



THE

CITY of PELLA

STAFF MEMO TO COUNCIL

ITEM NO: I-2
 SUBJECT: Pella Ambulance Update
 DATE: July 18, 2023

BACKGROUND:

The purpose of this Policy and Planning item is to discuss both short-term and long-term strategies for funding the Pella Ambulance. From staff's perspective, the Pella Ambulance provides an essential service to the City of Pella and the townships which abut Pella. We believe it is imperative that all parties work together to provide ambulance services to our respective constituents. In addition, staff believes that in order to adequately fund the ambulance, all parties will need to make financial concessions.

Listed below, and on the following pages, is additional background information on this item:

Projected FY 24 Subsidy for the Pella Ambulance

The fiscal year (FY) 23-24 Budget includes a projected \$740,063 operating and capital subsidy for the Pella Ambulance.

Government Entities Receiving Services from the Pella Community Ambulance

It is important to note that prior to the Pella Community Ambulance being operated by the City of Pella, the ambulance served the City of Leighton, Lake Prairie and Summit Townships in Marion County, and Black Oak and Richland Townships in Mahaska County, as shown on the attached service area map. When the City of Pella began operating the ambulance on July 1, 2022, we continued serving these areas while trying to negotiate a financial contribution to provide ambulance services. To-date, we have not received any payments from these entities despite providing ambulance services since July 1, 2022.

City of Pella's Offer to provide Ambulance Service to the Townships

On May 5, 2023, Council considered the following offer from the townships for ambulance coverage:

FY 22-23: \$36,000

FY 23-24: \$36,000

FY 24-25: \$36,000

After reviewing the projected subsidy of \$133,000 to continue providing ambulance service to the respective townships, the City Council authorized staff to make the following offer:

- Two-year agreement term, through June 30, 2024.
- Conditional upon the rural entities working towards adoption of an essential services tax.
- FY 22-23: rural entities pay \$36,000 of the \$133,069 projected subsidy to provide ambulance service to the respective townships.
- FY 23-24: the City of Pella and the rural entities equally split the projected subsidy of \$133,069 for providing ambulance services to the respective townships, equating to approximately a \$66,000 payment from the township.

Subsequently, staff has had discussions with representatives of the townships in trying to address their concerns. Specifically, it is our understanding that the townships desire to have a contract for ambulance services through FY 24-25. As a result, staff proposed a contribution of \$66,000 for ambulance services in FY 24-25. Staff has also informed the township representatives that we would be willing to negotiate the financial terms of the contract; however, any modifications to the city's offer would need to be approved by the City Council. In addition, staff requested payment of \$36,000 for ambulance services for the time period of July 1, 2022 to June 30, 2023.

It is staff's understanding that the townships will consider the city's offer during a public meeting in early to mid-August. Furthermore, it is our understanding that the townships were not willing to pay for ambulance services for FY 22-23 until they have an approved contract from the Pella City Council.

Essential Services Tax

An advisory group has been formed in Marion County to make a recommendation to the Marion County Board of Supervisors regarding a new essential services tax to fund ambulance services.

Listed below are the required action steps for an essential services tax to be adopted:

1. The Marion County Board of Supervisors are required to declare emergency medical services (EMS) an essential service.
2. The Marion County Board of Supervisors would need to establish the proposed tax rate for EMS. Under Iowa law, the levy rate could be up to \$.75 per \$1,000 of taxable valuation.
3. The Marion County Board of Supervisors would need to authorize a county-wide referendum.
4. The citizens of Marion County would need to approve an essential services tax with 60% of the voters being in favor of the new tax.

To date, the advisory group has not targeted a date for a referendum on a new essential services tax. Staff believes a date should be set for the following reasons:

- The cost of providing ambulance services will likely increase in the future.
- It will be extremely challenging for the City of Pella to be able to provide ambulance services to rural Marion County and rural Mahaska County without recovering our costs.

Based on staff's research, we believe a special election regarding a new essential services tax could be set for March 5, 2024. If the new tax would be approved by the voters, it could be available for property tax collections in FY 24-25, or the fiscal year starting July 1, 2023. For Council's information, a \$.75 tax levy would generate approximately \$470,000 from the City of Pella. Likewise, a \$.75 tax levy for the Lake Prairie Township would generate approximately \$142,000 per year.

Finally, staff would like to mention that it is unclear if Mahaska County is planning on pursuing an essential services tax; therefore, this may present complications in the future for providing ambulance services in these counties. For instance, if an essential services tax was passed in Marion County but not in Mahaska County, we would likely be confronted with a potential issue of citizens in Marion County subsidizing ambulance services in Mahaska County. As a result of this potential issue, staff has scheduled a meeting with the Mahaska County Emergency Management Coordinator to discuss Mahaska County's plans for an essential services tax.

Staff Recommendation

As previously stated, staff believes it is imperative for all parties to work together to provide ambulance services to our constituents. Staff believes it is important to develop an interim plan to fund ambulance services in rural Marion County and rural Mahaska County until the respective Boards of Supervisors can make a decision on essential services taxes for their counties. As a result, staff is proposing the following course of action:

Financial Contribution from the Townships and the City of Leighton

While negotiations continue for ambulance services in rural Marion County and rural Mahaska County, staff believes these entities should pay for the services received for the fiscal year ended June 30, 2023. Staff also believes this payment for past services should be a requirement for negotiations to continue. Furthermore, this should not be a point of contention as the parties have already agreed on a \$36,000 financial contribution for FY 22-23; therefore, staff would like to have permission to bill the townships and the City of Leighton \$36,000 for ambulance services for FY 22-23.

Marion County EMS Advisory Committee

Staff recommends that our advisory committee representatives and staff advocate for a March 5, 2024, referendum date for a new essential services tax. This is a key item in providing a long-term funding source for ambulance services. In addition, it is important that the advisory group establish a timeline as it is challenging to provide ambulance service to rural Marion County without a dedicated funding source.

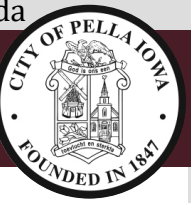
Mahaska County

Staff plans to find out if Mahaska County will be pursuing an essential services tax to fund EMS services.

Future meeting to discuss EMS Services

Staff will plan on providing an update to Council on these items on August 15, 2023.

ATTACHMENTS:	Service Area Map
REPORT PREPARED BY:	City Administration
REVIEWED BY:	City Administrator, City Clerk
RECOMMENDATION:	As outlined above



Pella Community Ambulance Service Territory Map

