

TO: Lake Johanna Fire Department Board of Directors

MEETING DATE: June 21, 2022

SUBJECT: Long Range Planning Discussion

Overview

The purpose of this discussion is to review draft finance plans related to staffing and facility planning for the Lake Johanna Fire Department. Attached to this report are three scenarios outlined below:

Scenario #1 (With SAFER Grant): Hire 6 Captains in 2023; Grant Covers 2023-2025; LJFD Covers Costs in 2026

Current operating budget only

- This portion of the finance plan assumes an annual five percent increase in operating costs year over year with no other changes.

SAFER Grant: Six Captain positions funded by Grant 2023-2025; LJFD to cover costs in 2026 estimated at \$158,700 per Captain at that time (\$952,200 total)

- In this scenario a SAFER grant is received and implemented in 2023. Six captains would be hired in 2023 with the grant covering all of the costs for three years. The department would be responsible for costs beginning in 2026. In order to prepare for those costs, beginning in 2023 the budget would be increased year over year as shown.

Overall Operating Budget Implications (With Six Captain Positions)

- This section shows the budget impact of the above described scenario.

Capital Budget Estimates

- This section includes current planned capital expenditures.

Debt Service Estimate

- This section assumes a \$7,000,000 bond is issued to cover half of the costs for the new headquarters station.

Overall Operating and Capital Budget Implication Estimates

- This final section contains all financial implications from the above sections.

Scenario #2 (Conservative Without SAFER Grant): Hire Three Captains in 2024 & Three More in 2028

Current operating budget only

- This portion of the finance plan assumes an annual five percent increase in operating costs year over year with no other changes.

No SAFER Grant; LJFD to cover all costs

- In this scenario the department does not receive a SAFER grant and all costs are paid by the department. The budget would be increased beginning in 2023 in order to hire three captains in 2024 and three more in 2028, shift commanders are not included at this time.

Overall Operating Budget Implications (With Six Captain Positions)

- This section shows the budget impact of the above described scenario.

Capital Budget Estimates

- This section includes current planned capital expenditures.

Debt Service Estimate

- This section assumes a \$7,000,000 bond is issued to cover half of the costs for the new headquarters station.

Overall Operating and Capital Budget Implication Estimates

- This final section contains all financial implications from the above sections.

Scenario #3 (Aggressive Without SAFER Grant): Hire Three Captains in 2024 & Three More in 2025

Current operating budget only

- This portion of the finance plan assumes an annual five percent increase in operating costs year over year with no other changes.

No SAFER Grant; LJFD to cover all costs

- In this scenario the department does not receive a SAFER grant and all costs are paid by the department. The budget would be increased beginning in 2023 in order to hire three captains in 2024 and three more in 2025, shift commanders are not included at this time.

Overall Operating Budget Implications (With Six Captain Positions)

- This section shows the budget impact of the above described scenario.

Capital Budget Estimates

- This section includes current planned capital expenditures.

Debt Service Estimate

- This section assumes a \$7,000,000 bond is issued to cover half of the costs for the new headquarters station.

Overall Operating and Capital Budget Implication Estimates

- This final section contains all financial implications from the above sections.

In any of these scenarios, it is crucial to begin planning for additional expenditures in the Lake Johanna Fire Department 2023 budget.

Attachments

1. Scenario #1 (With SAFER Grant): Hire 6 Captains in 2023; Grant Covers 2023-2025; LJFD Covers Costs in 2026
2. Scenario #2 (Conservative Without SAFER Grant): Hire Three Captains in 2024 & Three More in 2028
3. Scenario #3 (Aggressive Without SAFER Grant): Hire Three Captains in 2024 & Three More in 2025

Scenario #1 (With SAFER Grant): Hire Six Captains in 2023; Grant Covers 2023-2025; LJFD Covers Costs in 2026

Current Operating Budget Only

	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$2,806,699	\$2,947,034	\$3,094,386	\$3,249,105	\$3,411,560	\$3,582,138	\$3,761,245	\$3,949,307	\$4,146,773
Arden Hills (25.0%)	\$701,675	\$736,758	\$773,596	\$812,276	\$852,890	\$895,535	\$940,311	\$987,327	\$1,036,693
North Oaks (14.4%)	\$404,165	\$424,373	\$445,592	\$467,871	\$491,265	\$515,828	\$541,619	\$568,700	\$597,135
Shoreview (60.6%)	\$1,700,860	\$1,785,903	\$1,875,198	\$1,968,958	\$2,067,405	\$2,170,776	\$2,279,315	\$2,393,280	\$2,512,944
Percentage Over Previous Year		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

SAFER Grant: Six Captain positions funded by Grant 2023-2025; LJFD to cover costs in 2026 estimated at \$158,700 per Captain at that time (\$952,200 total)

