PORT ANGELES FIRE DEPARTMENT
MEDIC 1 COST OF SERVICE STUDY
2010 RATE PROPOSAL

Submitted to the Port Angeles City Council
and City Manager Kent Myers by:

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EXECUTIVE SUMMARY

The City of Port Angeles' Medic I program is structured as a utility – supported through an Enterprise (Medic I) Fund using transport charges, a monthly utility charge, and a General Fund contribution.

The Medic I Fund is structured around a cost of service approach, with the first cost of service study completed in 2005. Since that time, the ambulance utility rate that partially supports the Enterprise Fund has had two increases. It is the purpose of this study to identify Medic I's cost of providing ambulance and EMS service to its customers and to propose rate adjustments that more closely reflect the utility's present cost structure.

There are some guiding principles that should be considered when setting utility rates. First, a utility aggregates its expenses for a period of time to determine the revenue required. Once the costs are known, and the total revenue requirement has been quantified, this requirement is allocated to the users of the service in a manner that reflects the costs incurred for the availability and delivery (demand) of the services. Finally, once the costs for availability and demand are determined and the revenue requirement is known, the rate to be charged can be set. The rate charged may include some consideration based upon the customer's ability to pay.

The Medic I Utility Cost of Service Study concluded that the *availability* cost associated with providing the Medic I utility in Port Angeles is currently 40.3% of the total cost of providing the service, less General Fund support and miscellaneous revenue. The remaining 59.7% of the costs is attributed to *demand.*

As part of this study, the Fire Department conducted a retrospective evaluation of the calls Medic I responded to during 2008. Medic I's calls for service originated from residential, commercial/business, assisted living facilities, 24-hour nursing facilities, group homes, adult family homes, jail facilities, schools, and city public areas.

The Medic I Utility is funded partially by a monthly charge to the nine user classifications identified above. The fees are comprised of an availability charge and a demand charge. To meet the utility's current budget obligations, the Cost of Service Study identified that the combined charge requires rate adjustments amongst each user classification. The proposed residential customer annual rate would increase from $52.12 to $52.20 – a nominal increase. The commercial/business annual rate would increase from $53.74 to $54.93, or approximately $0.10 per month. The high demand user classifications will see both an increase and a decrease, depending upon the user classification. The following table outlines the utility's current rates along with the rates proposed by the Cost of Service Study.

Current vs. Proposed Rates

User Classifications	Current Annual Rates	Proposed Annual Rates
Residential	$52.12	$52.20
Adult Family Homes	$372 per classification [1]	$406 per classification [1]
Assisted Living Facilities	$7,191 per classification [1]	$9,408 per classification [1]
24-Hour Nursing Facilities	$1,353 per classification [1]	$2,475 per classification [1]
Group Homes	$825 per classification [1]	$876 per classification [1]
Jail Facilities	$1,266 per classification [1]	$1,292 per classification [1]
Schools	$2,636 per classification [1]	$2,061 per classification [1]
Commercial/Business	$53.74	$54.93
City Public Areas	$16,326 per classification [1]	$12,971 per classification

[1] Rates for individual units vary based upon their percentage of use within that classification.

BACKGROUND

THE PORT ANGELES FIRE DEPARTMENT

The Port Angeles Fire Department, a division within the City, protects the City of Port Angeles. The Department was formed in 1891 with volunteers as the Gate City Fire Company. Today the Department protects 10.7 square miles, plus 3.8 square miles of harbor, through a combination of career and volunteer firefighters. The Fire Department receives the majority of its funding through the City's General Fund – a compilation of property tax, sales tax, and utility tax. The Department's Medic I program is structured as a utility – supported through an Enterprise (Medic I) Fund using transport charges, a monthly charge, and a General Fund contribution.

The Medic I Fund is based upon a cost of service approach, with the first cost of service study completed in 2005. It is the purpose of this study to identify Medic I Utility's cost of providing ambulance and EMS service as part of the 2010 budget process and to propose rate adjustments that reflect the utility's present cost structure.

MEDIC I EXPENSES

The PAFD is successful in its ability to provide cost-effective fire and emergency medical services because all of its firefighters are cross-trained – that is, they are fully qualified firefighters who are also trained to provide emergency medical care. By using this dual role concept, both fire protection and emergency medical services are accomplished with fewer resources than would be necessary using two separate stand-alone agencies. In addition to providing EMS, firefighters provide hazmat response, prevention, specialized rescue, and recently added responsibilities designed to meet the nations' evolving homeland security mission.

While broadening the range of services performed by each firefighter increases the cost efficiency of those services, it also exponentially increases the complexity of determining the costs associated with each service. Additionally, breaking out the costs associated with Medic I is further complicated by the Fire Department's responsibility to provide EMS first response. Unlike private ambulance providers, fire department-based EMS transportation providers also provide first response – they respond with supplementary personnel to provide assistance in the stabilization, and if needed, extrication of the patient, in addition to transporting the patient (Goebel, 1977). The national standard for the staffing and deployment in career fire departments recognizes this need and recommends that a minimum of two paramedics and two emergency medical technicians are available in those situations where patients require advanced medical interventions (National Fire Protection Association, 2001). *In most areas, including Clallam County, ambulance transport vehicles are staffed by only two personnel, one of whom may be a paramedic.*

One of the most frequently asked questions in Port Angeles is "why does the fire truck respond with the medic unit on requests for medical assistance?" The answer is that this combined response provides the additional personnel necessary to assist with a serious emergency medical event – since all of the Department's firefighters are cross-trained to provide emergency medical care in addition to their other responsibilities. Consequently, a significant portion of the PAFD's total cost in responding to a serious EMS event is associated with "first response" and not associated with "transport".

In addition to personnel expenses, the provision of EMS has other necessary expenses that include facilities, dispatching services, administrative services, and capital.

UTILITY RATE DESIGN

To determine an appropriate fee, we must acknowledge the basic principles of utility rate setting. The following background regarding the principles of utility rate setting was guided by a report that Economic & Engineering Services, Inc., compiled for the City of Port Angeles with regard to setting electric utility rates (Economic & Engineering Services, Inc., 2002) and from a publication titled Principles of Public Utility Rates (Bonbright, Danielsen & Kamerschen, 1988).

All of us are familiar with utility rates. We are familiar with the concept of paying a base rate for availability of service and then another rate for the consumption of the commodity beyond the base rate. The basic availability rate helps pay for the infrastructure that actually brings the utility to us, and anything over this should be based upon our demand for the utility.

Prior to setting rates, we must first acknowledge some guiding principles. Most would agree that the rates should be stable and that the rates should provide adequate revenue to meet the utility's financial, operational, and regulatory requirements. The rates should be cost-based and equitable. Fairness is certainly key. Customers want rates that are fair and the utility wants rates that are easy to administer and revenue that is predictable. Finally, rates and the process of allocation should conform to generally accepted rate-setting principles.

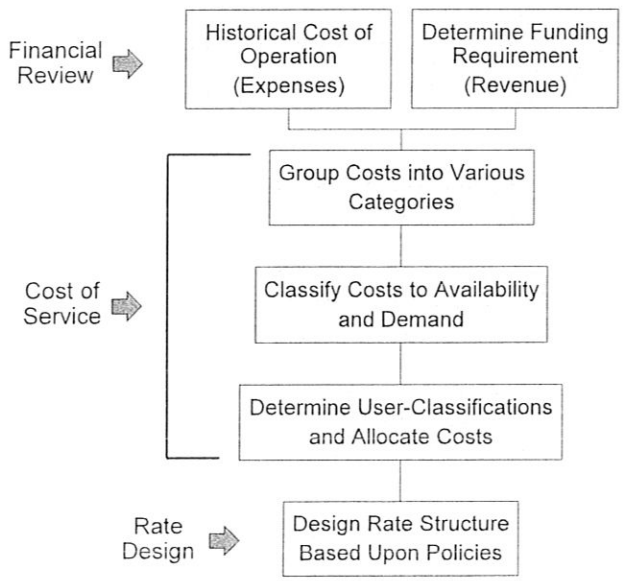
The process of rate-setting begins with accumulating the historical cost of the operation. The convention used by most public utilities is the cash basis approach. In this process, a public utility aggregates its cash expenses for a period of time to determine the revenues required. When doing this, the utility considers a number of elements such as operations and maintenance expenses, transfer payments, capital additions, and debt service. Once the costs are known, and the total revenue requirement has been quantified, they are allocated to the various users of the service in a manner that reflects the costs incurred for the availability and

delivery of the services by each class of customer. This exercise is usually called a cost-of-service study.

A cost-of-service study is a three-step process. First, the total cost must be grouped into various categories related to the provision of service (labor, capital equipment, disposable goods, operating costs, etc.). Second, the cost must be classified. Generally, these are capacity-related and customer-related costs. Capacity (or availability) costs are those expenses that the utility incurs in order to simply make the service available. To a large degree, the availability cost should be spread across the user base. Customer-related costs are those that vary directly with the volume of customer demand. A larger demand should result in a higher rate. Third, the number of customers served must be determined. Serving a large number of customers in a particular class should result in a lower per unit payment by the individuals in that class. Once the costs are classified, the last step is the allocation of costs to each of the customer classes of service. Examples of different classes might be residential, commercial, etc. As soon as the costs are allocated to each class of service, the required rate level to achieve the needed revenue can be determined.

When the costs of service are determined and the required revenue is known, the rate to be charged can be set. The rates must achieve the goals of the utility and still meet the guiding principles mentioned earlier. The goals may also include such items as the ability to pay. Figure 1 provides a graphical representation of the various steps involved in the cost of service and rate design process.

