



City of Arlington

Administration

July 10, 2018

Thank you for attending the July 2, 2018 public hearing, before the Arlington City Council on the proposed Ambulance Utility Fee, and sharing your questions, ideas, concerns, and opinions on the matter. City staff has compiled the questions asked at the public hearing and provided answers to all of them below.

1. Why didn't the Council put this to a vote?

Washington State law specifically calls for voter approval of new taxes and increased taxes. It also specifically calls for approval of fees and utility rates by the elected City Council and does not provide for an option to send fees and rates to the voters. The proposed Ambulance Utility fee falls into this second category.

2. Has Arlington explored contracting with a private ambulance company?

Private ambulance service is not currently available north of Everett as a 911 EMS response option. We will reevaluate this option should service become available in our area.

3. Why doesn't Arlington use more volunteer firefighters?

Arlington Fire responds to an average of 15-18 calls per day, with 70% of these calls providing emergency medical care. Volunteer firefighters cannot respond to that many calls in a day and still maintain their outside employment. In addition, the additional training required to be a volunteer firefighter requires a significant dedication of time and money that many cannot commit to or afford.

Instead, Arlington Fire uses a part-paid service to ensure that we have full staffing on all days. These crews work 12 hour shifts, responding to calls alongside paid, professional firefighters. We can still use more members for our part-paid program. Other departments in Snohomish County use the same combination department system that we do, including Camano Island, North County Regional Fire Authority, and Marysville Fire District.

4. Is there a reduced rate available for those who are low income or on a fixed income?

The City will be offering a 40% discount to the proposed monthly Ambulance Utility Fee for low-income senior citizens and low-income disabled residents that meet the minimum qualifications. This is identical to what is already in place for our water, sewer, and storm water utilities. If you have not yet applied for this reduction, you are encouraged to look into that by visiting our website at <http://www.arlingtonwa.gov/211/Reduced-Utility-Rates> or contacting our Finance Department at 360-403-3421. If you already receive the reduction in utility rates, you will be eligible for the same discount on the Ambulance Utility Fee.

5. Do the contracts with the adjacent Fire Districts pay for services?

Our local partners in the EMS consortium do pay for the services they receive. The last contracts were for 2015-2017, and were extended through 2018 while the city was exploring a regional fire authority with Marysville. These contracts are due for renewal at the end of 2018 and are currently under negotiation. The districts we serve were notified in 2016 that the cost for providing the service to them would be increasing. These charges have been increasing incrementally over the last two years to bring them into alignment with the cost to provide the service.

6. Does the City charge those that use the system?

Users of the EMS system that are transported to an area hospital for further treatment are charged for the services they have used. Transport rates are reviewed annually by city staff and are adjusted as necessary by city council action. The transport rates were most recently updated in May 2018. Most often the transport fee is paid for by the person's insurance company, Medicare or Medicaid. The amount we receive from these insurances are capped by the state and federal government. The reimbursement that the city receives is far less than it costs to provide the care and transportation.

7. What about those in Smokey Point? Will they pay? And how?

The Ambulance Utility Fee would apply to all residents and businesses within the city limits of Arlington, including Smokey Point. Some residents in Smokey Point receive water and sewer service from the City of Arlington and receive a unified utility bill from us. The Ambulance Utility Fee would be a separate line item on the unified utility bill.

Other residents and businesses in Smokey Point receive water and sewer service from the City of Marysville. The City currently contracts with the City of Marysville to bill these residents and businesses for stormwater utility services that the city provides. The City of Arlington will be assuming the stormwater utility billing for these residents and businesses in the fall, saving the taxpayers approximately \$10,000. We will use the unified utility bill to bill for stormwater and the ambulance utility fee, if adopted.

The city provides stormwater services to a few residents that are still on well water and septic systems. The Ambulance Utility Fee would be added to the unified utility bill that these residents already receive for stormwater services.

8. Why are you adding this to my water bill (does this fee belong on my water bill)?

The city currently has three separate utilities: water, sewer, and stormwater. The City issues a unified utility bill to bill for these utilities as a cost savings to the taxpayer. If the city billed separately for each utility, it would cost the taxpayers an additional \$50,000 annually.

9. What is more important to fund in the General Fund?

The City's General Fund provides for public safety, planning, parks, streets, and other general government services. Providing a full slate of services to our community is a balancing act. Currently the City spends approximately 50% of our General Fund on Public Safety (police, fire,

and EMS); the remaining goes to support the other elements that make our community a desirable place to live.

10. Where did the money go from the levy lid lift?

The levy lid lift, approved by the voters in 2014, was created to do two things. First, it was to allow the city to continue providing the existing level of services available to the community. Second, it was to provide vehicles and equipment for police and fire. The city has used the revenue received from the levy lid lift to preserve the level of service provided and purchase a new fire engine, a new ladder truck, and eight new police cars. All of these new vehicles have been purchased and are currently in service to the community.

11. Did we take into account new growth?

The proposed rate for the Ambulance Utility Fee does take into account the new growth anticipated to be occupied in the coming years.

12. Why can't the city choose to rescind their action on waiving the secondary hookup fees for utilities on accessory dwelling units and adopting different water rates for multi-family housing and use that money to help offset the General Fund deficit?

The council's decision to waive hookup fees for accessory dwelling units and adopt different water rates for multi-family housing based upon usage only impacts the water utility. This option is not allowed by state law. Under state law, all monies collected for a specific utility must be kept exclusively for that utility's use.

