

**CITY OF EDMONDS
ECONOMIC DEVELOPMENT COMMISSION
OCTOBER 19, 2011**

The Citizens Economic Development Committee meeting was called to order at 6:06 p.m. by Chair Frank Yamamoto in the Brackett Room, 121 5th Avenue North, Edmonds.

COMMISSIONERS PRESENT

Stacy Gardea
Don Hall
Darrol Haug
Beatrice O'Rourke
Evan Pierce
Rich Senderoff
Kerry St. Clair Ayers
Evelyn Wellington
Bruce Witenberg
Frank Yamamoto
Marianne Zagorski

COMMISSIONERS ABSENT

Paul Anderson
Tim Crosby
Bruce Faires
Mary Monfort
David Schaefer
Rebecca Wolfe

PLANNING BOARD LIAISON

Kristiana Johnson

ELECTED OFFICIALS PRESENT

Councilmember Diane Buckshnis

STAFF PRESENT

Stephen Clifton, Community Services/Economic
Development Director
Cindi Cruz, Executive Assistant
Frances Chapin, Cultural Services Manager
Jeannie Dines, Recorder

PUBLIC PRESENT

Ron Wambolt
Darlene Stern
John Reed

1. INTRODUCTION AND COMMENTS BY CHAIR – NONE
2. AMENDMENTS TO AGENDA – NONE
3. APPROVAL OF ECONOMIC DEVELOPMENT COMMISSION MINUTES OF AUGUST 17, 2011

COMMISSIONER ZAGORSKI MOVED TO APPROVE THE MINUTES OF AUGUST 17, 2011.
COMMISSIONER O'ROURKE SECONDED THE MOTION. MOTION CARRIED
UNANIMOUSLY.
4. REPORTS FROM SUBGROUPS
 - a. Land Use Updates
 - i. Proposed Code Amendments to Downtown Business (BD) Zones
 - ii. Westgate & Five Corners (Phase 4)

Community Services/Economic Development Director Stephen Clifton reported the UW has submitted the draft form based codes. Following review, the draft codes will be provided to the Commission in advance of the November meeting. At the November meeting, Planning Manager Rob Chave will explain how implementation of form based codes might affect future development in Five Corners and Westgate. Following the EDC's review, the draft codes will be presented to the Planning Board.

Commissioner Zagorski referred to reports in the *Edmonds Beacon* from people not interested in spending money for a roundabout at Five Corners. She asked whether the lack of community support and alternatives to a roundabout would be considered as part of the planning progress. Mr. Clifton responded in his opinion the letters in the *Edmonds Beacon* and emails to City Council do not reflect the sentiment of the community overall. The contract for design of the roundabout includes two public meetings where the design and roundabout function will be presented, providing something for the public to react to. He recommended continuing with the contract which is funded with approximately \$400,000 in federal funds and a \$40,000 City match. Terminating the contract at this point would require repayment of the grant funds. The grant funds design and right-of-way acquisition.

Commissioner Senderoff suggested in addition to the two public meetings the EDC conduct outreach with people who live or have businesses in Five Corners and Westgate areas. The roundabout is only one element of neighborhood/business district renewal. Mr. Clifton explained the City Council authorized staff to develop draft form based codes that would apply to both Five Corners and Westgate based on the two-dimensional concepts developed by the UW students. The next phase is outreach to the community regarding the form based codes.

Commissioner Pierce inquired about the grant for the roundabout. Mr. Clifton explained the City has completed paperwork to obligate the grant and charges are being made against the grant (invoices from the consultant are forwarded to Washington State Department of Transportation (WSDOT) for payment). Commissioner Pierce asked whether the City was obligated to continue with construction for the roundabout. Mr. Clifton responded the City is only committed to design and right-of-way acquisition. It is unlikely the roundabout would be built without further federal funds.

Commissioner Pierce commented the roundabout and redevelopment of Five Corners have been treated as two separate items but they are actually combined. The redevelopment of Five Corners conceptually incorporated the roundabout but the roundabout was not a major focal point at the UW meetings. It may be necessary to educate the community that the roundabout is an integral part of the Five Corners redevelopment.

