

July 17, 2018

Good morning council members, a quick follow-up on your request for more information about the levy lid lift proposition before you.

In 1983 the City of Everett established the first paramedic program in Snohomish County, which was funded by a special property tax levy dedicated to emergency medical services (EMS). At that time Everett paramedics were called to incidents all over Snohomish County and demonstrated the lifesaving value of delivering advanced medical skills outside of the hospital. Today there are 49 paramedic units across the county, three of which are operated by the Everett Fire Department. Funding for EMS programs remains unchanged, using the same historic property tax levy. State law limits revenue for EMS levies to a maximum of \$0.50 per thousand dollars of assessed valuation per parcel.

As you know, in 2001, Initiative #747 passed in Washington State and property tax collections were newly limited to 1% growth per year. The effect on levy-funded enterprises was immediate, and the statutory authority to collect \$0.50 per thousand was impeded by the initiative. Now, property tax funded levy rates actually decrease as assessed valuations increase. To keep pace with expenses, public entities must regularly request levy lid lift measures. Everett last asked for an EMS levy lid lift in 2010.

Currently the City of Everett EMS Levy has eroded to \$0.403 per thousand dollars of assessed valuation, and the revenue forecast for 2019 with no lift measure appears thusly:

2018 COE Assed Valuation	\$	16,745,475,488		
2019 Estimated COE Assed Valuation	\$	17,397,839,753		
2018 Levy Rate and Collection	\$	0.403	\$	6,744,600
2019 Levy Rate and Collection	\$	0.394	\$	6,851,269
		Net Increase	\$	106,669

As you can see, with no lift measure, the effective levy rate in 2019 will decrease to \$0.394 per thousand, and the net revenue increase to Fund 153 (EMS) will be \$106,669. In 2019 this rate will not meet projected fund 153 expenses and loans from the General Fund would be required to sustain operations.

The proposed levy lid-lift will return the 2019 collection rate to \$0.50 per thousand dollars of assessed valuation, and will affect revenues thusly:

2018 COE Assed Valuation	\$	16,745,475,488		
2019 Estimated COE Assed Valuation	\$	17,397,839,753		
2018 Levy Rate and Collection	\$	0.403	\$	6,744,600
2019 Levy Rate and Collection	\$	0.500	\$	8,698,920
		Net Increase	\$	1,954,320

The net increase in total revenue between these circumstances is \$1,847,651. We project this lift will adequately fund EMS with no need to approach voters for at least six years, based on current community growth rates.

I look forward to discussing this further with you, please feel free to send questions or request a meeting.

Thank you,

Dave DeMarco
Fire Chief