13. Where does this fee apply to? Does it apply to the districts outside city limits?

This fee, if approved, will be collected from all businesses and residential units in the City of Arlington. Multi-family buildings will be charged \$15 per unit. The City cannot charge the fee outside of the utility service area, which for the ambulance utility, must be the city limits.

The City has contracts to account for the services provided to the outlying fire districts. These contracts are currently under negotiation for 2019 and beyond.

14. Why doesn't the increase in my property values pay for this?

The City's budget is limited by how much it can increase under the voters' passage of the 1% levy limit in 2001.

Let's say the City's property tax collection is \$1 million, and the Snohomish County Assessors estimate that the total assessed value of the city is \$500 million. The tax rate is calculated by dividing the amount of tax collected by the total assessed value of the city: \$1 million / \$500 million = \$2 per thousand dollars of assessed value.

If your home's assessed value is \$100,000, your share of the taxes will be: $.002 \times \$100,000 = \200 .

The following year, your property's value increases by 10%, to \$110,000 and the City's assessed value also increases by 10%, to \$550 million. The City's property tax collection can only increase 1%, to \$1,010,000. The tax rate is calculated by dividing the amount of tax collected by the total assessed value of the city: $\$1.01 \text{ million} / \$550 \text{ million} = \$1.84$ per thousand dollars of assessed value.

If your home's assessed value is also increased by 10% to \$110,000, your share of the taxes will be: $.00184 \times \$110,000 = \202.40 . Your increase of property tax paid to the City is 1.2% and not 10%.

15. Could the City raise the sales tax or use another other mechanism (tax on soda or sweets like Seattle) instead?

The City has few mechanisms to increase revenue for public safety. An option available to the City is a 1/10% sales tax dedicated to public safety. This requires a public vote, which on average costs \$30,000. The amount collected if this tax was approved by the voters is estimated at \$300,000.

The City could propose an additional tax on soda or sweets as an advisory vote to the voters of Arlington. Under state law, the tax would be considered a business and occupation tax. The ultimate decision on implementing such a tax would rest with the City Council. There is an initiative appearing on the November General Election ballot that would prohibit cities from putting a tax on soda or sweets to the voters.

16. How come cities like Covington, Maple Valley, and Lake Stevens do not have to charge for this? They just have an EMS levy.

As a comparison, the City of Arlington has the lowest cost to the taxpayer.

The City of Covington is part of the Puget Sound Regional Fire Authority. In addition to paying \$1.18 per \$1,000 in assessed value for City property tax, residents also pay \$1.00 per \$1,000 in assessed value to the Puget Sound Regional Fire Authority for fire protection and \$0.50 per \$1,000 in assessed value for EMS services. In addition, Puget Sound Regional Fire Authority collects a benefit charge for each residence or building, depending on the type, water supply, and other elements. An average 2,000 square foot home pays an additional \$800 annually for fire protection.

The City of Maple Valley receives fire and EMS services from the Maple Valley Fire District. In addition to paying property tax of \$1.13 per \$1,000 in assessed value to the City of Maple Valley, Maple Valley residents pay \$1.37 per \$1,000 in assessed value for fire protection and \$0.50 per \$1,000 in assessed value for EMS services. Maple Valley Fire also collects a benefit charge similar to Puget Sound Regional Fire Authority.

The City of Lake Stevens receives fire and EMS services from Lake Stevens Fire District. In addition to paying property tax of \$1.23 per \$1,000 in assessed value to the City of Lake

Stevens, Lake Stevens residents pay \$1.23 per \$1,000 in assessed value for fire protection and \$0.50 per \$1,000 in assessed value for EMS services.

City	City Property Tax Rate	Fire District Property Tax Rate	EMS Property Tax Rate	Total Property Tax Rate	Fire Benefit Charge
Arlington	\$1.64 per \$1,000	\$ -0-	\$0.38 per \$1,000	\$2.04 per \$1,000	\$ -0-
Covington	\$1.18 per \$1,000	\$1.00 per \$1,000	\$0.50 per \$1,000	\$2.68 per \$1,000	Approximately \$ 800 annually
Lake Stevens	\$1.23 per \$1,000	\$1.23 per \$1,000	\$0.50 per \$1,000	\$2.96 per \$1,000	\$ -0-
Maple Valley	\$1.13 per \$1,000	\$1.37 per \$1,000	\$0.50 per \$1,000	\$3.00 per \$1,000	Approximately \$ 800 annually

17. Ambulance service can be a utility?

The classification of an ambulance service is allowed under RCW 35.21.766. The Washington State Court of Appeals upheld the classification of ambulance service as a utility in 2002.

18. Did you publish the studies you referenced in the PowerPoint presentation from the July 2nd Council meeting?

The studies referenced in the City’s presentation have been made available to the public and our partner fire district agencies. These studies have been posted for your review on the City’s website at: <http://www.arlingtonwa.gov/578/Ambulance-Utility-Fee>.

19. What are the sources of revenue to pay for Splash Pad at Haller Park

No city revenues are being used to design and construct the Splash Pad at Haller Park. Revenues have come from the following sources:

- \$525,000 Stillaguamish Tribe of Indians
- \$127,000 Rotary and Friends of the Splash Pad
- \$500,000 State of Washington Recreation and Conservation Office Grant

Again, on behalf of the Mayor and City Council, I would like to thank everyone for coming to the hearing and sharing their questions and opinions. If you have any additional questions, please contact me at 360-403-3441.

Sincerely,

Paul Ellis
City Administrator