Planning Board Member Johnson pointed out the three-stage process with regard to the roundabout, 1) design, 2) right-of-way acquisition, and 3) construction. She suggested alternatives be considered as part of the design. She lives within the ½ mile boundary of the roundabout; in her discussions with approximately 20 people, none of them were supportive of a roundabout at Five Corners.

Commissioner Wellington inquired about the deadline for spending the grant. Mr. Clifton offered to research. He clarified the grant is only for design and right-of-way acquisition.

Councilmember Buckshnis acknowledged the Council has received a lot of negative comments about the roundabout. She pointed out many Portland residents did not like the gondola but once it was built, they liked it. Roundabouts help reduce carbon footprint due to the reduction in traffic delays. Mr. Clifton recognized the community is uncertain about the roundabout. He referenced roundabouts in Federal Way, Woodinville, and Bainbridge Island as well as a community in Indiana where all traffic lights were replaced with roundabouts. He summarized once roundabouts are constructed, most people like them.

Commissioner St. Clair Ayers commented on the operation of the three roundabouts in Woodinville that significantly reduce traffic congestion but do not appear to reduce safety or increase speeds. Mr. Clifton explained the proposed Five Corners roundabout will be a single lane. Ms. Chapin pointed out the public meetings will help people visualize the operation of the roundabout. Chair Yamamoto recognized the importance of public education.

Commissioner Zagorski suggested City staff write an article in the *Edmonds Beacon* regarding the cost of a roundabout, how it operates, benefits, etc. Mr. Clifton offered to invite Public Works Director Phil Williams to write an article.

Commissioner Hall relayed the biggest concern from residents and businesses in the Five Corners area is how pedestrians and bicycles will cross the intersection with a roundabout. Other concerns are whether the City will have to repay the federal grant if the roundabout is not built, whether the City is building the roundabout just because they received the federal grant, and why more meetings were not held before the design began. Ms. Chapin commented on the wide crossing at the existing Five Corners intersection, explaining in a roundabout a pedestrian crosses halfway and has a safety zone in the center. One of the benefits of a roundabout is increased pedestrian safety.

Commissioner Pierce observed Port Townsend installed two roundabouts on the main route into downtown core that are comparable in diameter to Five Corners. He suggest Engineering ask other cities why they installed roundabouts.

Discussion followed regarding the integrated but separate nature of the roundabout and redevelopment of Five Corners, concern there had not been a meeting to present the UW's final visioning concept for Five Corners and Westgate to the community, educating the public regarding the roundabout, intent of the UW process to develop form based code to implement the Five Corners and Westgate plans, concern the community may not have understood the intent of the UW process, presentations made to the City Council, and intent of the EDC Communications Subcommittee to educate citizens.

COMMISSIONER SENDEROFF MOVED THAT THE EDC SCHEDULE A MEETING TO PRESENT WHERE WE ARE WITH THE WESTGATE AND FIVE CORNERS RENEWAL PROCESSES AND CONCEPTS AND EXPLAIN WHAT IS HAPPENING WITH FORM BASED CODES AND GET FEEDBACK ON THE FINAL CONCEPTS. COMMISSIONER PIERCE SECONDED THE MOTION.

Discussion followed regarding the appropriate date to hold a community meeting.

MOTION FAILED (2-9), COMMISSIONERS SENDEROFF AND PEIRCE VOTING YES.

Mr. Clifton offered to relay to Mr. Chave the Commission's concerns regarding the separate but integrated nature of the roundabout and the Five Corners visioning concept as well as their desire for a community meeting.

b. Strategic Planning and Visioning Update

Mr. Clifton provided Commissioners a list of stakeholders and invited them to provide contact information. A list of landowners is also being prepared. The draft stakeholder/survey questions will be presented to the City Council to provide them an opportunity to review the questions and provide feedback before they are released. He offered to provide the EDC and Planning Board an opportunity to provide feedback on stakeholder/survey questions. Beckwith Consulting is also conducting a scan of existing conditions in the City and region.