Figure 1
Cost of Service and Rate Setting



In conclusion, rate setting is not an exact science. History has clearly shown that the process has evolved over time and it is still evolving as society and technology evolve. While there are some basic guiding principles in setting utility rates, there are also many variables that should be considered and those variables can change with time. The relative weight that should be assigned to those variables is also subject to change. Essentially, rate setting is an art, and our goal is to devise a rate system that meets the financial needs of the utility in a fair and equitable way.

STUDY OBJECTIVES

It is the objective of the study to arrive at a fair and equitable allocation of costs to all user classes and to comply with RCW 35.21.766 – *Establishment of Ambulance Utilities*. Additionally, several related objectives need to be considered in the Medic I Utility design. These include:

- Ensure revenue provided is sufficient to meet the operations and maintenance costs of the City's Medic I enterprise.
- Minimize rate impacts to reduce financial hardship on the different user classes.
- Provide incentives within the rate structure that encourages the use of cost effective billing practices.

ASSUMPTIONS

Following are the assumptions used in this Study.

- Projected operations and maintenance expenses, estimated inflation factors, and projected revenues are based upon the City's preliminary 2010 budget projections.
- There will be no change in the Medicare ambulance transport fee schedule for 2010.
- User account projections are based upon current information in the City's billing database.
- This will be a two-year rate study, with 2011 rates including an adjustment equal to the CPI-U – June 2010.

ANALYSIS

MEDIC I FUNDING

Port Angeles Medic I is primarily supported by two external revenue sources; a monthly fee paid by all potential users, and billing for transports.

Monthly Fee

Since the first Cost of Service Study in 2005, the ambulance utility rate that partially supports the Medic I Fund has had two increases. The last increase was in 2009, raising all user classification rates by 6%. This unanticipated adjustment in 2009 was prompted by decreasing revenues within the General Fund that were a result of the declining economy.

Transport Charges

As part of this study, the Fire Department requested that Systems Design Northwest, LLC, conduct an audit of our current ambulance transport rates. Specifically, the Fire Department wanted our current ambulance transport rates compared against Medicare allowables and against the areas prevailing transport rates. Based upon the audit, Systems Design Northwest recommended the City increase its BLS ambulance transport rate from $380 to $450, its ALS-1 transport rate from $500 to $600, its ALS-2 transport rate from $580 to $650, and its mileage rate from $10 to $13.

The following provides a description of the aforementioned levels of ambulance services. Medicare payment for ambulance services is calculated based upon the level of service provided.

BLS Ambulance Transport – Transportation by non-paramedic staffed ambulance with the provision of basic life support services. Example – Possible fractured extremity not requiring pain medication.

ALS-1 Ambulance Transport – Transportation by ambulance with an advanced life support assessment by paramedic personnel or the provision of at least one advanced life support intervention. Example – Chest pain with stable vitals and a normal electrocardiogram.

ALS-2 Ambulance Transport – Transportation by ambulance with a patient requiring the administration of three or more different medications and/or the provision of at least one significant advanced life support procedure. Example – Cardiac and/or respiratory arrest requiring multiple medications and/or procedures.

The Fire Department concurred with System Design Northwest's recommendation and the Council adopted the rate adjustments in August, 2009. The revenue projection from the new rates has been added in the 2010 transport charge revenue projection contained within this study. The comparative rate information is provided in Table 1 on the following page.

Table 1
Local Area Ambulance Transport Rates

Agency	Basic Life Support (BLS)	Advanced Life Support (ALS-1)	Advanced Life Support (ALS-2)	Per Mile Charge
Bremerton	$425	$550	$550	$10
Central Kitsap	$457	$570	$695	$11
Jefferson Co. #5	$500	$700	$700	$15
Joyce	$413	$708	$708	$10
Port Ludlow	$400	$600	$650	$14
Port Townsend	$500	$600	$700	$15
Poulsbo	$450	$600	$650	$11
Olympic Ambulance	$500	$708	$708	$16
Quilcene	$500	$600	$700	$15
AVERAGE	**$460**	**$626**	**$673**	**$13**
Port Angeles	*$450*	*$600*	*$650*	*$13*

The recommended rate adjustments will not affect City residents or employees of a business within the City as they are not billed beyond their governmental or private insurance coverage. In addition, protection against financial hardship for non-residents is provided as non-resident charges may be waived or reduced in accordance with an income-based discount chart that is based upon federal poverty guidelines for Washington State.

2010 Revenue Projections

The following table identifies the revenue supporting Medic I as projected in the City's preliminary 2010 budget. It should be noted that revenue from the Medic I monthly fee includes a staff proposed $15,834 increase over the previous year. This increase is needed to offset the total Medic I expenses identified in Table 3 on page 8 and assumes a General Fund transfer in Table 2 that is $28,223 less than what was budgeted in 2009. In addition, a temporary use of Medic I reserves was included in order to stabilize rates associated with the Medic I monthly charges (fees).

The following revenue estimates in Table 2 include these adjustments.

Table 2
2010 Medic I Revenue Projections

Description	Amount
CPR/First Aid Classes	$12,000
Medic I Monthly Fee	$548,514
Medic I Transport Charges	$614,000 [1]
Medic I Write-Offs	- $100,200
Personnel Reimbursement	$400
Miscellaneous Revenue	$5,140
General Fund Transfer	$360,000 [2]
Medic I Reserves	$66,451
TOTAL REVENUE	**$1,506,305**

[1] Actual transport revenue is $614,000 less the write-off amount of $100,200 for a total of $513,800.
[2] Includes required transfer from General Fund in the amount of $73,304.

MEDIC I EXPENSES

The City's preliminary 2010 budget was used to determine expenses associated with Medic I. In allocating costs to the Medic I budget, several allocation factors were used:

- For personnel salary and benefit costs, position classifications were used to determine where those costs should be assigned. *The exception is one firefighter/paramedic who currently fills a firefighter/EMT position.* It is assumed that the firefighter/EMTs who assist Medic I are offset by the firefighter/paramedics who assist with fire protection services, thus justifying the methodology in determining the allocation of personnel and benefit costs.
- Indirect expenses such as administration and facilities were determined using the Department's total number of personnel, then allocated based upon the percentage of paramedic full time employees supported. See Table Definition Notes (page 0) for a detailed description.

Table 3
2010 Total Medic I Expenses

Description	Amount
Paramedic Salaries	$862,788
Paramedic Benefits	$260,910
Program Supplies	$42,805
Professional & Contract Services	$43,982
Travel & Training	$6,900
Dispatching Services	$62,802
Equipment Services	$42,079
Other Services & Charges	$153,098
Defib Replacement Reserve	$7,611
Bad Debt	$23,330
TOTAL EXPENSES	**$1,506,305**

UTILITY RATE DESIGN

Availability

There is a pre-determined minimum basic infrastructure that must be in place in order to provide a community with an adequate emergency medical service that includes advanced life support (ALS). This basic infrastructure would have to be in place regardless of the size of the community or the volume of demand. In order to ensure that the basic availability needs are met, there are requirements and standards in place that dictate how this infrastructure should be set up.

First and foremost, the agency providing the ALS response must have a training program for all responders. The field of pre-hospital care is complex and dynamic. It is essential that all personnel are well trained and confident with their skills. Responders must be kept up-to-date on the latest techniques and they must have an avenue for the regular practice of their skills. This training program must be approved by the Medical Program Director (MPD), a physician who is specifically tasked with the oversight of the program (WAC 246-976-920). The MPD works closely with the field personnel and also facilitates the administration of an approved quality assurance program (WAC 246-976-920). The quality assurance program is a vital component of an effective EMS delivery system. Regular quality assurance reviews ensure that the medical protocols are understood and adhered to, and the reviews also enable field personnel to share real life experiences with their peers in a learning environment.

Critical to all ALS delivery systems is the ability to deliver personnel and equipment to a scene 24-hours every day. Accidents and illnesses do not take a break at 5 p.m., or on holidays. Quite the contrary. Although call volumes may decrease somewhat "after hours," there is always a vital need for the provision of round-the-clock ALS services.

When it comes to the provision of ALS services, simply "being available" is not good enough. The responders must be able to be on scene of the emergency within a specific "response time." According to a Washington State requirement, response times for all major trauma responses within an urban area has to be ten minutes or less, 80% of the time (WAC 246-976-390). The national standard recognized by most fire departments states that initial response times should be four minutes or less 90% of the time, with ALS capable personnel arriving in no more than eight minutes, 90% of the time (National Fire Protection Association, 2001).

Why are response times so important? Intuitively, we all know that the sooner a patient receives definitive care in a hospital environment, the better. What may not be so obvious is that the care a patient receives before reaching the hospital can be even more important. In the case of trauma, it is clear that treatment of traumatic wounds is time critical. If bleeding is not stopped, if airways are not opened, if shock is not treated, the effects are quick and quite visible. Equally important however, is the rapid treatment of medical emergencies. Sudden cardiac or respiratory arrest, stroke and diabetic emergencies are all examples of events that require swift and definitive care. When dealing with trauma, emergency care providers speak of the "golden hour." Essentially, if a patient can be seen and treated at an appropriate trauma-designated medical facility within the first hour after the event occurs, the chances of survival are significantly increased (Campbell, 1988). With medical emergencies, the critical time frame can be mere minutes. Significant brain damage can occur if the brain is starved of oxygen for only four or five minutes (American Heart Association, 2001). It is essential that early intervention measures be employed to stave off these devastating outcomes.

Is response time critical? Absolutely. The sooner ALS procedures can be started and a patient can be stabilized for transport to a medical facility, the better. A matter of minutes can make the difference between a positive or devastating outcome.

