



City of Longview

1525 Broadway
Longview, WA 98632
www.ci.longview.wa.us

Agenda

Revenue Committee

Monday, November 10, 2025

3:00 PM

Training Room
2nd Floor, City Hall

1. **HYBRID MEETING DETAILS**

25-001002 Please click the link to join the webinar: <https://us02web.zoom.us/j/84732007844>
Webinar ID: 847 3200 7844
Or Telephone: (253) 205 0468; or (253) 215 8782; or (669) 444-9171

2. **CALL TO ORDER**

3. **ROLL CALL**

4. **APPROVAL OF MINUTES**

25-001003 **MINUTES FROM AUGUST 22, 2025
MEETINGS IN SEPTEMBER AND OCTOBER WERE CANCELLED.**

5. **NEW BUSINESS**

25-001004 **FIRE PRESENTATION - LID LIFT & EMS LEVY**

6. **UNFINISHED BUSINESS**

7. **CURRENT PROJECT UPDATES**

8. **PUBLIC COMMENT**

9. **ADJOURNMENT**



Minutes

Revenue Committee

Monday, August 11, 2025

3:00 PM

Training Room,
2nd Floor, City Hall

1. **HYBRID MEETING DETAILS**

25-00727 Please click the link to join the webinar: <https://us02web.zoom.us/j/84732007844>
Webinar ID: 847 3200 7844
Or Telephone: (253) 205 0468; or (253) 215 8782; or (669) 444-9171

2. **CALL TO ORDER**

The meeting was called to order at 3:00 pm.

3. **ROLL CALL**

*Present: Councilmember Kalei LaFave; Councilmember MaryAlice Wallis; Councilmember Angie Wean; Public Works Director Chris Collins
Staff: Jen Wills, City Manager; Lisa Wolff, Fiscal Manager; Katie Ribelin, Finance Operations Manager; Sabrina Fraidenburg, HR Director; Mike Sullivan, IT Director; Nancy Vandehey, Admin
Peacehealth: Tracey Fernandez, Kendall Sawa*

4. **APPROVAL OF MINUTES**

25-00728 **MINUTES FROM JULY 14, 2025**
The minutes were approved as presented.

5. **NEW BUSINESS**

- 25-00729
- **B&O TAXES - HOSPITAL EXEMPTION UPDATE**
 - **PUBLIC SAFETY SALES TAX**
 - **GRANT OPPORTUNITY**
 - **AD VALOREM TAX INCREASE & ALLOCATION**

Chris Collins opened with some background on B&O taxes and Peacehealth. He is seeking direction on the Hospital exemption option now or waiting until the back taxes issues have been worked out. He provided more details. Tracey Fernandez provided some background from Peacehealth regarding their budget cycles and hospital services. Roughly 10% are non-hospital services. The exception removal would impact roughly \$400,000 from their budget that wasn't budgeted for in their fiscal year that began in July 2025. The committee recommends moving forward with hospital exemption removal. There was a discussion on placing a cap on the exception to a certain dollar figure before B&O taxes are charged. It was requested to have actual numbers for the back taxes amount and exemption removal going forward. The desire is to have this brought to Council on August 26th.

Chris spoke on the HB 2015 for Public Safety Sales tax. It was requested to place dollar amounts to what the funds could be spent on and where, ie: public defenders, BHU officers, Police Officers, etc. Chris explained the grant request and requirements. Chris proposed that a plan be brought back to this committee for direction. The committee recommends bringing this forward to Council by October.

Jen Wills shared a presentation on Entry Way signs and Ad Valorem tax allocation. One option to fund these projects would be to use Ad Valorem tax, if we chose to impose and bank each year with the goal to utilize these funds for such projects. Another option was to use lodging tax funds. It was suggested to reach out to community partners to see if we can raise matching funds. Jen will work on bringing this back to Council in October.

6. **UNFINISHED BUSINESS**

7. **CURRENT PROJECT UPDATES**

8. **PUBLIC COMMENT**

Ramona Leber commented that the slides were not shared during the meeting. They are shared in the agenda packet posted online.