Because the outcome of upcoming election (City Council, Mayor and levies) has the potential to impact the strategic planning process, he proposed adjusting the overall schedule and holding the second retreat after the first of the year. Adjusting the schedule will provide more time to respond to questions asked at the first retreat, more time for the Council to review draft stakeholder/survey questions, more time to conduct a thorough scan of existing conditions, allow for more effective community outreach, allow for more thorough outreach and surveying effort in 2012 during major community festivals, and will result in a more bottom up approach by allowing more time for community outreach before the next retreat is held. Adjusting the schedule will also allow more time for the City's new Finance Director to familiarize himself with the City's finances. The Council and the consultant agreed with adjusting the schedule and it will not affect the project budget. Retreat #2 will incorporate budgeting for outcomes/priorities.

Mr. Clifton offered to send Commissioners the 10-page Colorado Springs Strategic Plan which includes a 56-page post adoption implementation assessment.

Commissioner Pierce asked whether there were plans for an interactive process with the consultant rather than the EDC responding to information reported at the retreat. Mr. Clifton invited Commissioners to submit questions/comments to him. He forwarded the consultant all the questions/comments submitted by Economic Development Commissioners, City Councilmembers and Planning Board Members after the first retreat.

A brief discussion followed regarding the number of stakeholder interviews, grouping some stakeholders, and inviting stakeholders to participate in a charrette process.

c. Technology Update on Fiber and Website

Commissioner Haug provided two spreadsheets, 1) fiber project costs 2006-2001, and 2) report on fiber costs and revenue. He highlighted costs incurred to date, per month benefit and revenues to the City, estimated ongoing expenditures and estimated years to pay off at current rate of revenue. He has suggested to the Finance Committee that the City consider another method of measuring the profitability of fiber rather than years to pay off. Councilmember Buckshtnis explained the method would be to set fiber up as an enterprise fund.

Commissioner Haug explained progress on the fiber project is dependent on IT staff's time; when staff is busy, work on the fiber project is postponed. He has discussed with the Mayor and Finance Committee adding more resources in the IT Department in this budget cycle to work on the fiber project. Every new customer is imminently profitable to the City but IT staff has not had time to pursue new customers.

Discussion followed regarding costs, ongoing expenditures savings/revenues, years to pay off, and funding marketing with fiber revenues.

d. Tourism

Commissioner Zagorski reported a committee has been formed to investigate 3-on-3 basketball tournaments. Mr. Clifton commented a 3-on-3 basketball tournament is a doable event with existing facilities. A weekend event would bring in several hundred people.

Chair Yamamoto reported 950 people registered for last week's Street Strut fun run that benefitted the Public Education Foundation.

Commissioner Senderoff inquired about tracking overnight stays at Harbor Inn. Ms. Chapin reported the Writers Conference sold out three weeks prior to the conference, had 250 participants, and most

participants were people who live outside Edmonds. That event generated 48 bed nights at Harbor Inn. Commissioner Senderoff suggested tracking people who stay after an event.

Ms. Chapin reported Mr. Clifton, Ms. Cruz and she attended a meeting of the new Washington Tourism Alliance. The State eliminated funding for tourism; the Alliance will take over the website and advertising materials.

Mr. Clifton reported the Snohomish County Tourism Promotion Area Board is creating an application for entities to apply for Tourism Promotion Area funds. Funds are generated by hotels with over 50 rooms in cities who participate in the Snohomish County Tourism Promotion Area who charge an additional \$1 per night; those funds are then allocated by the Board to events/activities that put “heads in beds.”

e. Communications

Commissioner Zagorski reported the monthly meeting has been moved from the fourth Thursday to the first Thursday at 5:30 p.m. at the Port Commission meeting room. The subcommittee reported to the City Council following the EDC meeting and authored two article, 1) the organizing meeting and 2) whether the EDC should sunset or continue.