The scene of an ALS emergency can be a highly technical and often labor-intensive operation. Efficient actions at the scene generally require a well-orchestrated team effort. In order for an emergency medical response to be considered ALS, at least one of the response personnel must be a certified paramedic and the other must be at least an EMT (WAC 246-976-390). The EMT, although not as highly trained as the paramedic, still has a vital role in the patient care process.

Not as important as the personnel providing the care, but certainly another vital link in the chain, is the equipment that is used. The personnel must be able to get to the emergency scene and then be able to transport the patient. As vehicles vary in size and configuration, there has to be a standard for the vehicle itself and the equipment it carries. There are specific requirements that address the size and shape of the vehicle and its weight, the markings and warning lights, interior space, patient care equipment, and other important items (WAC 246-976-290 and WAC 246-976-300).

Personnel and equipment are obvious components of the system. Another necessary consideration is an adequate facility to house the equipment and personnel that provide the service. Due to the nature of the service, the facility will require eating and sleeping quarters, as well as living quarters. In order to ensure peak performance and reliability, the equipment should be housed out of the elements. As is the case with any facility such as these, there are costs associated such as maintenance, repair and utilities.

Finally, to provide comprehensive ALS services, a dispatch capability must be in place. The dispatchers need to have the ability to receive calls for assistance, prioritize those calls, and then transmit the required information to the appropriate individuals for a response. As is the case with the responders, this dispatch capability must be provided 24-hours every day. An often neglected fact is that dispatchers can also provide an additional level of service over the telephone. Trained dispatchers can walk callers through the provisions of immediate care for everything from the control of bleeding through the administration of CPR. Over the years, these telephone instructions have been credited with the saving of many lives.

As was mentioned earlier, in order to provide ALS services, the above basic infrastructure would have to be in place regardless of the size of the community or the volume of demand. How this basic infrastructure expands is dependent upon the demands placed upon the system. Clearly, the introduction of assisted living facilities and nursing facilities will likely result in increased demand upon the system. As the demand increases, the need for additional resources will correspondingly increase.

The costs associated with the City's "basic" Medic I infrastructure are shown in Table 4 (page 11). These costs were based upon projections for 2010. The basic infrastructure costs represent four paramedics and associated training, facilities, equipment, and dispatching resources needed to ensure a single layer of ALS response within four minutes, 90% of the time. The City has been historically able to achieve the above response time goals from a single, centrally located, fire station (see Appendix A). However, it should be noted that as the City's population density continues to increase near its fringes, Medic I will no longer be able to maintain its response time goals out of a single station.

Table 4
Medic I Basic Infrastructure Needed for Availability

Description	Amount
Paramedic Salaries	$345,115
Paramedic Benefits	$104,364
Program Supplies	$16,748
Professional & Contract Services	$17,076
Travel & Training	$2,760
Dispatching Services	$19,002
Equipment Services	$28,053
Other Services & Charges	$61,239
Defib Replacement Reserve	$3,806
Bad Debt Expense	$9,187
TOTAL AVAILABILITY EXPENSES	**$607,353**

Demand

As we have seen from the previous section, the need for simple "availability" drives a significant portion of the infrastructure requirements for the provision of ALS services. A well-trained work force, capable of 24-hour response with adequate vehicles, equipment and facilities, are all factors of the availability equation.

As is the case with most utilities, simply being available, is not necessarily enough. The reservoirs, pumps and pipes may be in place to bring water to your home, but they are not of much use if the supply is so short that you cannot take a shower if your neighbor is washing a load of laundry.

Basically, our expectations are that when we open a faucet, water will come out with sufficient volume and pressure to meet our needs. When we flip the switch and turn on the TV, we expect that there will be enough electricity for the lights to come on and also to bring Monday night football. We pay for these basic utilities and our expectation is that we will receive the service that we paid for.

The reality is that as customers increase their demand upon a utility, the utility will add additional resources as necessary to meet the increased demand. Such has been the case with

Port Angeles Medic I. As Medic I services have increased, the utility has needed to fund six additional paramedics, an additional medic unit, and related supplies to meet this demand. Along those same lines, we also link some notion of fairness to the payment of those services. Along with our expectation that if we pay our bill, electricity will be delivered to the home, comes a certain understanding that we will pay more if we use more. Certainly no one would argue that a golf course should pay more for their water use than an apartment dweller. Both parties receive a benefit from the infrastructure that is in place, but one clearly demands more water from the system and it should rightly bear the additional cost of that demand.

The provision of ALS medical services closely resembles the provision of water or electric service. The infrastructure needs to be in place, and everyone should shoulder part of the cost of having that infrastructure in place. Beyond that basic cost, when an individual, group, or class of individuals places an additional demand upon the system, they should pay proportionally more. As the demands upon the system increase, the system needs to expand to accommodate the demand. We might be willing to wait for a shower when the water supply is low, but we certainly don't want to wait for an ambulance because the system has not adjusted to meet the demands placed upon it.

Measuring demand for emergency medical services is quite a bit more difficult than it is for a traditional utility. The demands for emergency medical services cannot be quantified in the same way gallons of water can be tallied. One thing we can do with a fair measure of certainty, is predict future use based upon past history. We can look at historical data sources and make accurate determinations of future trends.

The Fire Department analyzed all of the calls for emergency medical service that Medic I responded to during 2004, during 2006 and again in 2008. The Fire Department took a look at where they responded and grouped the responses into nine categories or classifications of response locations.

The user classifications are residential, adult family homes, assisted living facilities, 24-hour nursing facilities, group homes, jail facilities, schools, commercial/business, and city public areas.

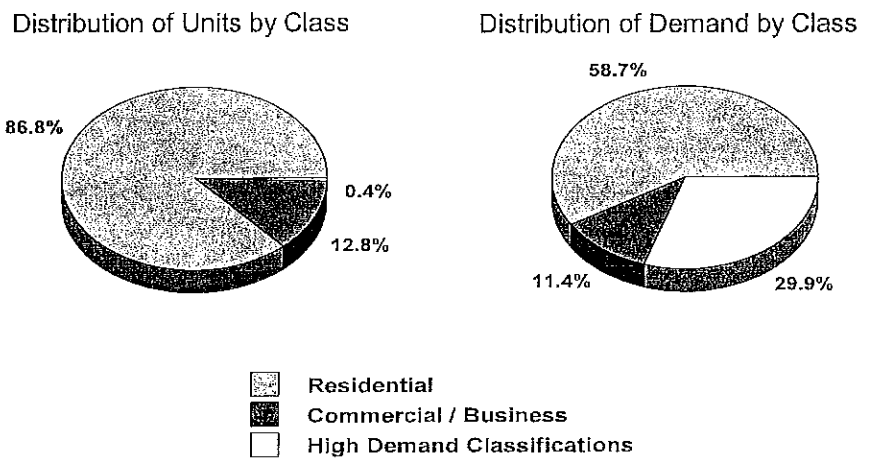
The Fire Department's retrospective study allowed staff to determine how many times Medic I responded to each of these classifications. This information, coupled with the knowledge of how many individual units exist within these classifications, allowed staff to determine how many times Medic I essentially responded per unit. The 2008 results, as well as the corresponding percentages, are summarized in the following table.

Table 5
Medic I Calls Per Classification

Period January 1 to December 31, 2008	# of Units	Calls per Class	Percent of Calls
Residential	8,578	1,782	58.7%
Adult Family Homes	3	17	0.6%
Assisted Living Facilities	4	312	10.3%
24-Hour Nursing Facilities	1	154	5.1%
Group Homes	3	45	1.5%
Jail Facilities	2	30	1.0%
Schools	8	44	1.4%
Commercial/Business	1,293	348	11.4%
City Public Areas	21	305	10.0%
TOTAL	**9,913**	**3,037**	**100%**

Figure 2 shown below provides a graphical representation of the percentage of distribution of units by classification and a visual percentage of the distribution of demand by classification. While the high demand classifications account for less than 1% of the total units, they account for approximately 30% of the demand. High demand classifications include adult family homes, assisted living facilities, 24-hour nursing facilities, group homes, jail facilities, schools, and City public areas.

Figure 2
Percentage of Units & Demand by Class



CONCLUSION

MEDIC I FUNDING & EXPENSES

The Medic I program receives funding from three distinct revenue streams: the Medic I monthly fee, charges generated by transports, and infusions from the City of Port Angeles General Fund. These revenue streams cover the costs associated with both the availability and demand components of the program. As transports are directly related to demand, the revenue generated by transports is used to offset the costs associated with demand. The study identified that Medic I's transport revenue does not fully cover demand costs.

UTILITY RATE DESIGN

To appropriately allocate funding for the provision of 24/7 ALS services, it is first necessary to determine how to separate the cost required to provide a basic level of service (availability) from the costs incurred by demands placed upon the system. In the section of this study where the subject of availability is addressed, it was identified that the annual cost of providing ambulance regulation plus a single layer of 24/7 paramedic service is $607,353, or 40.3% of the total cost of providing paramedic services. This availability cost is detailed in Table 3 and it includes the trained personnel, equipment, dispatching services and facilities required to provide ALS service within a specified time frame with a specified level of certainty. These are the minimum costs that would be incurred regardless of the frequency of calls for service. The remaining 59.7% of the costs of providing paramedic services is $898,952. This is the proportion of the total cost of providing paramedic service that is due to demand.

Demand upon the system is measured by totaling calls for service. These calls for service can be classified based upon the location where the call originates.

In order to determine demand classifications, the Fire Department conducted a retrospective study of the calls that Medic I responded to during 2004, during 2006 and again through this study using calls that Medic I responded to in 2008. As a result of both studies, it was determined that the majority of Medic I's calls for service originated from residential, followed by commercial/business, assisted living facilities, city public areas, 24-hour nursing facilities, group homes, schools, jail facilities, and adult family homes.

