



## BUDGET NARRATIVE – SIX YEAR PLAN 2023 - 2028

### SAN JUAN ISLAND EMS LEVY RENEWAL

Created for the Board of Commissioners

December 15, 2021 Board Meeting

Superintendent Nathan Butler

#### **INTRODUCTION**

On November 2, 2021, residents voted for San Juan Island EMS to remain under the jurisdiction of San Juan County Public Hospital District No. 1 rather than moving EMS service to San Juan Island Fire and Rescue.

The District will seek to renew its San Juan Island EMS levy in the upcoming February 8, 2022, election. Currently, San Juan Island EMS is at the end of a six-year Levy, which will end December 31, 2022. Renewing the EMS Levy will be essential in ensuring that the Public Hospital District can continue to provide quality care and emergency response to San Juan County throughout the next six years.

One of the most important benefits of the Levy renewal will include the continuation of its zero co-pay or co-insurance policy for ambulance services to San Juan Island residents.

San Juan Island EMS wraps up 2021 with many accomplishments; some of the most important include paying off the entirety of its building bond, implementing new medical protocols, sending a long-time EMT to Seattle Medic One's highly respected paramedic school, and the purchase of a new four-wheel-drive ambulance.

Some of the main objectives for San Juan Island EMS in 2022 include training new volunteer EMTs, updating and improving the EMS facility, and hiring a new Assistant Chief and Training Officer. For detailed information on San Juan Island EMS's upcoming 2022 planning, reference the attached chart.

This budget introduction will guide taxpayers, voters, and members of the hospital district through the six-year planning budget available separately.

#### **THE APPROACH TAKEN TO THE BUDGET**

*For planning purposes only*

## **SAN JUAN COUNTY PUBLIC HOSPITAL DISTRICT NO. 1**

This document is intended to guide people through the proposed six-year budget released in tandem with this summary. It is not intended to stand alone. This section lays out some assumptions that underpin the budget.

Government accounting does not work like corporate accounting. The budget is designed for Expenditures to equal Revenues, where Expenditures include ending cash, and Revenues include beginning cash. Therefore, operating expenses are shown separately, and revenue vs expenditures shown at the end of the expenditures spreadsheet.

Extensive notes in the budget document itself (a small red triangle in the top right of a cell) give substantial information and represent many pages of explanations. The document must be opened in excel to view these notes. All that is necessary is to hover over the note, or right click and then “view note.”

### **BACKGROUND: SAN JUAN ISLAND EMS**

San Juan Island EMS (“the agency”) is a three-ambulance service supported by property taxes and is operated by San Juan County Public Hospital District No. 1. San Juan County Public Hospital District No. 1 also pays a large subsidy to support PeaceHealth Peace Island Medical Center, and will officially close its deal with the Village at the Harbor on February 28, 2022 to expand long-term care.

The agency has five staff Emergency Medical Technicians (EMTs) who provide Basic Life Support transport services (BLS – Transport), along with 10-20 volunteer EMTs. San Juan Island EMS is the only transport agency in the District.

The agency also has four paramedics (medics) who provide Advanced Life Support (ALS) services. ALS service includes intubations, use of more technical medical equipment like ventilators and ultrasounds, provides advanced medications including pain management and even sepsis treatment, and can intubate a patient. A paramedic is always a career position that requires at least a year of training.

There is an outreach program run by Lainey Volk, Director of Outreach, who teaches CPR and first aid classes for the public. She and her assistant also provide Community Paramedicine services to the community, which is designed to help reduce admissions to the Emergency Department and reduce call volume by improving patient outcomes before they become emergency.

Community Paramedicine employees driver emergency response rigs and can respond code red (lights and sirens) to concurrent calls or major incidents. This provides a layer of backfill for the primary 911 responders.

The District has one station, next to Peace Health Peace Island Medical Center. On a typical day the station has one or two medics on duty, one staff EMT, and about half the time a second EMT (volunteer) on duty.