5. FIRE DISTRICT 1 REVENUE – DARROL HAUG

Commissioner Haug reviewed a proposal to charge for non-transport EMS events (Attachment 1). He explained 4,000 times a year residents call 911 for EMS. FD1 staff generally perform basic life support (BLS) or advanced life support (ALS) 1 or 2. Approximately 2,500 of those calls result in patients being transported to a hospital and the patient’s insurance company is billed for that transport. In 2010 the City collected \$880,000 in transport fees. The remaining 1,500 times FD1 personnel respond, they perform services but do not transport a patient and the City does not collect any money. Other cities bill insurance companies for that service. If the City charged an average of \$400 for non-transport EMS, a 75% collection rate would generate revenue of \$450,000.

Commissioner Haug recommended this opportunity be studied further. FD1 only charges what the Edmonds City Council asked them to charge; it was a political decision to charge a transport fee.

Discussion followed regarding other cities’ practices with regard to charging for non-transport EMS, the process for proposing this to the City Council, collection of EMS transport fees that are remitted to Edmonds, the EDC’s charge to identify new revenue streams, and the potential that non-transport EMS fees would increase insurance premiums.

COMMISSIONER HAUG MOVED THAT, 1) THIS REPORT IN ITS ENTIRETY BE INCLUDED IN THE EDC MINUTES, AND 2) THE EDC ADVANCE THIS CONCEPT TO THE PUBLIC SAFETY COMMITTEE FOR THEM TO EVALUATE AND CONSIDER FOR EDMONDS, AND 3) MAKE A PRESENTATION TO THE PUBLIC SAFETY COMMITTEE. COMMISSIONER ST. CLAIR AYERS SECONDED THE MOTION.

Commissioner Haug volunteered to make a presentation to the Public Safety Committee. He clarified the charge would only occur if EMS personnel performed a BLS or ALS function.

MOTION CARRIED UNANIMOUSLY.

6. POSSIBLE INITIATIVES (HWY 99 TRANSIT ORIENTED DEVELOPMENT (TOD) NODES, DOWNTOWN WATERFRONT ACTIVITY CENTER)

This item was not discussed.

7. NEW CITY WEBSITE (EDMONDSWA.GOV)

Mr. Clifton explained the City's new website is much more functional and user friendly. He reviewed information on the website including quick links, the Strategic Plan webpage, services, doing business in Edmonds, visiting Edmonds and other links. A press release regarding the launch of the website will be issued in late October. He encouraged Commissioners to visit the website and provide feedback.

8. PRIORITIZATION OF FUTURE AGENDA TOPICS

Chair Yamamoto invited Commissioners to email topics to him.

9. MISCELLANEOUS

In response to an inquiry regarding the new Kruger Clinic site, Mr. Clifton advised the permits are being processed for the new site on 72nd. He assumed their existing building would be leased.

Planning Board Member Johnson reported the Planning Board is continuing its discussion regarding the Shoreline Master Program as well as discussing and holding a public hearing on regulations for rooftop solar installations. She announced Dicks Drive In opens tomorrow at 3 p.m.

Commissioner Senderoff reported the City has received a significant amount of donations to reduce the cost of the Old Milltown courtyard. The Hazel Miller Foundation will make a sizeable donation if Hazel Miller is part of the park name. Ms. Chapin reported a Planning Board public hearing on the parking naming will be held on December 14. Planning Board Member Johnson explained the Planning Board also functions as the Park Board.

10. AUDIENCE COMMENTS

Ron Wambolt, Edmonds, envisioned the Council would not have supported a transport fee if it was a charge to citizens. The Council did not discuss a fee for non-transport EMS; it was assumed everyone was transported.

John Reed, Edmonds, commented the City's new website is a step in the right direction and includes an opportunity to provide online feedback.

11. ADJOURN

With no further business, the meeting was adjourned at 8:18 p.m.

Attachment 1

Charging for Non Transport EMS Events

Prepared by Darrol Haug 9/24/2011

Most of the data provided by FD1

Executive Summary

Fire District 1 provides EMS for the citizens of Edmonds. FD1 bills when a call results in providing various EMS services only when the patient is transported to a medical facility. FD1 responded to about 4000 calls for EMS services that resulted in about 2500 transports and therefore 2500 billing events resulting in nearly \$880,000 paid to the General Fund. All billing is to insurance companies and citizens are not required to pay any fees in excess of what their insurance pays.