The Medic I monthly utility fees are allocated proportionately based upon a combination of an availability charge and a demand charge. Based upon input received from the consultant during the first Medic I Utility Rate Study conducted in 2005, General Fund revenue is applied as an overall reduction of the total cost of providing Medic I services. The following chart summarizes the allocation of Medic I revenue.

Table 6
Revenue Allocation Summary Table

Total projected costs for Medic I services in 2010	$1,506,305
Minimum revenue required from General Fund (see page 19)	($73,304)
Revenue from General Fund	($286,696)
Temporary Use of Reserves	($66,451)
Other Revenue [1]	($17,540)
Total, Less Revenue from General Fund, Use of Reserves, and Other Revenue	**$1,062,314**
40.3% Attributable to availability	**$428,113** ***Funded by Utility***
59.7% Attributable to demand	$634,201
Less revenue from ambulance transports	($513,800)
	$120,401 ***Funded by Utility***

[1] Other revenue includes; CPR/First Aid classes, personnel reimbursement, and miscellaneous revenue.

The following table illustrates how the availability amount of $428,113 is spread equally across the user classifications by number of units.

Table 7
Availability Costs Per User Classification

User Classification	# of Units	Revenue Required by Class
Residential	8,578	$370,458
Adult Family Homes	3	$130
Assisted Living Facilities	4	$173
24-Hour Nursing Facilities	1	$43
Group Homes	3	$130
Jail Facilities	2	$86
Schools	8	$345
Commercial/Business	1,293	$55,841
City Public Areas	21	$907
TOTAL	**9,913**	**$428,113**

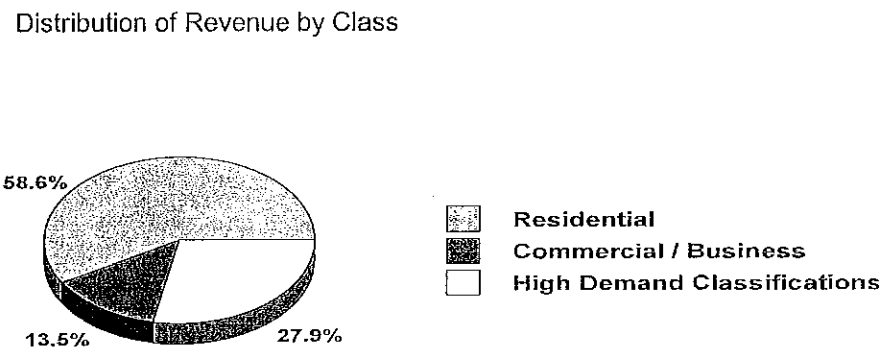
The table below outlines what the various demand costs would be for each user classification.

Table 8
Demand Costs Per User Classification

Period January 1 to December 31, 2008	Calls per Class	Percent of Calls	Revenue Required by Class
Residential	1,782	58.7%	$70,675
Adult Family Homes	17	0.6%	$722
Assisted Living Facilities	312	10.3%	$12,401
24-Hour Nursing Facilities	154	5.1%	$6,141
Group Homes	45	1.5%	$1,806
Jail Facilities	30	1.0%	$1,204
Schools	44	1.4%	$1,686
Commercial/Business	348	11.4%	$13,726
City Public Areas	305	10.0%	$12,040
TOTAL	**3,037**	**100%**	**$120,401**

Those classifications that generate the most demand also generate the most transport revenue. Figure 3 below illustrates the percentage of distribution of revenue by classification. The revenue was calculated using the transports billed during the first-half of the study period – January 1 to June 30, 2008.

Figure 3
Percentage of Revenue by Class



RECOMMENDATION

RATES PRIOR TO EXEMPTIONS

The following table outlines the proposed fee adjustment for each of the categories using 2010 preliminary budget information. It should be noted that some demand user classifications are further broken down to identify more specific demand rates. The number of responses to adult family homes, assisted living facilities, 24-hour nursing facilities, group homes, jail facilities, and schools were studied in order to ensure a more equitable demand rate was determined. Each occupancy within a high demand user classification pays a demand fee based upon its percentage of use within that classification.

Table 9
Fee Allocation Prior to Exemptions

User Classification	# of Units	Combined Revenue Required by Class [1]	Annual Revenue Required per Unit	Monthly Revenue Required per Unit
Residential	8,578	$441,133	$51.43	$4.29
Adult Family Homes	3	$852	$852 per classification [2]	
Assisted Living Facilities	4	$12,574	$12,574 per classification [2]	
24-Hour Nursing Facilities	1	$6,184	$6,184 per classification [2]	
Group Homes	3	$1,936	$1,936 per classification [2]	
Jail Facilities	2	$1,290	$1,290 per classification [2]	
Schools	8	$2,031	$2,031 per classification [2]	
Commercial/Business	1,293	$69,567	$53.80	$4.48
City Public Areas	21	$12,947	$12,947 per classification	
TOTAL	**9,913**	**$548,514**	**N/A**	**N/A**

[1] Prior to required exemption described below.
[2] Rates for individual units vary based upon their percentage of use within that classification.

EXEMPTIONS

The City's existing low-income utility discount program was modified during the first Medic I Cost of Service Study to provide a reduction in annual fees to those licensed care facilities that provide care to Medicaid eligible clients. The reduction reflects an annual average of the percentage of Medicaid eligible clients housed at the facility, with the amount of the reduction spread equally across Medic I's user classifications.

Multiple residential units that are served by a single utility connection are given the option of (1) paying the utility fees for the units as a single combined amount or (2) having the City charge a monthly fee to each unit occupant. Those that select the combined billing option are entitled to a rate adjustment based upon the apartment building's average occupancy. As part of the 2010 proposed rates, an additional 25% adjustment was added to encourage the use of the combined billing option – a significantly more efficient billing practice as compared to setting up utility accounts for the purpose of collecting only Medic I monthly fees.

The City's Medic I Utility was audited by the Joint Legislative Audit Review Committee (JLARC) in 2007 for the purpose of determining compliance with state legislation (ESHB 1635). ESHB 1635 establishes specific requirements in setting up and operating ambulance utilities. The only finding by JLARC was the City's need to provide an exemption for those Medicaid eligible residents who receive in-home services. To ensure compliance, the City provides a mechanism for this exemption and notifies City residents during initial utility connection and periodically through utility bills.

ADJUSTED RATES AFTER EXEMPTIONS

The total amount of exemptions is $11,150 and is shown in the exemption worksheets Appendix B, D, and E. This amount is designated as an availability cost and is spread uniformly across the utility's user classifications. The table below represents this adjustment.

Table 10
Availability Costs after Exemptions

User Classification	# of Units	Revenue Required by Class
Residential	8,578	$380,107
Adult Family Homes	3	$133
Assisted Living Facilities	4	$177
24-Hour Nursing Facilities	1	$44
Group Homes	3	$133
Jail Facilities	2	$89
Schools	8	$354
Commercial/Business	1,293	$57,295
City Public Areas	21	$931
TOTAL	**9,913**	**$439,263**

Table 11 displays the final adjusted rates for all user classifications, which includes required exemptions and the subsequent availability adjustments across the utility's user classifications. For a listing of the proposed rates for individual facilities within the high demand classifications, see Appendix C. For a listing of the proposed rates for apartment buildings with a single utility connection, see Appendix E.

Table 11
Fee Allocation After Exemptions

User Classification	# of Units	Combined Revenue Required by Class	Annual Revenue Required per Unit	Monthly Revenue Required per Unit
Residential	8,578	$447,773	$52.20	$4.35
Adult Family Homes	3	$656	$656 per classification [1]	
Assisted Living Facilities	4	$9,408	$9,408 per classification [1]	
24-Hour Nursing Facilities	1	$2,475	$2,475 per classification [1]	
Group Homes	3	$876	$876 per classification [1]	
Jail Facilities	2	$1,292	$1,292 per classification [1]	
Schools	8	$2,061	$2,061 per classification [1,2]	
Commercial/Business	1,293	$71,021	$54.93	$4.58
City Public Areas	21	$12,971	$12,971 per classification	
TOTAL	**9,913**	**$548,533** [3]	**N/A**	**N/A**

[1] Rates for individual units vary based upon their percentage of use within that classification.

[2] Includes adjustments so that no school facility has a rate less than that of an individual unit within the commercial/business classification.

[3] The total combined revenue is slightly higher than the combined revenue in Table 9 on Page 17. This slight increase is due to the adjustment noted in footnote 2 above and from rounding to the nearest dollar used within the worksheets located in the appendices.

GENERAL FUND ALLOCATION

In addition to providing rate setting guidance, ESHB 1635 includes a provision that requires a city to continue to allocate at least 70% of the General Fund dollars that were expended on ambulance and emergency medical services prior to May, 2004. To ensure compliance, Port Angeles conducted a study in 2006 and concluded it must continue to allocate not less than $73,304 towards its ambulance utility (Port Angeles Fire Department, 2006).

The proposed rates for 2010 include a General Fund contribution to the utility that exceeds the allocation requirement within ESHB 1635. The General Fund transfer for 2010 is $360,000 as shown in Table 2 and Table 6 within the study.

COMPARATIVE RATES

CURRENT VS. PROPOSED RATES

The proposed Medic I Utility Rate adjustment for 2010 will increase the residential customer's annual fee from $52.12 to $52.20. This is a nominal increase per month, or an annual increase of less than 1%. The proposed rate adjustment will increase the commercial/business customer's annual fee from $53.74 to $54.93. This is an increase of approximately $1.19 per month, or an annual increase of 2.2%.