9. **ADJOURNMENT**

The meeting was adjourned at 3:58 pm.

1. Framework for Running Levy Lid Lift & EMS Levy

A. Separate Authority, Separate Ballots

- **Levy lid lift:** authorized under **RCW 84.55.050** (for general governmental purposes).
- **EMS levy:** authorized under **RCW 84.52.069** (restricted solely to emergency medical care and services).
- **Each must appear as a separate proposition** - they cannot be combined into a single ballot question.
 - Example: “Proposition 1: Permanent Levy Lid Lift for Fire and General City Purposes”
 - Example: “Proposition 2: Permanent EMS Levy for Emergency Medical Services”
- Each measure must have its own ballot title, explanatory statement, and separate ordinance/resolution from the council.

B. Election Timing

- Both **may be placed on the same special or general election** date (e.g., April, August, or November). We believe that November 2026 makes the most sense due to needed voter turnout.
 - The **County Auditor** conducts the election; RCW 29A.04.330 and .321 govern special election timing.
- Neither the lid lift nor the EMS levy **must** appear in a general election — both are eligible for **special elections**, provided you meet the **resolution filing deadlines** (typically 60 days before the election).

C. Voting Thresholds

Measure	RCW	Approval Threshold	Notes
Levy Lid Lift	84.55.050	Simple majority (50% + 1)	May be made <i>permanent</i> if ballot language states the increased amount becomes the new base.
EMS Levy	84.52.069	60% (3/5ths) supermajority + validation requirement (minimum voter turnout)	Can be for 6, 10, or <i>permanent</i> years. Ballot must explicitly state term and include referendum provision.

You can run both concurrently — the EMS levy requires 60%, and the lid lift passes by simple majority.

2. Strategic & Administrative Considerations

1. Public Messaging

- Make it crystal clear to voters that the **lid lift** supports overall fire protection capacity, station projects, and city fiscal health, while the **EMS levy** directly funds LFD *medical response and staffing*.
- Two propositions with different purposes can coexist, but confusion is your biggest enemy. This can be clarified in the messaging to ensure the public understands that the fire station and staffing are both needed and on separate ballots.

2. Ballot Clarity

- Ensure each measure's explanatory statement explicitly references its RCW authority and what it funds.
- Example wording (simplified for illustration):

“If approved, this measure would permanently lift the City’s regular property tax levy by \$0.65 per \$1,000 of assessed value under RCW 84.55.050 to support fire station construction, emergency response capacity, and other City services.”

“If approved, this measure would authorize a permanent EMS levy of \$0.50 per \$1,000 of assessed value under RCW 84.52.069 to fund Longview Fire Department emergency medical services, staffing, and equipment.”

3. Separate Accounting

- EMS levy proceeds must be **segregated** and used *only* for emergency medical care, as required by RCW 84.52.069(5).
- The levy lid lift may go into the general fund (or fire budget) and can be used for broader operational or capital purposes.

4. Validation Rules for EMS Levy

- The EMS proposition requires **60% approval** *and* at least 40% of the previous general election’s turnout (RCW 84.52.069(2)).
- This means timing is critical — **running in an even-year general election may make validation easier** due to higher turnout.

3. Example Scenario for Longview

Proposition	Rate	RCW	Election Type	Purpose	Vote Required
Prop 1 – Regular Property Tax Levy Lid Lift	\$0.65 / \$1,000	RCW 84.55.050	Special Election (April or August 2026)	Fire Station construction, aid to general fund, operations support	50% + 1
Prop 2 – Permanent EMS Levy	\$0.50 / \$1,000	RCW 84.52.069	Same election	EMS staffing --Fire/EMS Prevention Specialist, 4th unit, depreciation funds, overtime, etc.	60% + validation

You could then issue your **general obligation bond** for the station under RCW 84.52.056 after the lid lift passes (funding the debt service from that levy).

