

North County FPD

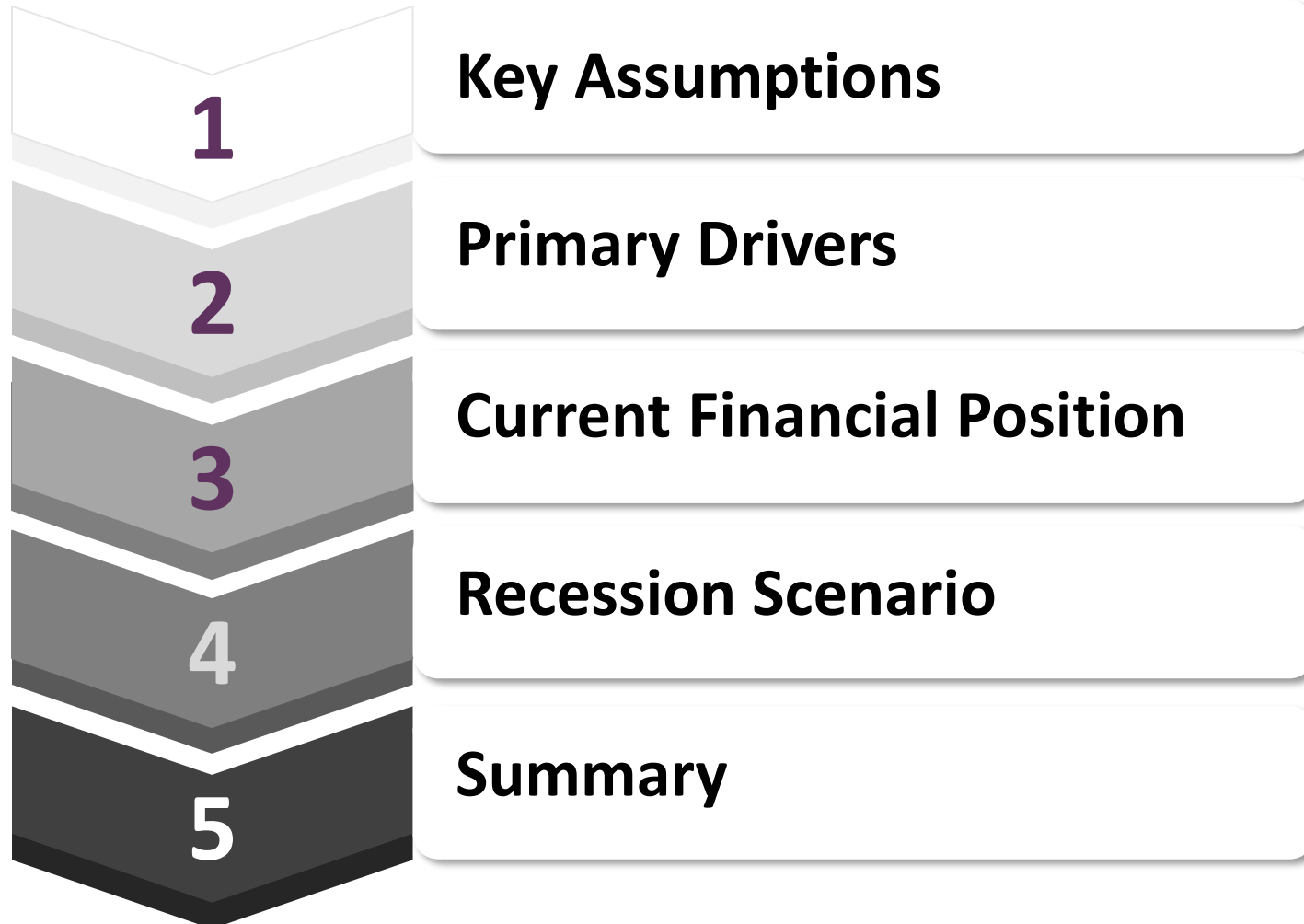
Financial Plan Update

Workshop: January 26, 2021



Approach

Study Components



Key Assumptions to Modeling

Baseline

Revenues

- Primary revenue source – Property Tax (> 80%)
- Fee Revenue
- CFD Special Taxes
- Reimbursements and misc. revenues