The high demand user classifications will see both an increase and decrease, depending upon the user classification. These changes are a result of a change in use (demand) patterns experienced during this study period as compared to the previous study period. The annual user classification increases range from $406 to $9,408. It should be noted that each occupancy within a high demand user classification pays a demand fee based upon its percentage of use within that classification. See Appendix C (page 34) for the specific proposed fees for the specific facilities within high demand user classifications.

Table 12
Current vs. Proposed Rates

User Classifications	Current Annual Rates	Proposed Annual Rates
Residential	$52.12	$52.20
Adult Family Homes	$372 per classification [1]	$406 per classification [1]
Assisted Living Facilities	$7,191 per classification [1]	$9,408 per classification [1]
24-Hour Nursing Facilities	$1,353 per classification [1]	$2,475 per classification [1]
Group Homes	$825 per classification [1]	$876 per classification [1]
Jail Facilities	$1,266 per classification [1]	$1,292 per classification [1]
Schools	$2,636 per classification [1]	$2,061 per classification [1]
Commercial/Business	$53.74	$54.93
City Public Areas	$16,326 per classification [1]	$12,971 per classification

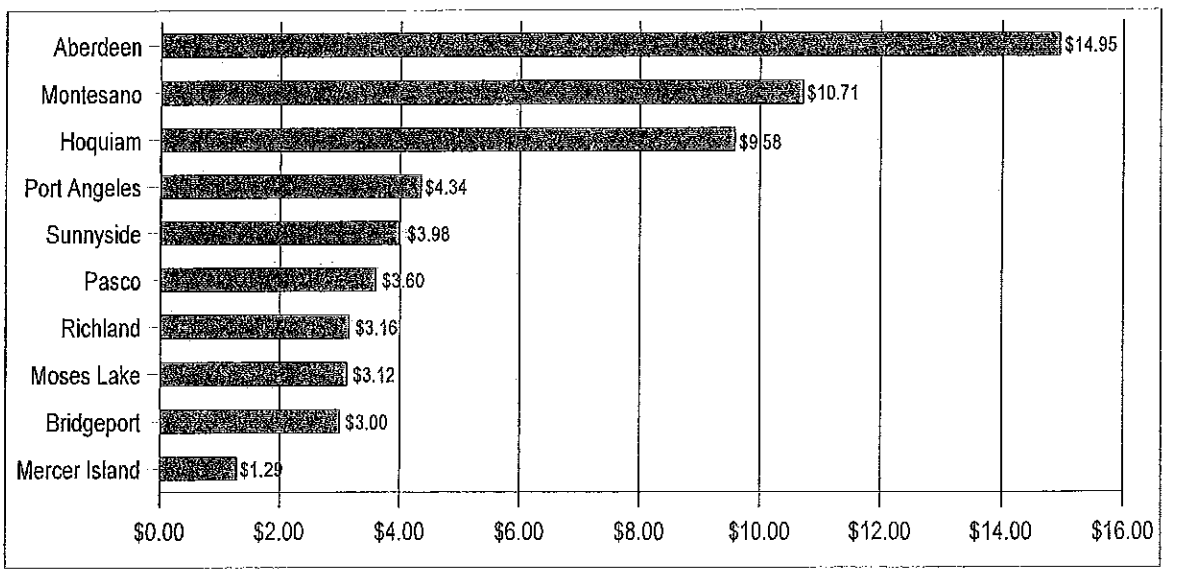
[1] Rates for individual units vary based upon their percentage of use within that classification, and if eligible, includes exemptions.

MUNICIPAL RATE COMPARISONS

Port Angeles' current residential ambulance (Medic I) utility rates are generally comparative to most other ambulance utilities located throughout Washington state. The existing residential monthly rates range from a low of $1.29 per month to a high of $14.95 per month. Table 13 presents the ambulance utility rates for those other cities who provide an ambulance utility.

Care must be taken when comparing the rates of several ambulance utilities as each utility has its own mix of customer classifications and sizes. For example, one ambulance utility might have several high call-volume licensed care facilities and a different ambulance utility may have no such facilities. Additionally, both population density and square mileage served can affect rates.

Table 13
Ambulance Utility Rates by City



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WAC 246-976-300. Ground ambulance and aid vehicle equipment. State of Washington.

WAC 246-976-390. Verification of trauma care services. State of Washington.

WAC 246-976-920. Medical program director. State of Washington.

TABLE DEFINITION NOTES

Table 1	
For level of service definitions, see page 4 of the study.	
Table 2	
CPR/First Aid Classes	Represents the revenue created by charging fees for Department sponsored citizen first aid and CPR classes.
Medic I Monthly Fee	Represents the annual revenue from the City's Medic I monthly utility fee.
Medic I Transport Charges	Represents revenue received from third-party payer billing for ambulance transports, less insurance disallowed. Also included is revenue received from billing non-City residents for ambulance transports.
Medic I Write-Offs	This is "negative" revenue that represents a City resident's out-of-pocket charges for ambulance transports that are paid out of the Department's Medic I fund.
Personnel Reimbursement	Represents revenue received from personnel reimbursements due to required ambulance standbys.
Table 3	
Paramedic Salaries	The estimated salary for ten (10) paramedics.
Paramedic Benefits	The estimated benefit for ten (10) paramedics.
Program Supplies	Program supplies and expenses were calculated using the Department's preliminary 2010 Medic I budget, using line items; office operating supplies, CPR supplies and personal protective equipment & pharmaceuticals.
Professional & Contract Services	Professional & contract services cover the Medical Program Director contract for medical supervision required by Chapter 18.71 RCW and Chapter 248-15 WAC. Also covered by this item is the Department's cardiac monitor/defibrillator prevention maintenance contact and the Department's ambulance billing contract.
Travel & Training	The training expense represents the funding needed for the Department's paramedics and was taken from the Department's preliminary 2010 budget.
Dispatching Services	The Fire Department's EMS dispatching share of the budget. The *cost per call for service* for 2010 is estimated at $13.86. Costs per call information provided by Pencom.
Equipment Services	This expenditure represents maintenance and repair costs associated with the Department's three (3) ambulances during the previous 12 months, plus depreciation to assist with replacement. The equipment service expenses were taken from the Department's preliminary 2010 Medic I budget using the equipment services charges line item.
Other Services & Charges	Other services and charges were calculated using the Department's preliminary 2010 Medic I budget, using line items; administrative charges, IT charges, communication expenses & minor equipment repairs and maintenance.