The nearly 1500 calls that did not result transporting the patient to a medical facility did not produce any billing, even if medical services were provided. Some cities bill for these services.

Assuming an average fee of \$400 for the 1500 non transport events and further assuming the current 75% collection rate the revenue potential for Edmonds would be around \$450,000 annually.

Among the things that would need to be done before moving forward would be to evaluate what other agencies are doing it, and their experiences would be important to know as would why providers have elected not to do it.

FD response data would have to be studied – frequency, charges, billing procedures, etc., policies and a fee schedule developed and approved.

There would be a political aspect to consider as well, both in the FD1 and Edmonds.

Direction to study and develop implementation of a non-transport fee policy and schedule would have to come from our elected leaders but the EDC could make the recommendation to undertake the discussion that could lead to charging for non-transport events.

EMS Services

When FD1 EMS crews respond to medical emergencies today they can perform a number of services and when they transport the patient to a hospital the follow charges apply. When they do not transport there are no charges billed for any service.

*Basic Life Support (BLS)	\$475
*Advanced Life Support (ALS) 1	\$700
*Advanced Life Support (ALS) 2	\$800
Patient loaded-mile to facility	\$15.50

*See definitions below.

*Basic Life Support (BLS) is transport by ambulance and the provision of medically necessary supplies and services, including BLS ambulance services as defined by the State (Chapter 18.73 RCW). The ambulance must be staffed by an individual who is qualified in accordance with State and local laws as an emergency medical technician basic (EMT Basic). Basic emergency medical technicians perform non-invasive, basic emergency treatment skills.

*Advanced Life Support (ALS) Level 1 is transport by ambulance and provision of medically necessary supplies and services including provision of an ALS assessment or at least one ALS intervention. Advanced life support services are medical treatment skills beyond the scope of EMTs as defined in Chapter 18.71 RCW.

*Advanced Life Support (ALS) Level 2 is transport by ambulance and provision of medically necessary supplies and services including (1) at least three separate administrations of one or more medication by intravenous push / bolus or by continuous infusion (excluding crystalloid fluids); or (2) ambulance transport and the provision of at

least one of the following ALS Level 2 procedures: manual defibrillation/cardio conversion, endotracheal intubation, central venous line, cardiac pacing, chest decompression, surgical airway or intraosseous line.

Current Revenues

In 2010, Systems Design billed on behalf of Edmonds \$1,477,200 million dollars, and as of March, 2011 collected \$727,870, a 49 percent rate. \$87,100 of 2010 billings is assumed to be covered by the EMS levy, \$429,550 has been disallowed, and \$17,570 is deemed uncollectible. \$215,090 from 2010 charges is classified as "Pending." Systems Design estimates that by mid-2012, the City will receive approximately \$880,000 for EMS transports provided by the District to Edmonds residents in 2010.

See Background Information below for detailed discussion of levies, fees, collections, and procedures for other years.

Potential Revenues

In 2010 there were 4017 Total EMS calls resulting in 2527 transports with the cited fees. There were 1490 calls that did not result in transport and any fees. These 1490 calls while not resulting in transport likely resulted in some sort of medical services that were not charged.

Research shows some cities charging for services when no transport is required and they are able to collect from those fees from insurance companies. For example a fee of \$400/event with a collection rate of 75% rate would generate \$450,000 with the 1490 non transport events.

While these are just estimates based on the current fee schedules, collection rates and EMS call data it shows that charging for non-transport events have substantial revenue potential.

BACKGROUND INFORMATION ON CITY OF EDMONDS EMS LEVIES PROVIDED BY FD1

In the past decade, Edmonds voters approved two Emergency Medical Services (EMS) levies: September, 2002 and May, 2008.