4. Summary

Legally permissible: Both can be on the same ballot if they're separate propositions under their respective RCWs.

Strategically viable: Often done together by cities to stabilize operations and EMS capacity.

Critical: Maintain clarity, meet ballot and accounting requirements, and prepare for differing voter thresholds.

Component Intent / Use Key Structural Points & Risks to Check

Levy Lid Lift (\$0.65 / \$1,000) To support station general obligation bond + fill city revenue gap / ongoing operations

- You must ensure that \$0.65 is within your remaining levy capacity (after considering existing levies, maximum statutory limits, and the 1% cap)
- Choose whether to do single-year or multi-year. If you want it **permanent**, the ballot must say so
- The first levy after passage becomes the new base for future 1% increases
- Ensure the timing of election is within 12 months before the levy takes effect
- Prepare ballot title in compliance with RCW 29A.36.071 and WAC 458-19-045
- Need legal counsel to confirm you're not supplanting existing funds and that all non-supplant rules are satisfied
- Include in your plan the debt service schedule for the bond part, and how the ongoing operations portion will be phased / ramped

<p>EMS Levy (\$0.50 / \$1,000)</p>	<p>To fund additional apparatus, staffing--3 personnel, 1 Fire/EMS Prevention Specialist, recharge depreciation, overtime, etc.</p>	<ul style="list-style-type: none"> • The EMS levy must be used only for EMS/emergency medical care and related costs per RCW 84.52.069 • Because you intend it permanent, the ballot must say “permanent EMS levy” and include the referendum procedure • Ensure separate accounting and periodic reporting • You must clear the 3/5ths (60 %) threshold and satisfy any validation / turnout rules •• Verify that no other EMS levy is in your jurisdiction (or county) that conflicts (Verified with Cowlitz County Auditor) • Carefully craft ballot language under RCW 29A.36.210
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Timeline & Phases

1. Forecasting & Modeling

- Project assessed value growth over 10-20 years. (See attached document)
- Calculate how much revenue each levy (\$0.65 and \$0.50) will produce (year 1, year 5, year 10) net of growth and new construction.
- Overlay your capital bond schedule (debt service), staffing ramp, equipment outlays, depreciation replenishment, overtime needs.
- Consider reserves, contingency, bond issuance costs, escalation.

2. Ballot Preparation & Legal Review

- Revenue committee presentation November 10, 2025
- Present levies to council on December 11, 2025
- Hire Public Affairs firm in January 2025
- Begin Education efforts and community engagement Jan-April 2025
- Draft resolutions/ordinances, ballot titles, explanatory statements. Begin process in January, but officially due 60 days before election, **no later than Aug. 4, 2026**
- Confirm compliance with RCW and WAC, especially for permanent levies, separate accounting, referendum rights. (Working with Cowlitz Assessor/Auditors)
- Have legal counsel review language.

3. Election Planning

- Select election date. **Proposed November 2026**
- Public engagement, voter education, outreach. (Uncommon Bridges Public Affairs). Hire in January 2026

- Monitor and manage other ballot measures to avoid conflicting with EMS ballot rules. (confirmed school district February 2026 Bond, February 2027 Levy)

4. Schedule and Deliverable Items (Uncommon Bridges)

Phase 1: Landscape Analysis & Initial Engagement (January-February 2026)

- Conduct a comprehensive review of existing funding, plans, and community sentiment.
- Interview key stakeholders (city leadership, fire staff, unions, community groups).
- Develop initial messaging and branding.
- Update the project website with FAQs and basic educational materials.
- Begin one-on-one briefings with city officials and stakeholders to discuss issues and priorities.

Phase 2: Research & Message Testing (February- March 2026)

- Refine messaging and identify concerns. Consider commissioning a public opinion poll to confirm.
- Hold community forums and listening sessions to deepen engagement.
- Finalize ballot referral language with legal counsel, ensuring compliance with RCW 52.02.160 and RCW 42.17A.555.
- Prepare ordinance or resolution for City Council consideration authorizing the Lid Lift & EMS levy measure.