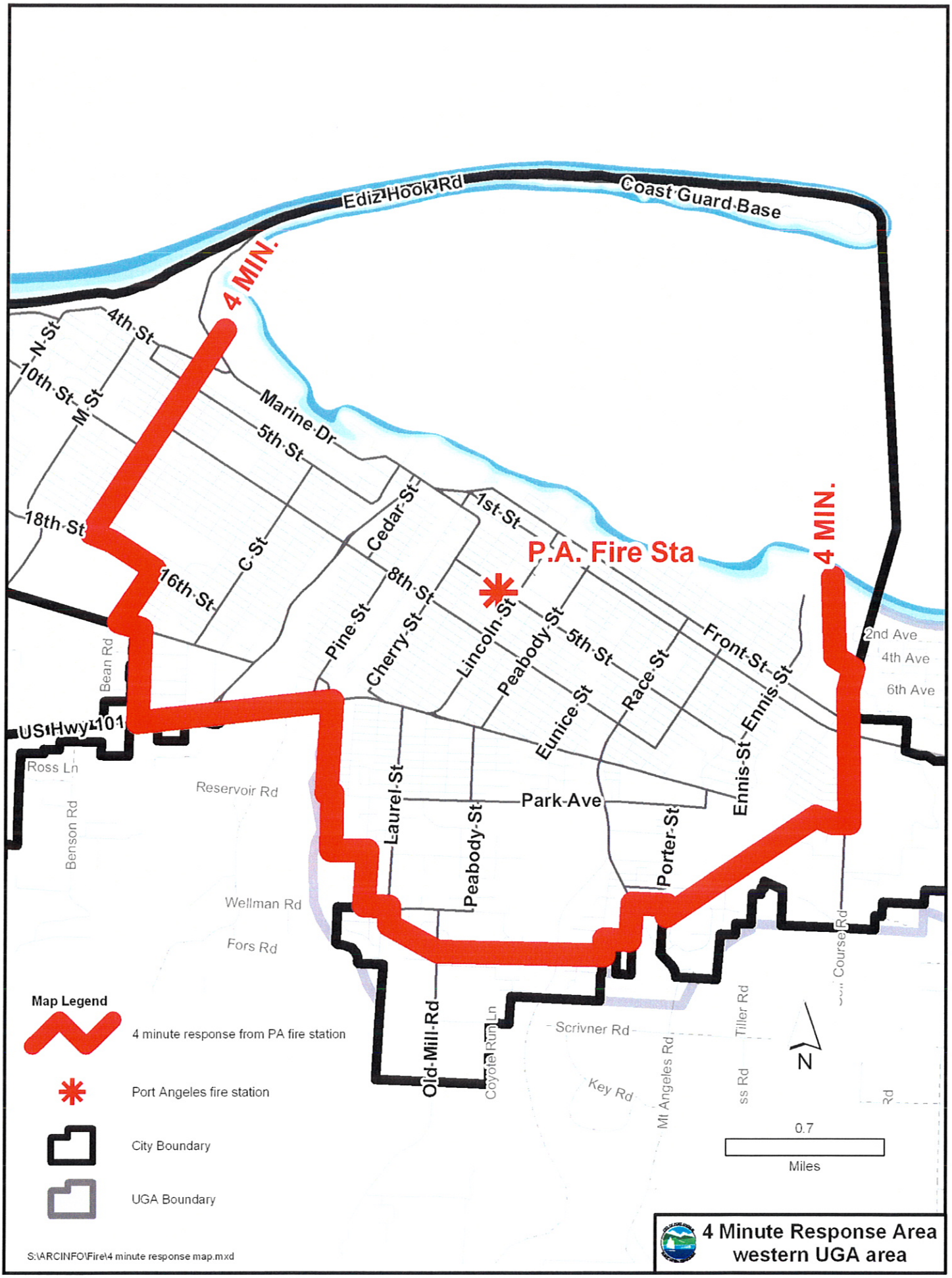
Defib Replacement Reserve	The defib replacement reserve was calculated using adequate reserve funds to replace two (2) of the Department's four (4) defibrillators every six years.
Bad Debt	Bad debt represents the uncollected (portion written off) of the revenues posted.
Table 4	
Paramedic Salaries	The salaries for four (4) of the Department's paramedics.
Paramedic Benefits	The benefits for four (4) of the Department's paramedics.
Program Supplies	Program supplies and expenses were calculated using the Department's preliminary 2010 Medic I budget, using line items; office operating supplies, CPR supplies and personal protective equipment & pharmaceuticals and represents the percentage of the 1,371 calls in 1990 as compared to the 3,504 estimated calls for 2010.
Professional & Contract Services	Professional & contract services covers the Medical Program Director contract for medical supervision for four (4) paramedics as required by Chapter 18.71 RCW and Chapter 248-15 WAC and the Department's cardiac monitor/defibrillator prevention maintenance contact for two monitors/defibrillators. Also covered by this item is the Department's ambulance billing contract, which was based upon the 619 transports in 1990 – the transports representing system demand prior to the hiring of additional shift paramedics. The cost per transport billed is estimated for 2010 at $22.00.
Travel & Training	The training expense represents the funding needed for four (4) of the Department's paramedics and was estimated using the preliminary 2010 Medic I training line item.
Dispatching Services	The Fire Department's EMS dispatching share of the budget is divided by the total number of EMS calls for service to determine the *cost per call for service.* The *cost per call for service* is estimated for 2010 at $13.86, the same rate as 2009. To determine the "basic" dispatching expense, the cost per call was multiplied by the 1,371calls in 1990 – the call volume representing system demand prior to the hiring of additional paramedics. Cost per call estimate provided by Pencom.
Equipment Services	This expenditure represents the percentage of maintenance and repair costs associated with two (2) of the Department's ambulances during the previous 12 months, plus depreciation to assist with replacement. The equipment service expenses were taken from the Department's preliminary 2010 Medic I budget using the equipment services charges line item.
Other Services & Charges	Other services and charges were calculated using the Department's preliminary 2010 Medic I budget, using line items; administrative charges, IT charges, communication expenses & minor equipment repairs and maintenance. The availability amount represents the percentage of four (4) paramedics as compared to the ten (10) paramedics budgeted in 2010.
Defib Replacement Reserve	The defib replacement reserve was calculated amortizing funds for two (2) of the Department's four (4) defibrillators.
Bad Debt	Bad debt represents the uncollected (portion written off) of the revenues posted and adjusted based upon the percentage of the 619 transports in 1990 as compared to the 1,572 transports estimated for 2010.

Table 5	
Residential	Occupancies where the occupants are primarily permanent in nature.
Adult Family Homes	A residential occupancy in which a person or persons provide personal care, special care, room and board to more than one but not more than six adults who are not related by blood or marriage to the person or persons providing the services.
Assisted Living Facilities	A building housing person on a 24-hour basis, who because of age, mental disabilities or other reasons, live in a supervised residential environment which provides personal care services. The occupants are capable of responding to an emergency situation without physical assistance from staff.
24-Hour Nursing Facilities	A building used for nursing or custodial care on a 24-hour basis that is not capable of self-preservation.
Group Homes	A building housing individuals on a 24-hour basis in a supervised residential environment that provides personal care services.
Jail Facilities	A building that is inhabited by persons under restraint or security.
Schools	A building, or a group of buildings, used primarily for educational purposes. Included are elementary & secondary schools, vocational schools and colleges.
Commercial/ Business	A building or a portion of a building, including their adjacent areas, that are used for professional transactions, occupied storage, fabricating, manufacturing, sale of merchandise, or other activities within an occupied building that are not included above and are not contained within another user classification.
City Public Areas	Those areas owned and operated by the City that generate responses by Medic I. Included are parks, streets, and City owned and operated public buildings.
Table 6	
Summary of revenue allocations as described in the Conclusion section.	
Table 7	
See Table 4 – Definition Notes for description.	
Table 8	
See Table 4 – Definition Notes for description.	
Table 9	
See Table 4 – Definition Notes for description.	
Table 10	
See Table 4 – Definition Notes for description.	

Table 11	
See Table 4 – Definition Notes for description.	
Table 12	
See Table 4 – Definition Notes for description.	
Table 13	
Washington State Cities	The Ten cities identified by Joint Legislative Audit Review Committee JLARC who are operating ambulance utilities in Washington State.

APPENDIX A

STATION LOCATION & 4-MINUTE RESPONSE AREA


Ediz Hook Rd
Coast Guard Base
4 MIN.
4 MIN.
P.A. Fire Sta
N St
4th St
10th St
M St
Marine Dr
5th St
18th St
C St
Cedar St
1st St
16th St
8th St
Pine St
Cherry St
Lincoln St
Peabody St
5th St
Race St
Front St
Ennis St
2nd Ave
4th Ave
6th Ave
Bean Rd
US Hwy 101
Ross Ln
Reservoir Rd
Benson Rd
Laurel St
Park Ave
Eunice St
Porter St
Peabody St
Wellman Rd
Fors Rd
Old Mill Rd
Coyote Run Ln
Scrivner Rd
Key Rd
Mt Angeles Rd
Tiller Rd
Course Rd
N
0.7
Miles
Map Legend
4 minute response from PA fire station
Port Angeles fire station
City Boundary
UGA Boundary
S:\ARCINFO\Fire\4 minute response map.mxd
4 Minute Response Area
western UGA area

APPENDIX B

INDIVIDUAL UTILIZATION & EXEMPTION WORKSHEET

Individual Utilization & Exemption Worksheet
Appendix B

Facility	Base Rate	Utilization %	Amount Before Exemption	% of Exemption	Exemption Amount
24-Hour Nursing Facilities					
Crestwood 1116 E Lauridsen Blvd	$6,184	100%	$6,184	60%	$3,710
Group Homes					
2nd Street House 138 W 2nd	$1,936	15.2%	$294	98%	$288
Clallam County Hostelries 1132 Hazel	$1,936	21.7%	$420	100%	$420
Serenity House 2321W 18th	$1,936	63.1%	$1,222	29%	$354
Adult Family Homes					
Home Away From Home 1319 W 16th	$852	58.3%	$497	40%	$199
Olympic RN Family Home 1725 W 11th	$852	29.2%	$249	0%	$0
The Good Shepherds Haven 2314 S Lincoln	$852	12.5%	$106	0%	$0

Facility	Base Rate	Utilization %	Amount Before Exemption	% of Exemption	Exemption Amount
Assisted Living					
Laurel Park 1133 East Park Avenue	$12,574	21.0%	$2,641	16%	$423
Park View Villa 1435 & 1445 Park View Lane	$12,574	43.4%	$5,457	0%	$0
Peninsula Manor 1017 W 17th	$12,574	5.8%	$729	50%	$365
St. Andrews Place 520 East Park Avenue	$12,574	29.8%	$3,747	63.57%	$2,382
Jail Facilities					
Clallam County Adult 223 East 4th	$1,290	71%	$916	N/A	N/A
Clallam County Juvenile 1912 West 18th	$1,290	29%	$374	N/A	N/A
Schools					
Lincoln School 924 West 9th	$2,031	4.3%	$87	N/A	N/A
Franklin Middle School 2505 S Washington	$2,031	2.1%	$43	N/A	N/A
Hamilton Middle School 1822 West 7th	$2,031	6.4%	$130	N/A	N/A
Jefferson Middle School 218 East 12th	$2,031	2.1%	$43	N/A	N/A

Facility	Base Rate	Utilization %	Amount Before Exemption	% of Exemption	Exemption Amount
Peninsula College 1502 E Lauridsen	$2,031	14.9%	$303	N/A	N/A
Port Angeles High School 304 East Park Ave	$2,031	34.1%	$692	N/A	N/A
Queen Of Angels 209 West 11th	$2,031	10.6%	$215	N/A	N/A
Stevens Middle School 1139 West 14th	$2,031	25.5%	$518	N/A	N/A
Total Exemption Amount					**$8,141**

APPENDIX C

PROPOSED RATES FOR HIGH DEMAND FACILITIES

Medic I Utility 2010 Annual Fees
Appendix C

Facility	Annual Fee After Exemption	Availability Adjustment	Final Proposed Annual Fee
24-Hour Nursing Facilities			
Crestwood 1116 E Lauridsen Blvd	$2,474	$1	$2,475
	Total Proposed Fees per 24-Hour Nursing Facilities Classification		$2,475
Group Homes			
2nd Street House 138 W 2nd	$6	$1	$7
Clallam County Hostelries 1132 Hazel	$0	N/A	$0
Serenity House 2321W 18th	$868	$1	$869
	Total Proposed Fees per Group Homes		$876
Adult Family Homes			
Home Away From Home 1319 W 16th	$298	$1	$299
Olympic RN Family Home 1725 W 11th	$249	$1	$250
The Good Shepherds Haven 2314 S Lincoln	$106	$1	$107
	Total Proposed Fees per Adult Family Homes		$656