### **GOALS FOR 2021 – 2022**

2021 was a major year for the District. The EMS building was paid off, a new union agreement signed, new hires made, and a new ambulance and sprint rig purchased and deployed. Additionally, a fifth staff EMT was added to provide depth, various old liabilities from prior administrations retired, and a student

**CHART: SAN JUAN ISLAND EMS YEAR-IN-BRIEF**

December 2021	Winter 2022	Spring 2022	Summer 2022	Fall 2022
<ul style="list-style-type: none"> <li>• Begin Hiring for depth</li> <li>• Prep for EMT Class</li> <li>• Complete training course and onboard non-medically trained drivers</li> <li>• Onboard Marine Auxillary</li> <li>• Test new radios on current system</li> <li>• Complete deployment of new ambulance</li> <li>• Complete new Community Paramedicine EMT hire onboarding</li> <li>• 5th staff EMT onboarding</li> </ul>	<ul style="list-style-type: none"> <li>• Begin EMT Class</li> <li>• Renew EMS levy in February</li> <li>• Transfer money to reserve per capital plan and budget</li> <li>• CODAN radio project implementation</li> <li>• Transition to new radios (personnel handhelds and mobiles on vehicles)</li> <li>• Expand Community Paramedicine coverage to 7 days a week</li> </ul>	<ul style="list-style-type: none"> <li>• Complete EMT Class</li> <li>• Make Assistant Chief / Training Officer Hire</li> <li>• Union negotiations begin for 2023</li> <li>• Tax money begins to arrive in April</li> <li>• Capital Improvement Plan update</li> <li>• Expand outreach programs – training certification class for depth</li> </ul>	<ul style="list-style-type: none"> <li>• 5th Paramedic completes school; three month on-the-job training begins</li> <li>• Capital Need Orders</li> <li>• New EMT development</li> <li>• Expand training opportunities and work with partners</li> <li>• Consider Emergency Medical Dispatch (EMD) updates</li> </ul>	<ul style="list-style-type: none"> <li>• Implement station shifting for paramedics</li> <li>• Complete union agreement for 2023</li> <li>• Complete 2023 Budget</li> <li>• Last chance to renew EMS levy if not passed</li> </ul>

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was sent to paramedic school with the Seattle Medic One. While it was an expensive year, the District will be able to enter 2022 with a balanced budget.

At the end of 2021, we launched two new auxiliaries to boost the ranks of our responders: a non-medically trained driver program and a marine support program. These programs will help us use our medical providers more efficiently.

Some of the District's goals and planning is available in the chart above. These goals are reflected in the budget.

### **THE YEAR 2022 - 2023**

In 2022, the District will solve a longstanding challenge regarding training by hiring a full-time training officer and Operations Chief. This will provide management depth for the first time at San Juan Island EMS. This will allow the District to do a great deal more training, which improves volunteer engagement and strengthens relationships with our partners. This hire will also provide some additional backfill for major codes and concurrent calls.

This hire is expected spring 2022, so only half of the Operations Chief / Training Officer's wages and benefits are in the 2022 budget. Paying a full year of wages and benefits is one of the reasons for cost increases in 2023.

The District will move half of Superintendent Butler's wages to the hospital district's non-EMS levy, currently only  $\frac{1}{4}$  of his wages are on the non-EMS levy. He will manage the entire system, but will continue to handle many management responsibilities at EMS (union negotiations, hiring and termination, Payroll/Warrant approvals, budgeting, etc.).

In the fall of 2021, the District sent a student to paramedic school with Medic One. This student will finish her education in the summer of 2022, then spend the fall shadowing other medics until she is ready. Her wages are at a reduced rate until school is finished, so as the District rolls into 2023 and she works full-time as a medic these costs will go up.