Phase 3: Pre-Ballot Measure Referral & Public Education (March-May2026)

- Launch an intensified public education campaign, conduct targeted social media outreach, and hold open houses and Q&A sessions on any potential ballot measure prior to a vote of the City Council.
- Train spokespeople and prepare media outreach to support passage by City Council.
- Update project website with all relevant information prior to a vote of City Council.
- Complete most intensive work of the public education campaign prior to, and including, a City Council vote, ensuring a clear marker of the transition and likely appearance of an outside advocacy campaign.

Phase 4: Public Education Post-Ballot Measure Referral (March-October 2026)

- Limited updates to the project website with educational information to be responsive to emergent inquiries and attacks.
- Support spokespeople in responding to media outreach to provide factual answers to any inquiries or attacks.

5. Post-Pass Implementation

- Levy is certified and collected by the assessor/treasurer.

- Set up separate accounting for EMS levy.
- Begin projects, hire staff, operate apparatus.
- Monitor on annual basis: revenue vs. budget, assessed value fluctuations, adherence to legal constraints.

6. Reporting / Transparency

- Publish biennial reports for EMS levy funds.
- Provide to public, include in audits.
- Monitor for any need to adjust via future levies or lid lifts.



Fire Department Funding Strategy: EMS Levy & Permanent Property Tax Lid Lift

*Meeting Essential Community Needs and Addressing
Citywide Budget Shortfalls*

Brad Hannig –Fire Chief

November 10, 2025

Overview / Purpose

- Provide overview of Longview Fire Department operational and capital needs
- Outline revenue challenges facing both the Fire Department and the City
- Re-cap on Fire District option
- Present **dual-funding strategy**:
 - Permanent EMS Levy
 - Permanent Property Tax Lid Lift
- Demonstrate how both tools collectively solve near- and long-term needs

Background: Why This Discussion

Fire Department costs and service demands continue to rise.

City's general fund revenues are restricted by the **1% annual property tax cap** (RCW 84.55.010).

The Fire Department and City previously explored forming a **Fire Protection District** under RCW 52.02.160.

This option was later found **infeasible** due to a **WA DOR interpretation** that the "*highest lawful levy*" means the **highest dollar amount previously levied**, not the **maximum statutory rate**.

As a result, forming a district **would not generate additional funding** for the City or Fire Department collectively.

The City therefore shifted focus to using existing tools—a **Permanent EMS Levy** and **Permanent Property Tax Lid Lift**—to achieve the same funding and service goals.

Fire Department Service Demands

**Call volume has increased 2.5
times in 20 years while
maintaining the same minimum
daily staffing.**

- Growth has stretched resources and reduced system flexibility.
- Improved funding will enhance overall response times for both Fire and EMS.
- Increase reliability of unit availability city-wide.
- Strengthen capacity to manage multiple emergencies without heavy mutual-aid reliance
- Sustained investment ensures Longview's emergency services remain responsive, safe, and community-focused.

Category

Description

Funding Need

New Station #83 & Training Facility

Expand capacity, improve coverage, create regional training center

\$26 million (debt-financed)

Staffing & Fire Prevention

Add **3 firefighters and 1 fire inspector**; elimination of D-shift adds **3 more firefighters and 1 inspector** (covered by overtime for 3 daily positions)

\$1 million annually

Depreciation / Replacement Fund

Annual allocation for apparatus, gear, and facility lifecycles

\$1 million annually

Engine Replacement

Purchase new engine – financed over 10–15 years

Debt service included

Station Construction Debt Service

Annual payment for \$26 million facility bond

\$1.5–\$1.7 million annually

City Budget Deficit Relief

Offset citywide shortfall to maintain services across departments

≈ \$2 million annually

Identified Needs

**Total Annual Funding Requirement: ≈ \$6.2 million
(with Lid lift & EMS levy)**

Citywide Budget Context

- City revenues (property tax) limited to 1% annual growth under state law.
- Costs (especially labor, insurance, and materials) typically rise 3–5% per year.
- This long-term imbalance has created structural pressure on the General Fund.
- The EMS Levy and Permanent Lid Lift reset the base to a sustainable level and provide much needed boost to fire/EMS services.
- *Future councils should consider the 1% Property tax each year to maintain balance.*

Why Taking the 1% Ad valorem Still Matters

Most other costs (debt service, depreciation,
city relief) remain stable, but labor grows $\approx 3\%$
per year.

