Department (TFD) has a permanent Emergency Medical Services (EMS) Property Tax Levy that was approved in 2002 with a previous levy lid lift approved by voters in 2006. Since then, the collection limit has stagnated, while the demand and cost of EMS services have grown and evolved. The current rate is at \$0.28 per \$1,000 of assessed value for 2023; the EMS levy statutory maximum rate is \$0.50 per \$1,000 of assessed value. The 2006 ballot specified how the levy could be utilized, specifying Advanced Life Support/Paramedic (ALS) services and transports. In the past biennium, TFD has expanded services to include Basic Life Support (BLS) services and transports and therefore needs to update ballot language to account for the entirety of emergency medical services. Council adoption is requested allowing TFD to submit a proposition for the August 1, 2023, ballot for the lid lift and levy language changes.

Currently, TFD's EMS Levy has one of the lowest rates in Pierce County due to the current cap on levy rate growth. Assessed values have grown at a faster pace than the 1% annual growth limit (plus the value of new construction) that is allowed by state law. State law allows jurisdictions to lift that limit, with a simple majority vote of the people. An EMS levy lid lift for Tacoma in 2023 would result in an estimated \$9.4 million in additional annual revenue available to meet current needs and expand EMS services to help match the growing demand and rise in costs with a sustainable revenue source. Staff further recommends the lift be a multi-year lid lift, of 6% per year for six years - starting with 2024, to the maximum allowed limit of \$0.50 per \$1,000 of assessed value. This will stabilize the rate charged to residents and better keep pace with the increasing costs of providing EMS services.

For a \$400,000 home in Tacoma, the levy lid lift would increase property tax by \$88 per year in 2024.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

All property owners and renters in Tacoma will be impacted by this levy lid lift, through the increase in property tax. All Tacoma residents will be impacted by the change in the ballot language that will eliminate almost all out-of-pocket costs associated with medical transport (to exclude any copays or deductibles of their insurance).

Staff has begun communications with the community through newspaper advertising & articles, social media postings, and will conduct in-person conversations throughout the next few months as we discuss with voters the levy and its use.



2025 STRATEGIC PRIORITIES:

Equity and Accessibility: (Mandatory)

The most significant impact on equity will be adjusting the language of the EMS levy – through updates in the Tacoma Municipal Code after an approved vote – to allow BLS out-of-pocket costs to be written down, eliminating any unpaid balance on a transport invoice after any insurance recovery. The current levy limitation adversely targets some of our most vulnerable population unintentionally, especially those with limited incomes who would have a significant financial hardship after receiving a medical transport invoice.

Livability: Equity Index Score: Very High Opportunity

Improve health outcomes and reduce disparities, in alignment with the community health needs assessment and CHIP (Community Health Improvement Plan), for all Tacoma residents.

Explain how your legislation will affect the selected indicator(s).

The potential financial burden is a barrier to requesting a medical response or accepting medical transport, due to the out-of-pocket cost. Currently, residents need to pay the remainder of the bill not covered by insurance or they will be sent to a collections agency, only further exacerbating their financial position. The proposed changes to the EMS Levy language will remove all out-of-pocket costs that exceed insurance, excluding applicable copays and deductibles, alleviating the financial consideration of utilizing 911 for emergent medical needs.

ALTERNATIVES:

Presumably, your recommendation is not the only potential course of action; please discuss other alternatives or actions that City Council or staff could take. Please use table below.

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Single Year Lid Lift	Limits property tax increases after 2024 to RCW 84.52.050 threshold.	Less predictable rate to residents; may need to return to voters for another lid lift sooner as the levy limitation applies; revenue erosion as program expense increases annually.
2. Delay lid lift	Delays property tax increase.	Lift amount per homeowner will increase in future years; delayed revenue collection which delays the ability of TFD to sustain, or increase, resources; delays BLS writedown availability.
3. No action	No property tax increase.	Lift amount per homeowner will increase in future years; no additional revenue collection which severely limits the ability of TFD to sustain, or increase, resources; no BLS writedown availability.



EVALUATION AND FOLLOW UP:

If the Resolution is approved, staff would return to Council in early May with recommendations for Appointments of “For” and “Against” Committee Members, based on the Government Performance & Finance Committee’s review.

STAFF/SPONSOR RECOMMENDATION:

Seeking Council approval of the recommended ballot language to submit the EMS Levy Lid Lift proposition to voters on August 1, 2023.

FISCAL IMPACT:

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
Fund 1155 – TFD EMS Special Revenue	609201	4311100	\$9,400,000/year
		4342260	-\$100,000/year
		5620000	\$150,000 (one-time)
TOTAL			\$9,150,000

What Funding is being used to support the expense? Current EMS Fund cash reserves for expenses prior to the receipt of increased levy proceeds (approximately \$150,000 for election costs). Increased EMS Levy proceeds would be approximately \$9.4M per year, starting in 2024, with a decrease in self-pay revenue when BLS balances can be adjusted off.

Are the expenditures and revenues planned and budgeted in this biennium’s current budget?

NO, PLEASE EXPLAIN BELOW

A budget amendment will be submitted for Council consideration to adjust expenditures and revenues if the proposition is approved by voters. Expenditures for the election costs will be absorbed using the current operating budget.

Are there financial costs or other impacts of not implementing the legislation?

YES

Will the legislation have an ongoing/recurring fiscal impact?

YES

Will the legislation change the City’s FTE/personnel counts?

YES, PLEASE EXPLAIN BELOW

One potential use of the increased EMS Levy proceeds would be additional TFD personnel to respond to EMS incidents.