Having five medics will allow us to move towards an in-station shifting model for San Juan Island EMS. Currently medics work 12 on-call shifts, which give 48 shifts per month and a lot of double coverage that greatly benefits the public. Moving them into the station full-time will reduce the number of shifts to 8 per medic, or 32 shifts. This makes PTO coverage challenging and removes all double coverage. Adding a fifth medic gives depth, and 40 shifts per month to work with.

Moving the paramedics into the station will enable the medics to be more accessible to leadership and agency personnel, enabling expanded station life. It will allow for somewhat quicker transport response times (though when responding from home they often beat everyone else to a scene), and strengthen the chain of command by allowing the staff EMTs and medics to be on duty together in a more consistent way.

We will also launch a program for our paramedics to travel to the mainland 3-5 days a year to work in a hospital setting to practice advanced procedures. This is important as we will have 5-6 medics in our system rather than 4, and this reduces the number of advanced procedures per person.

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In 2023 we will decide whether to replace an older sprint rig or to add power loads to two ambulances. The cost will be roughly equivalent.

### THE YEAR 2024 – 2028

As we move through 2023 we will be working on capital improvements for the facility that may take several years. The station was completed about ten years ago, and because of how the contract was linked to the construction of Peace Health Peace Island Medical Center was not done with a lot of input from the District. At the time, no staff were stationed overnight at the building.

As we have moved to a robust staffing system, we will need to make some improvements and enhancements to the building and property. These needs are expected to be modest, costing about \$60,000 over five years.

A new ambulance is planned for 2024, and replacement for a command/sprint rig in 2025. In 2025 we won't need sprint rigs for paramedics, but they will be used by command and the community paramedicine program to provide backfill to our 911 response.

In 2025 we expect at least one retirement, and within two years another. We will need to send a student to paramedic school. This will mean a temporary cost increase in 2025 as we pay for all current medics and a medic student. However, once the retirement takes place, we're replacing a top-step employee with a bottom-step employee. This will save the District money, though of course will be a major transition point for the District.

### LEVY RATE ASSESSMENT

Costs are expected to rise over the next 2 - 3 years pretty aggressively. It is hard to know out further. The cost-of-living increase was over 6% in late 2021 as wages rise and labor shortages persist. It is unclear when or if this will turn around. Inflation is likely to continue to rise in the near term.

As assessed value increases exceed 1% (often 5% or more over the last few years), the District will be constrained to only taking 1% of the assessed value increase by state law.

Year	Total Levy	Rate	Total Assessed Value within District
2021	\$1,589,847	\$ 0.383	\$4,141,681,158
2020	\$ 1,550,383	\$ 0.407	\$ 3,801,063,235
2019	\$ 1,514,833	\$ 0.435	\$ 3,479,532,081
2018	\$ 1,483,422	\$ 0.464	\$ 3,194,589,697
2017	\$ 1,448,279	\$ 0.50	\$ 2,896,559,316

The rate of change for assessed values has been consistently high. In the last five years assessed values have increased by 42%, while our revenues have increased by about 10%. These increasing assessed values are often mirrored by often significant cost increases not only for personnel who live here, but also for equipment and supplies of all kinds.

This creates financial shortfall as costs exceed revenues in not very long, but been offset by GEMT funding from the state. This source of funding is not likely to increase and means that financial pressure

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on the District over the next six years may well be substantial. GEMT funding, which began in 2015, has averaged over \$100,000 a year, offsetting cost increases. This funding is decreasing, not increasing.

Therefore, renewing our levy at a rate of \$0.45, effective Jan 1, 2023, is a reasonable and appropriate step to ensure financial sustainability over the following six years of the levy. However, financial strain is very possible by 2026 – 2028 should cost increases continue to be so high. It is far too soon to be excessively worried over this, and since the fleet should be in good shape by then one possible step would be reducing capital investment. A more drastic step would be early levy renewal.

A rate of \$0.45 was used as the basis for the revenues in the budget planning.