10-Year
Projection (Taking
vs Not Taking the
1%)

Year	Expenses (3% on \$2M)	Revenue (with 1%)	Revenue (no 1%)	Annual Gap (no 1%)
1	\$6.20 M	\$6.20 M	\$6.20 M	\$0
2	\$6.26 M	\$6.26 M	\$6.20 M	\$0
3	\$6.33 M	\$6.32 M	\$6.20 M	-\$0.13 M
4	\$6.39 M	\$6.38 M	\$6.20 M	-\$0.19 M
5	\$6.46 M	\$6.45 M	\$6.20 M	-\$0.26 M
6	\$6.53 M	\$6.51 M	\$6.20 M	-\$0.33 M
7	\$6.60 M	\$6.58 M	\$6.20 M	-\$0.40 M
8	\$6.67 M	\$6.65 M	\$6.20 M	-\$0.47 M
9	\$6.74 M	\$6.72 M	\$6.20 M	-\$0.54 M
10	\$6.81 M	\$6.79 M	\$6.20 M	-\$0.61 M

- Taking the 1% Ad valorem in future years preserves this stability

Proposed Dual-Funding Strategy

PERMANENT EMS LEVY (RCW 84.52.069)

- Rate **\$0.50 / \$1,000 AV** (~\$2.7 M annually)
- Dedicated to operations, staffing, equipment, and depreciation
- Requires **60% approval**; not subject to \$3.60 aggregate limit

PERMANENT PROPERTY TAX LID LIFT (RCW 84.55.050(1)(C))

- Increase ≈ **\$0.65-.68/ \$1,000 AV** (dependent on Ad valorem accepted)
- Creates new permanent base for future 1% limits
- Generates ≈ **\$3.5 M annually** for station debt service & city relief
- Requires **simple majority approval**

Financial Summary

<u>Funding Source</u>	<u>Annual Revenue</u>	<u>Primary Use</u>
Permanent EMS Levy	\$2.7 M	Staffing, Fire/EMS Prevention, Depreciation, 4th Apparatus
Permanent Lid Lift	\$3.5-3.7 M	City Budget Relief (\$2 M) + Station Debt Service (\$1.5–\$1.7 M)
Total	≈ \$6.2-6.5 M	Comprehensive Fire/EMS & Citywide Stability Plan

Benefits to Community



Permanent solution for long-term stability



Protects response times and reliability



Improves firefighter safety and sustainability



Funds new station and training center without cutting other services



Stabilizes city finances and avoids deeper cuts



Enhances WSRB rating and community risk reduction and prevention efforts

Questions?



City of Longview, Washington – Longview Fire Department

DRAFT FOR DISCUSSION PURPOSES

Draft Financial Plan – Dual Levy Strategy (Permanent Lid Lift + EMS Levy)

To: Revenue Committee, City of Longview

From: Brad Hannig, Fire Chief

Date: November 10, 2025

Executive Summary

Following a determination that forming a Fire Protection District was not viable, the City proposes a dual-levy strategy to sustainably fund fire and EMS services while maintaining City governance and accountability.

Proposal Summary:

- Permanent Property Tax Levy Lid Lift (RCW 84.55.050) to fund debt service for a new Fire Station and Training Center and stabilize City General Fund support.
- Permanent EMS Levy (RCW 84.52.069(2)(c)) to expand staffing, fund paramedic training, and maintain capital replacement with required referendum and separate accounting.