Expenses

- Salaries
- Medical and benefits
- Operations
- Debt
- Capital – Equipment and Facilities. Varies annually

Inflationary Adjustments

Revenues and Expenses

Revenues

- Property Tax: Pragmatic projections

Property Tax	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Future Years
North County	5%	4%	4%	4%	4%	4%	2%
Rainbow	0%	1%	2%	3%	4%	4%	2%

- Ambulance Fees: 5%, 5%, followed by 1%
- CFD Revenue: \$350k annually by FY 2026
- Reimbursements: Non-Inflated

Expenses

Expenditure Escalation Factors	FY 2022
General	3.05%
Salaries	2.00%
Benefits	5.00%
Utilities	5.00%
Capital	2.80%
PER-UAL	2.00%
Retirement - Salaries	2.00%
Non-Inflated	0.00%
Placeholder 1	0.00%
Placeholder 2	0.00%



Reserve
Targets

Reserves	Minimum Requirement	Reserve Target
Operating	90 days of ops	180 days of ops
Capital	5-Year Average of Upcoming Expenses	5-Year Average of Upcoming Expenses
Workman's Comp	Fixed \$750k	Fixed \$750k
Personnel Liability	20% of Target (\$340k)	Fixed \$1.7M

FY 2021
Reserve
Targets (\$)

Reserves	Minimum Requirement	Reserve Target
Operating	\$4.9M	\$9.8M
Capital	\$1.5M	\$1.5M
Workman's Comp	\$0.75M	\$0.75M
Pension Liability	\$0.34M	\$1.7M
Total	\$7.49M	\$13.75M