Facility	Annual Fee After Exemption	Availability Adjustment	Final Proposed Annual Fee
Assisted Living			
Laurel Park 1133 East Park Avenue	$2,218	$1	$2,219
Park View Villa 1435 & 1445 Park View Lane	$5,457	$1	$5,458
Peninsula Manor 1017 W 17th	$364	$1	$365
St. Andrews Place 520 East Park Avenue	$1,365	$1	$ 1,366
	Total Proposed Fees per Assisted Living Classification		$9,408
Jail Facilities			
Clallam County Adult 223 East 4th	$916	$1	$917
Clallam County Juvenile 1912 West 18th	$374	$1	$375
	Total Proposed Fees per Jail Facilities Classification		$1,292
Schools			
Lincoln School 924 West 9th	$87	$1	$88
Franklin Middle School 2505 S Washington	$43	$1	$54.93 [1]
Hamilton Middle School 1822 West 7th	$130	$1	$131

Facility	Annual Fee After Exemption	Availability Adjustment	Final Proposed Annual Fee
Jefferson Middle School 218 East 12th	$43	$1	$54.93 [1]
Peninsula College 1502 E Lauridsen	$303	$1	$304
Port Angeles High School 304 East Park Ave	$692	$1	$693
Queen Of Angels 209 West 11th	$215	$1	$216
Stevens Middle School 1139 West 14th	$518	$1	$519
	Total Proposed Fees per Schools Classification		$2,061

[1] High demand user classifications that do not qualify for an exemption cannot have a per-unit fee less than that of the commercial/business classification.

APPENDIX D

APARTMENT BUILDINGS WITH SINGLE UTILITY CONNECTION EXEMPTION WORKSHEET

Apartment Buildings with Single Utility Connection Exemption Worksheet

Apartment	Number of Units	Combined Unit Billing Yes/No	Annual Base Rate	Average Vacancy	Vacancy Amount	Annual Fee After Vacancy Exemption
Gerald Austin Apartments 1305 East 1st	26 units	Yes	$1,337	20%	$267	$1,070
Bayview Apartments 306 West 1st	12 units	Yes	$617	18%	$111	$506
8th Street Apartments 615 West 8th	8 units	Yes	$411	40%	$164	$247
Housing Authority Apartments 323 East 2nd	70 units	Yes	$3,600	2.02%	$73	$3,527
Housing Authority Apartments 401 East 5th	40 units	Yes	$2,057	0%	$0	$2,057
Morning Glory Apartments [1] 529 East 1st	9 units	Yes	$463	0%	$0	$463
Rozelle Apartments 212 West 3rd	10 units	Yes	$514	0%	$0	$514
Jean Tyson Apartments 405 E Front	1 unit 4 units	N/A Yes	$51.43 $206	N/A 0%	N/A $0	$51.43 $206

Apartment	Number of Units	Combined Unit Billing Yes/No	Annual Base Rate	Average Vacancy	Vacancy Amount	Annual Fee After Vacancy Exemption
Uptown Apartments 120 S Laurel St	6 units	Yes	$309	0%	$0	$309
Tempest Apartments 112 N. Albert St	13 units	Yes	$669	0%	$0	$669
Total Vacancy Exemption Amount					**$615**	

[1] Need to verify option, and if applicable, average vacancy.

APPENDIX E

PROPOSED RATES FOR APARTMENT BUILDINGS WITH SINGLE UTILITY CONNECTION

Apartment Buildings with Single Utility Connection
Exemption Worksheet

Apartment	Annual Fee After Vacancy Exemption	25% Combined Billing Adjustment	Annual Fee After Adjustment	Availability Adjustment [7]	Final Proposed Annual Fee
Gerald Austin Apartments [1] 1305 East 1st	$1,070	$268	$802	$29	$831
Bayview Apartments [2] 306 West 1st	$506	$127	$379	$13	$392
8th Street Apartments 615 West 8th	$247	$62	$185	$9	$194
Housing Authority Apartments [3] 323 East 2nd	$3,527	$882	$2,645	$77	$2,722
Housing Authority Apartments [4] 401 East 5th	$2,057	$514	$1,543	$44	$1,587
Morning Glory Apartments 529 East 1st	$463	$116	$347	$10	$357
Rozelle Apartments [5] 212 West 3rd	$514	$129	$385	$11	$396
Jean Tyson Apartments [6] 405 E Front	$206	$52	$154	$4	$158
Uptown Apartments 120 S Laurel St	$309	$77	$232	$7	$329

Apartment	Annual Fee After Vacancy Exemption	25% Combined Billing Adjustment	Annual Fee After Adjustment	Availability Adjustment [7]	Final Proposed Annual Fee
Tempest Apartments 112 N. Albert St	$669	$167	$502	$14	$516
Total Combined Billing Adjustment		**$2,394**			

[1] Account #49327-154362 should receive a single commercial Medic I utility charge. The 26 Medic I utility charges should be applied to account #49327-151550.
[2] Single utility bill.
[3] The 70 Medic I utility charges should be applied to account # 44701-151750
[4] The 40 Medic I utility charges should be applied to account # 44701-99802
[5] Single utility bill.
[6] One apartment has its own meter, with four apartments sharing a single meter. The apartment owner should receive two separate utility bills with four Medic I fees on a single invoice. The four Medic I fees should be applied utility account #86249-100068. The single Medic I fee should be applied to utility account #86249-157002.
[7] The per unit availability adjustment is multiplied by the number of units within the apartment building.

APPENDIX F

BUDGET SPREADSHEETS

PORT ANGELES MEDIC I UTILITY 2010 PROJECTED REVENUES
MEDIC I COST OF SERVICES DATA

		2010 Budget	Subtotals
CPR/First Aid Classes	409-6025-342-2014	12,000	
Medic I Fees	409-6025-342-6000	548,514	
Medic I Ambulance Svcs	409-6025-342-6020	614,000	
Medic I Write-offs	409-6025-342-6021	-100,200	
Ambulance Personnel Reimb	409-6025-342-6040	400	1,074,714
Misc	409-6025-344-0460	1,500	
	409-6025-342-9000	450	
	409-6025-361-1100	1,940	
	409-6025-361-4013	1,250	5,140
General Fund Transfer	409-6025-397-1094	360,000	
Medic I Reserves		66,451	426,451
Total Revenues		**1,506,305**	

2010 PROJECTED EXPENSES FOR AVAILABILITY
MEDIC I COST OF SERVICES DATA

		2010 Budget	Subtotals
Paramedic Salaries	409-6025-526-1001	747,025	
	409-6025-526-1006	61,763	
	409-6025-526-1011	54,000	862,788
Paramedic Benefits	409-6025-526-2010	11,421	
	409-6025-526-2020	41,973	
	409-6025-526-2040	19,954	
	409-6025-526-2042	1,020	
	409-6025-526-2050	173,620	
	409-6025-526-2080	4,011	
	409-6025-526-2090	8,911	260,910
Program Supplies	409-6025-526-3101	2,150	
	409-6025-526-3102	24,305	
	409-6025-526-3108	10,500	
	409-6025-526-3113	5,850	42,805
Prof & Contract Svcs	409-6025-526-4150	43,982	43,982
Travel & Training	409-6025-526-4310	6,900	6,900
Dispatching Services	409-6025-526-4198	62,802	62,802
Equipment Services	409-6025-526-4520	23,000	
	409-6025-526-4521	19,079	42,079
Other Services & Chgs	409-6025-526-4110	38,482	
	409-6025-526-4111	89,061	
	409-6025-526-4180	22,855	
	409-6025-526-4210	2,200	
	409-6025-526-4810	500	153,098
Defib Replacement Reserve	409-0000-111-3000	7,611	7,611
Bad Debt Expense	409-6025-526-5777	23,330	23,330
Total Expenses		**1,506,305**	1,506,305

2010 PROJECTED EXPENSES FOR AVAILABILITY
MEDIC I COST OF SERVICES DATA

		Availability Calculation
Paramedic Salaries	409-6025-526-1001 409-6025-526-1006 409-6025-526-1011	345,115
Paramedic Benefits	409-6025-526-2010 409-6025-526-2020 409-6025-526-2040 409-6025-526-2042 409-6025-526-2050 409-6025-526-2080 409-6025-526-2090	104,364
Program Supplies	409-6025-526-3101 409-6025-526-3102 409-6025-526-3108 409-6025-526-3113	16,748
Prof & Contract Svcs	409-6025-526-4150	17,076
Travel & Training	409-6025-526-4310	2,760
Dispatching Services	409-6025-526-4198	19,002
Equipment Services	409-6025-526-4520 409-6025-526-4521	28,053
Other Services & Chgs	409-6025-526-4110 409-6025-526-4111 409-6025-526-4180 409-6025-526-4210 409-6025-526-4810	61,239
Defib Replacement Reserve	409-0000-111-3000	3,806
Bad Debt Expense	409-6025-526-5777	9,187
Total Expenses		**607,350**

APPENDIX G

BUDGET NARRATIVES

FINANCE REVENUE BUDGETWORKSHEET
FOR FISCAL YEAR 2010

ACCOUNT	ACCOUNT DESCRIPTION	07 YR END PERIOD 12	08 YR END PERIOD 12	2009 ORIGINAL BUDGET	2009 YEAR TO DATE	09 YE EST-FIN	2010 FIN PROPOSED
Medic I Utility							
334-0460	DSHS Grant	1,439	1,644	1,350	1,726	1,726	1,500

LEVEL YEFN
TEXT
DEPARTMENT OF HEALTH GRANT FOR TRAUMA VERIFIED RESPONSE AGENCIES FOR THE PURPOSE OF PURCHASING EQUIPMENT
****
(AMENDED BY DAN MCKEEN - ADD $376) BASED UPON ACTUAL.