Financial Overview: Combined annual revenue of approximately \$6.21M (\$3.51M Lid Lift + \$2.70M EMS) with 1% annual revenue growth; costs inflate at ~3%. Conservative bond assumption at 5.00% on \$26M yields approximately \$1.70M annual debt service.

Fiscal Risk & Sustainability: With the 1% cap on revenue growth, expenditures growing at 3% create pressure over time—especially on the EMS levy. Appendices provide 1% vs 0% comparison visuals and tables.

Ballot Strategy & Next Steps: Target November 2026 general election; Council workshops in Q1 2026; ordinances and ballot titles in Q2 2026 (EMS ordinance to include referendum procedure per RCW 84.52.069(4)); file with County Auditor by early August 2026; collections begin January 2027.

Recommendation: Advance the dual-levy approach to ensure facility investment, operational capacity, and long-term EMS sustainability.

Section 1 – Property Tax Levy Lid Lift (Permanent, RCW 84.55.050)

Purpose: Fund construction and long-term debt service for the new Fire Station and Training Center and stabilize City General Fund contributions for Fire/EMS operations. Annual debt service estimated at \$1.70M under a conservative 5.00% rate.

Year	Revenue (1% Growth)	Debt Service (5.00%)	Available for City Support
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1	\$3.51 M	\$1.70 M	\$1.81 M
2	\$3.55 M	\$1.70 M	\$1.85 M
3	\$3.58 M	\$1.70 M	\$1.88 M
4	\$3.62 M	\$1.70 M	\$1.92 M
5	\$3.65 M	\$1.70 M	\$1.95 M
6	\$3.69 M	\$1.70 M	\$1.99 M
7	\$3.73 M	\$1.70 M	\$2.03 M
8	\$3.76 M	\$1.70 M	\$2.06 M
9	\$3.80 M	\$1.70 M	\$2.10 M
10	\$3.84 M	\$1.70 M	\$2.14 M

Permanent Lid Lift Structure: This permanent levy lid lift establishes a new baseline for future levy calculations under RCW 84.55.050(3). The ballot language must explicitly state that the increased levy amount will be used for computing subsequent levy limit bases, thereby allowing the City to maintain the adjusted rate indefinitely without requiring future voter reauthorization. Once approved, the new base is subject to the 1% annual growth limitation under RCW 84.55.010.

Appendix F – Levy Lid Lift Revenue Scenarios and Long-Range Projection

Assumptions: Base AV = \$5.401 billion (2025); Assessed Value held relatively constant to reflect conservative forecasting; 25-year bond at 5.00%; annual debt service: \$1.70M; operating costs increase at approximately 3% annually.

Year	Projected AV (\$B)	Scenario A: \$0.65/1000	Scenario B: \$0.68/1000	Debt Service (\$M)	Available for Ops (\$M)
1	5.401	\$3.51 M	\$3.67 M	\$1.70	\$1.81 / \$1.97
2	5.401	\$3.51 M	\$3.67 M	\$1.70	\$1.81 / \$1.97
3	5.401	\$3.51 M	\$3.67 M	\$1.70	\$1.81 / \$1.97
4	5.401	\$3.51 M	\$3.67 M	\$1.70	\$1.81 / \$1.97
5	5.401	\$3.51 M	\$3.67 M	\$1.70	\$1.81 /

					\$1.97
6	5.401	\$3.51 M	\$3.67 M	\$1.70	\$1.81 / \$1.97
7	5.401	\$3.51 M	\$3.67 M	\$1.70	\$1.81 / \$1.97
8	5.401	\$3.51 M	\$3.67 M	\$1.70	\$1.81 / \$1.97
9	5.401	\$3.51 M	\$3.67 M	\$1.70	\$1.81 / \$1.97
10	5.401	\$3.51 M	\$3.67 M	\$1.70	\$1.81 / \$1.97

Narrative Summary: Scenario A assumes the City continues taking the 1% ad valorem increase and applies banked capacity for 2025, maintaining the lower levy rate of \$0.65 per \$1,000. Scenario B illustrates that if the City elects not to take the ad valorem increase or utilize banked capacity, an adjusted rate of approximately \$0.68 per \$1,000 would be required to achieve equivalent revenue outcomes. Both options maintain sufficient funding for the 25-year bond and City operations support.