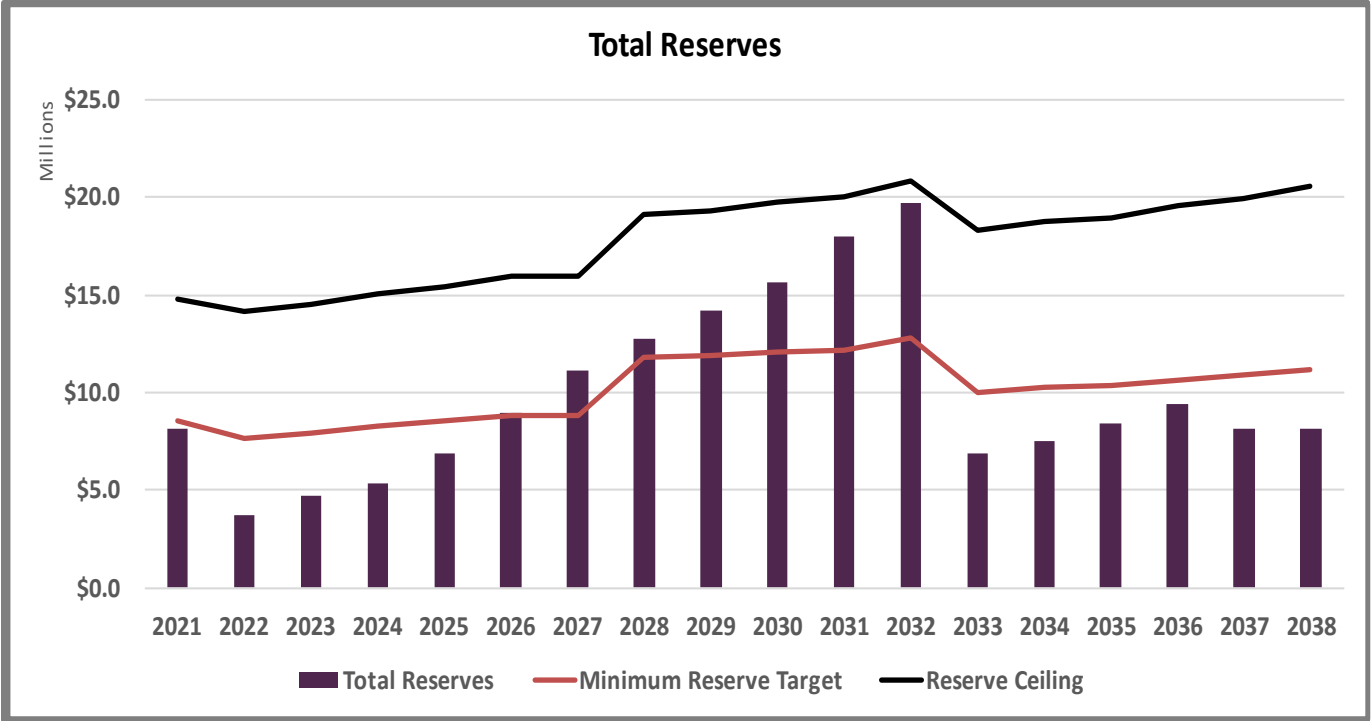
Current Financial Position

Multi-Year Plan – Pragmatic Projections

Financial Planning Metrics

- Positive annual operating net income
- Comply with debt covenants
- Sufficiently fund capital needs
- Meet reserve targets

Property tax increase reflects 5%, 4%, 4%, 4%, 4%, 4%, 2%...



Proposed Financial Plan

Debt Finance Equipment and Facilities

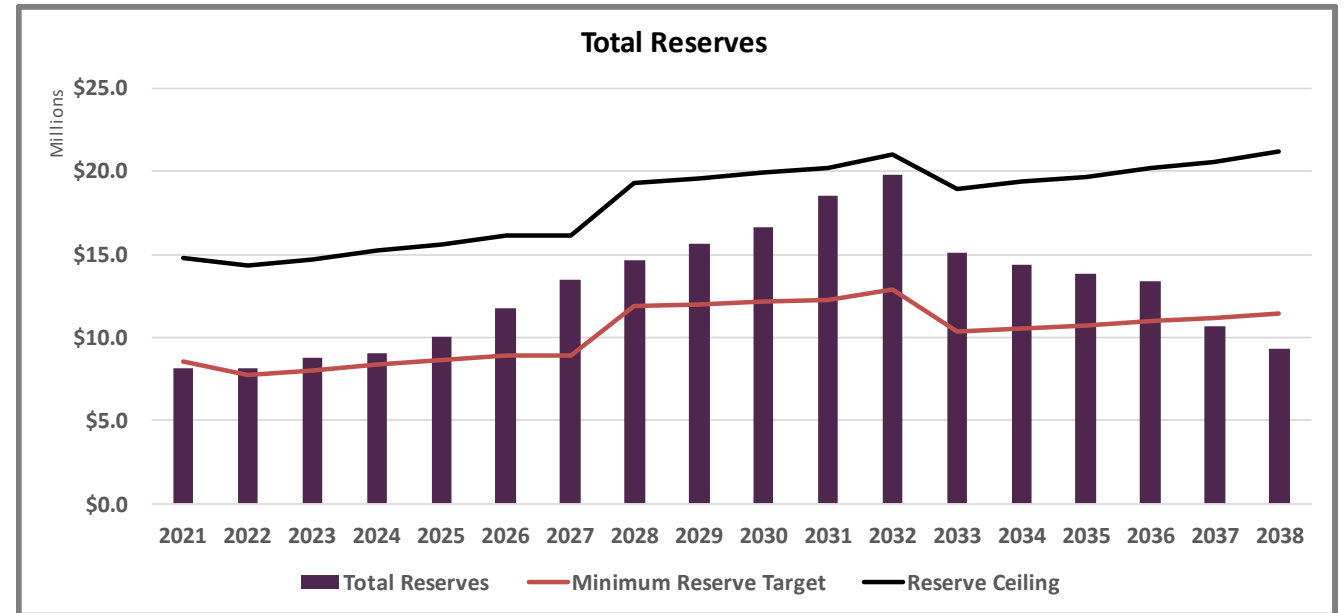
Financial Plan

➤ Cash Fund Equipment (PAYGO)