EDMONDS FIRE DEPARTMENT – EMS TRANSPORT USER FEES

- EMS transport user fees were approved by the Edmonds City Council in November, 2008 effective January 1, 2009. The Edmonds Fire Department provided the EMS transport, and the City charged EMS transport user fees for one year only, 2009, under the policies and procedures approved by the City Council.
- In 2009, the Edmonds Fire Department responded to 5,252 calls for service; 4,508 were EMS calls resulting in 3,676 EMS transports by Edmonds personnel.
- Patients that were medically evaluated/treated but not transported by Edmonds Fire Department personnel were not billed for service. Only patients transported by Edmonds Fire were billed.
- In 2009, Edmonds billed through Systems Design (the City's EMS contract billing agency) \$1,443,190 million dollars, and collected \$869,400 as of March 2011, a 60 percent collection rate. \$158,290 of 2009 billings is assumed to be covered by the City EMS levy, \$379,360 has been disallowed by the insurer, and \$35,500 is deemed uncollectible. \$3,530 from the 2009 charges is classified as "Pending."
- The working definition of disallowed is the difference between what the District bills and what Medicare, Medicaid (DSHS), and the Veterans Administration pays. These government agencies have instituted their own fee schedules for transport irrespective of what any provider agency (like the City or District) has determined is a reasonable charge. Because it is necessary to contract with these government agencies in order to get paid for providing services, the City/District must accept their mandated fee schedule. The difference between their fee schedule and the City's/District's cannot be passed on to the patient. There is no such contractual agreement with private insurers, so the City/District can charge the true cost of the transport.
- After reading the bullet immediately above, return to the fourth bullet that references a 60 percent collection rate for 2009. That rate is based on gross charges and gross collections. Here is another way to look at it: 2009 charges were \$1,443,190, but \$379,360 was disallowed from the outset by various government agencies that the City never had a change of collecting in the first place. So, \$1,443,190 minus \$379,360 = \$1,063,830. Divide the 2009 amount collected to date, \$869,400, by \$1,063,830 and the

collection rated is 74 percent, not too bad. Same “different look” applies to the District’s 49 percent 2010 collection rate to date in the next section.

SNOHOMISH COUNTY FIRE DISTRICT #1 – EMS TRANSPORT PROCEDURES AND USER FEES

- In November, 2009, the Edmonds City Council approved a contract for fire and EMS services under an interlocal agreement with Snohomish County Fire Protection District No. 1 effective January 1, 2010.
- Section 4.8 of the interlocal agreement states “As the EMS service provider, the District shall receive and collect all transport fees in accordance with District policy for transports that originate within the City limits. The District shall remit these amounts, less an administration fee not to exceed the actual cost of collection, to the City.”
- Patients that are medically evaluated/treated but not transported by District personnel are not billed for service. Only patients transported by District personnel are billed.
- The District collects the EMS transport user fees through Systems Design, the District’s contract billing agency. Quarterly, the District forwards the transport fees collected by Systems Design to Edmonds minus the administrative fees and postage (approximately \$48,000 annually paid to Systems Design).
- The District bills the patient’s insurance: private medical insurance, auto or home insurance if it applies, Medicare, Medicaid (DSHS), Veterans Administration, secondary and/or supplemental insurance. For District residents or residents of communities served by the District (like Edmonds), what is received from insurers is considered payment in full even though the amount frequently falls short of the actual charges. For these residents, portions of the outstanding balance are considered to be covered by the EMS levy of the community in which the resident resides. In some instances, the insurer disallows a portion of the service provided and therefore the charge for it is written off. There is no patient out-of-pocket, and no patient co-pay in the District billing system. Any co-pays are between the resident and his/her individual insurance provider (individual insurance providers differ widely in their procedures, co-pays, etc.). If the resident says they have no insurance or no money, the transport fee is written off. No resident in this category is sent to collections by the District or Systems Design.
- For non-residents, the system differs in that Systems Design, on behalf of the District, will pursue full payment of the allowed amount charged. Systems Design utilizes its internal collection procedures to collect charges from non-residents.
- In 2010, the District responded to 5,174 calls for service in Edmonds; 4,017 were EMS calls resulting in 2,527 transports by District personnel.