Note: The projection assumes relatively stable assessed values over the planning horizon. This conservative approach recognizes that while market appreciation may occur, long-term AV growth is uncertain. The model emphasizes stability under flat valuation conditions and rising expenditures projected at approximately 3% per year.

Appendix G – Impact of Annual 1% Increase vs No Increase (Expense vs Balance)

Purpose: To illustrate the long-term fiscal effect of taking or not taking the statutory 1% annual levy increase under a permanent lid lift, compared to expenses increasing by 3% annually.

Year	Revenue (1% Growth)	Expenses (3% Growth)	Net Balance (1%)	Net Balance (No 1%)
1	\$3.51 M	\$3.42 M	\$0.09 M	\$0.09 M
2	\$3.55 M	\$3.52 M	\$0.03 M	\$(0.02 M)
3	\$3.58 M	\$3.63 M	\$(0.05 M)	\$(0.14 M)
4	\$3.62 M	\$3.74 M	\$(0.12 M)	\$(0.26 M)
5	\$3.65 M	\$3.85 M	\$(0.20 M)	\$(0.38 M)

6	\$3.69 M	\$3.96 M	\$(0.27 M)	\$(0.51 M)
7	\$3.73 M	\$4.08 M	\$(0.35 M)	\$(0.64 M)
8	\$3.76 M	\$4.20 M	\$(0.44 M)	\$(0.78 M)
9	\$3.80 M	\$4.33 M	\$(0.53 M)	\$(0.92 M)
10	\$3.84 M	\$4.46 M	\$(0.62 M)	\$(1.07 M)

This comparison shows that even with the 1% annual revenue increase, expenses rising at 3% quickly outpace available revenue. Forgoing the 1% accelerates the shortfall, resulting in an additional \$450,000–\$500,000 deficit by year ten compared to maintaining the annual adjustment. Taking the 1% helps mitigate structural imbalance and ensures a more sustainable funding trajectory for operations and debt coverage.

Appendix H – EMS Levy 1% vs No Increase (Expense vs Balance)

Purpose: To demonstrate the long-term fiscal impact of taking or not taking the annual 1% revenue increase for the permanent EMS levy under RCW 84.52.069(9), compared to rising expenses at 3% annually.

Year	Revenue (1% Growth)	Expenses (3% Growth)	Net Balance (1%)	Net Balance (No 1%)
1	\$2.70 M	\$2.62 M	\$0.08 M	\$0.08 M
2	\$2.73 M	\$2.70 M	\$0.03 M	\$(0.03 M)
3	\$2.75 M	\$2.78 M	\$(0.03 M)	\$(0.09 M)
4	\$2.78 M	\$2.86 M	\$(0.08 M)	\$(0.17 M)
5	\$2.81 M	\$2.95 M	\$(0.14 M)	\$(0.26 M)
6	\$2.84 M	\$3.04 M	\$(0.20 M)	\$(0.36 M)
7	\$2.87 M	\$3.13 M	\$(0.26 M)	\$(0.46 M)
8	\$2.89 M	\$3.22 M	\$(0.33 M)	\$(0.57 M)
9	\$2.92 M	\$3.32 M	\$(0.40 M)	\$(0.68 M)
10	\$2.95 M	\$3.42 M	\$(0.47 M)	\$(0.80 M)

With expenses growing faster than revenue, maintaining the 1% annual adjustment helps narrow the gap between rising costs and available funding. Without it, the EMS levy’s ability to sustain staffing and equipment replacement declines sharply, leading to an estimated \$800,000 greater deficit by year ten. Taking the 1% each year helps maintain staffing stability, readiness, and capital reinvestment under the voter-approved levy framework.