- FY 2024 - \$840k
- FY 2028 - \$1.1M

➤ Debt Fund Stations over 30 years

- FY 2022 - \$4.9M
- FY 2033 - \$9.5M



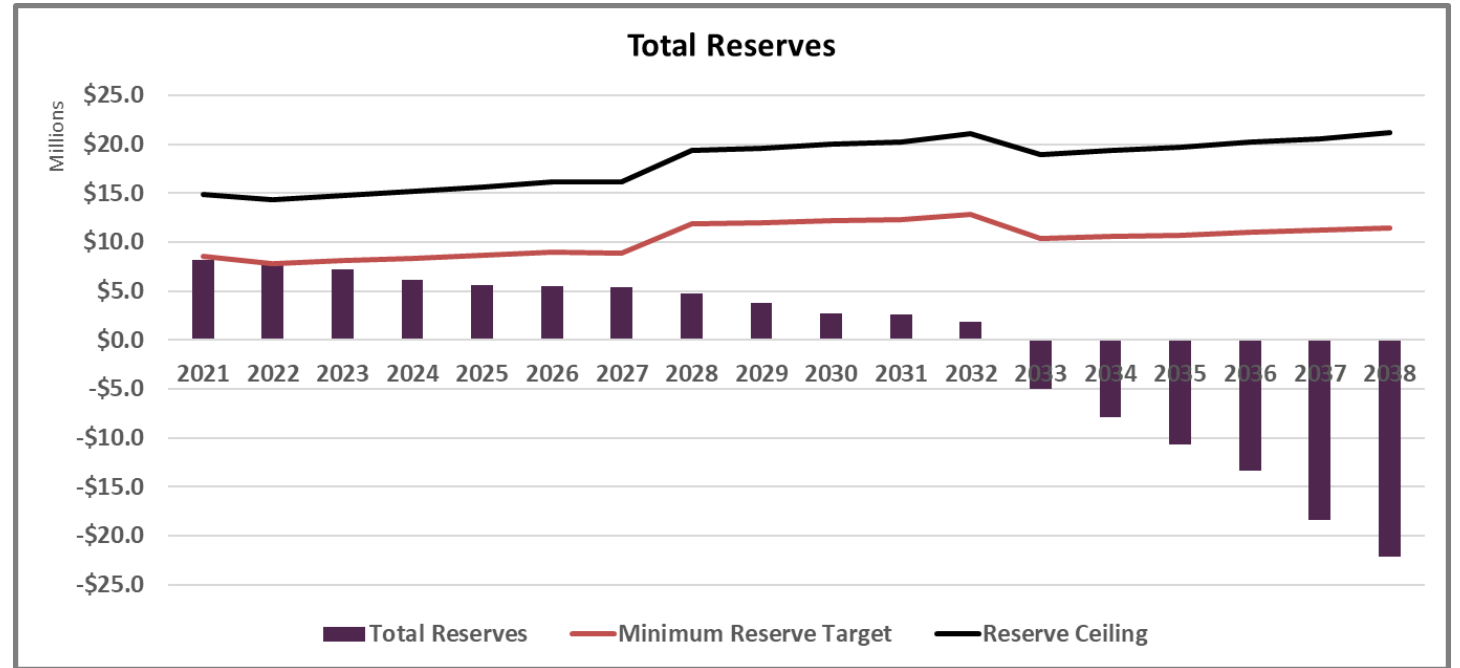
Sensitivity Analysis

Stress Test - Fiscal Impacts with Recession

Revenues

- Property Tax: Mild Recession Projections
 - **FY 2022:** Assume 2% increase in Property Tax
 - **North County:** {1%, 2%, 3%,} 4%, 4%, 2%, 2%
- Ambulance Fees: 5%, 5%, followed by 1%
- CFD Revenue: \$350k annually by FY 2026
- Reimbursements: Non-Inflated

Property tax reflects more conservative increases



Summary

Fiscal Plan Review

- District is significantly reliant on property tax revenue
- Imperative to build up robust reserves to mitigate risk
- Continuously update financial plan to proactively review financial outlook

Habib Isaac

IB Consulting

Principal | Managing Partner

Phone: 951-595-9354 | Email: hisaac@IBConsultingInc.com

Andrea Boehling

IB Consulting

Principal | Managing Partner

Phone: 615-870-9371 | Email: aboehling@IBConsultingInc.com

Thank You



C O N S U L T I N G