TEXT AMT
1,350
376
1,726

LEVEL 10FN
TEXT
DEPARTMENT OF HEALTH GRANT FOR TRAUMA VERIFIED RESPONSE AGENCIES FOR THE PURPOSE OF PURCHASING EQUIPMENT

TEXT AMT
1,500
1,500

342-2014	Fire Classes	11,483	14,532	12,000	6,885	12,000	12,000

LEVEL YEFN
TEXT
PROVIDING CITIZEN FIRST AID AND CPR CLASSES. EXPENSES FOR INSTRUCTOR PAYMENTS IS IN 409-6025-526-3108.

TEXT AMT
12,000
12,000

LEVEL 10FN
TEXT
PROVIDING CITIZEN FIRST AID AND CPR CLASSES. EXPENSES FOR INSTRUCTOR PAYMENTS IS IN 409-6025-526-3108.

TEXT AMT
12,000
12,000

342-6000	Medic 1 Fees	467,384	500,063	532,680	346,292	532,680	532,680

LEVEL YEFN
TEXT
THE CITY'S MEDIC 1 MONTHLY UTILITY FEE IS BASED UPON A COMBINATION OF BOTH AN AVAILABILITY COMPONENT AND A DEMAND (UTILIZATION) COMPONENT.
****
THE BUDGETED AMOUNT INCLUDES $16,326 THAT NEEDS TO BE TRANSFERRED TO COVER THE CITY PUBLIC AREA CHARGES AS OUTLINED IN THE COST OF SERVICE STUDY. THE PERCENTAGES AND AMOUNTS ARE PROVIDED IN A MEMO DATED JULY 22, 2009.

TEXT AMT
532,680
532,680

FINANCE REVENUE BUDGETWORKSHEET
FOR FISCAL YEAR 2010

ACCOUNT	ACCOUNT DESCRIPTION	07 YR END PERIOD 12	08 YR END PERIOD 12	2009 ORIGINAL BUDGET	2009 YEAR TO DATE	09 YE EST-FIN	2010 FIN PROPOSED
	LEVEL 10FN TEXT: THE CITY'S MEDIC 1 MONTHLY UTILITY FEE IS BASED UPON A COMBINATION OF BOTH AN AVAILABILITY COMPONENT AND A DEMAND (UTILIZATION) COMPONENT. ********** (NOTATION BY DAN MCKEEN - 7/21/09) AFTER THE UTILITY'S EXPENSES ARE KNOWN AND ITS OTHER REVENUES ARE FINALIZED, THIS AMOUNT CAN BE ADJUSTED AND THE COST OF SERVICE STUDY COMPLETED.						TEXT AMT 532,680 532,680
342-6020	Medic 1 Ambulance Svcs	654,309	617,122	575,980	350,732	614,073	614,000
	LEVEL YEFN TEXT: THIS LINE ITEM REPRESENTS REVENUE RECEIVED FROM THIRD-PARTY PAYER BILLING. THE AMOUNT REPRESENTS THE TOTAL BILLED, LESS INSURANCE DISALLOWED. ********** (AMENDED BY DAN MCKEEN - ADD $38,093) THE INCREASE REPRESENTS AN AVERAGE OF THE BUDGETED AMOUNT, 2009 PROJECTION BASED UPON FIVE MONTHS, AND 2008 ACTUAL.					TEXT AMT 575,980 38,093 614,073	
	LEVEL 10FN TEXT: THIS LINE ITEM REPRESENTS REVENUE RECEIVED FROM THIRD-PARTY PAYER BILLING. THE AMOUNT REPRESENTS THE TOTAL BILLED, LESS INSURANCE DISALLOWED.						TEXT AMT 614,000 614,000
342-6021	Medic I Write-Offs	77,328-	65,107-	68,000-	49,200-	100,267-	100,200-
	LEVEL YEFN TEXT: FOR AMBULANCE TRANSPORTS THAT ARE PAID OUT OF THE DAPARTMENT'S MEDIC 1 FUND. THIS REVENUE LINE ITEM REPRESENTS A WRITE-OFF (DEBIT) AGAINST THE REVENUE IN LINE ITEM 409-6025-342-6020. ********** (AMENDED BY DAN MCKEEN - ADD -$32,267) THIS INCREASE IN NEGATIVE REVENUE IS BASED ON A PROJECTION USING THE FIRST FIVE MONTHS.					TEXT AMT 68,000- 32,267- 100,267-	
	LEVEL TEXT						TEXT AMT

FINANCE REVENUE BUDGETWORKSHEET
FOR FISCAL YEAR 2010

ACCOUNT	ACCOUNT DESCRIPTION	07 YR END PERIOD 12	08 YR END PERIOD 12	2009 ORIGINAL BUDGET	2009 YEAR TO DATE	09 YE EST-FIN	2010 FIN PROPOSED
	10FN FOR AMBULANCE TRANSPORTS THAT ARE PAID OUT OF THE DAPARTMENT'S MEDIC 1 FUND. THIS REVENUE LINE ITEM REPRESENTS A WRITE-OFF (DEBIT) AGAINST THE REVENUE IN LINE ITEM 409-6025-342-6020.						100,200- 100,200-
342-6040	Ambulance Personnel Reimb	460	495	850	0	200	400
	LEVEL TEXT YEFN AMBULANCE STANDBYS AT SPECIAL EVENTS. ********** (AMENDED BY DAN MCKEEN - SUBTRACT $650) BASED ON ACTIVITY TO DATE.					TEXT AMT 850 650- 200	
	LEVEL TEXT 10FN AMBULANCE STANDBYS AT SPECIAL EVENTS.						TEXT AMT 400 400
342-9000	Uncoll Amounts Recovered	1,174	475	1,500	202	450	450
	LEVEL TEXT YEFN SAME AS 2008 AMENDED ********** (AMENDED BY DM & TN - SUBTRACT $1,050) BASED UPON FIRST SIX MONTHS OF 2009 AND ACTUAL 2008.					TEXT AMT 1,500 1,050- 450	
	LEVEL TEXT 10FN SAME AS 2009 AMENDED.						TEXT AMT 450 450
361-1100	Investment Interest	2,779	2,822	1,783	1,194	2,541	1,940
	LEVEL TEXT YEFN ESTIMATE 9/25/08 TLA ********** ADJ PER YTD RECEIPTS BH 09/14/09					TEXT AMT 1,783 758 2,541	
	LEVEL TEXT 10FN EST BH 08/03/09 REVISED EST BH 09/14/09						TEXT AMT 1,240 700 1,940

FINANCE REVENUE BUDGETWORKSHEET
FOR FISCAL YEAR 2010

ACCOUNT	ACCOUNT DESCRIPTION	07 YR END PERIOD 12	08 YR END PERIOD 12	2009 ORIGINAL BUDGET	2009 YEAR TO DATE	09 YE EST-FIN	2010 FIN PROPOSED
361-4011	Delinquent Interest	0	0	0	0	0	0
361-4013	Medic I Penalty-Util Bill	1,067	1,058	1,250	799	1,250	1,250

LEVEL	TEXT	TEXT AMT
YEFN	FROM DELINQUENT MEDIC 1 MONTHLY UTILITY CHARGES. 9/25/08 TLA	1,250
		1,250

LEVEL	TEXT	TEXT AMT
10FN	FROM DELINQUENT MEDIC 1 MONTHLY UTILITY CHARGES. (FINANCE TO UPDATE FOR 2010)	1,250
		1,250

362-9000	Uncoll Amounts Recovered	0	0	0	0	0	0
366-9000	Interdepartmental Revenue	0	0	0	0	0	0
367-1100	Gifts/Pledges-Private Src	130	0	0	0	0	0
369-9000	Miscellaneous Revenues	25	724	0	0	0	0
395-4000	Gain/Loss on Disposition	0	0	0	0	0	0
397-1094	Recurring Transfers	324,160	300,000	388,223	258,815	346,912	360,000

LEVEL	TEXT	TEXT AMT
YEFN	GENERAL FUND SUPPORT FOR MEDIC 1	
	FROM 001-6012-597-5994 TLA 9/25/08	414,100
	BASED ON CHANGES TO FINAL BUDGET 11/21/08 TN	25,877-
	**********	
	AMEND BASED ON 7/10/09 PR ADJS TLA	41,311-
		346,912

LEVEL	TEXT	TEXT AMT
10FN	GENERAL FUND SUPPORT FOR MEDIC 1 FROM 001-6012-597-5994.	
	**********	
	DECREASED BY $8,223 FROM THE PREVIOUS YEAR.	380,000
	**********	
	PRELIMINARY DECREASE PER YZ SW 8/7/09	20,000-
		360,000

397-1099	Misc Transfers	0	0	0	0	0	0
*	Medic I	1,387,082	1,373,828	1,447,616	917,445	1,411,565	1,424,020
**	Fire Department	1,387,082	1,373,828	1,447,616	917,445	1,411,565	1,424,020
***	Medic I Utility	1,387,082	1,373,828	1,447,616	917,445	1,411,565	1,424,020

FINANCE REVENUE BUDGETWORKSHEET
FOR FISCAL YEAR 2010

ACCOUNT	ACCOUNT DESCRIPTION	07 YR END PERIOD 12	08 YR END PERIOD 12	2009 ORIGINAL BUDGET	2009 YEAR TO DATE	09 YE EST-FIN	2010 FIN PROPOSED
		1,568,035	1,702,240	1,585,237	1,003,267	1,543,521	1,561,516