	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total Levy Increase Over 2022	\$0	\$100,000	\$223,000	\$373,060	\$554,633	\$770,704	\$1,014,865	\$1,088,113	\$1,117,412
Levy Over Previous Year (13-23%)	\$0	\$100,000	\$123,000	\$150,060	\$181,573	\$216,071	\$244,161	\$73,248	\$29,299
Cost To Department	\$0	\$0	\$0	\$0	\$952,202	\$1,016,980	\$1,049,614	\$1,083,360	\$1,118,256
Remainder	\$0	\$100,000	\$223,000	\$373,060	(\$397,569)	(\$246,276)	(\$34,749)	\$4,753	(\$844)
Fund Balance	\$0	\$100,000	\$323,000	\$696,060	\$298,491	\$52,215	\$17,465	\$22,218	\$21,374
Arden Hills (25.0%)	\$0	\$25,000	\$55,750	\$93,265	\$138,658	\$192,676	\$253,716	\$272,028	\$279,353
North Oaks (14.4%)	\$0	\$14,400	\$32,112	\$53,721	\$79,867	\$110,981	\$146,141	\$156,688	\$160,907
Shoreview (60.6%)	\$0	\$60,600	\$135,138	\$226,074	\$336,107	\$467,047	\$615,008	\$659,396	\$677,152

Overall Operating Budget Implications (With Six Captain Positions)

	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total Costs	\$2,806,699	\$3,047,034	\$3,200,386	\$3,355,105	\$3,511,560	\$3,667,138	\$3,823,245	\$3,979,307	\$4,136,773
Arden Hills (25.0%)	\$701,675	\$761,758	\$829,346	\$905,541	\$991,548	\$1,088,211	\$1,194,027	\$1,259,355	\$1,316,046
North Oaks (14.4%)	\$404,165	\$438,773	\$477,704	\$521,592	\$571,132	\$626,809	\$687,760	\$725,389	\$758,043
Shoreview (60.6%)	\$1,700,860	\$1,846,503	\$2,010,336	\$2,195,032	\$2,403,513	\$2,637,822	\$2,894,323	\$3,052,677	\$3,190,096
Percentage Over Previous Year		8.56%	8.87%	9.19%	9.50%	9.75%	9.72%	5.47%	4.50%

Capital Budget Estimates

	2022	2023	2024	2025	2026	2027	2028	2029	2030
Arden Hills (25.0%)	\$230,125	\$8,500	\$67,650	\$423,750	\$143,000	\$234,450	\$206,795	\$222,500	n/a
North Oaks (14.4%)	\$132,552	\$4,896	\$38,966	\$244,080	\$82,368	\$135,043	\$119,114	\$128,160	n/a
Shoreview (60.6%)	\$557,823	\$20,604	\$163,984	\$1,027,170	\$346,632	\$568,307	\$501,271	\$539,340	n/a
Totals	\$920,500	\$34,000	\$270,600	\$1,695,000	\$572,000	\$937,800	\$827,180	\$890,000	n/a

Debt Service Estimate (\$7M)

	2022	2023	2024	2025	2026	2027	2028	2029	2030
Arden Hills (25.0%)	\$0	\$0	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000
North Oaks (14.4%)	\$0	\$0	\$77,760	\$77,760	\$77,760	\$77,760	\$77,760	\$77,760	\$77,760
Shoreview (60.6%)	\$0	\$0	\$327,240	\$327,240	\$327,240	\$327,240	\$327,240	\$327,240	\$327,240
Totals	\$0	\$0	\$540,000	\$540,000	\$540,000	\$540,000	\$540,000	\$540,000	\$540,000

Overall Operating and Capital Budget Implication Estimates

	2022	2023	2024	2025	2026	2027	2028	2029	2030
Arden Hills (25.0%)	\$931,800	\$770,258	\$1,031,996	\$1,464,291	\$1,269,548	\$1,457,661	\$1,535,822	\$1,616,855	\$1,451,046
North Oaks (14.4%)	\$536,717	\$443,669	\$594,430	\$843,432	\$731,260	\$839,612	\$884,634	\$931,309	\$835,803
Shoreview (60.6%)	\$2,258,683	\$1,867,107	\$2,501,559	\$3,549,442	\$3,077,385	\$3,533,369	\$3,722,834	\$3,919,257	\$3,517,336
Totals	\$3,727,199	\$3,081,034	\$4,127,986	\$5,857,165	\$5,078,193	\$5,830,642	\$6,143,290	\$6,467,420	\$5,804,185

Scenario #2 (Conservative Without SAFER Grant): Hire Three Captains in 2024 & Three More in 2028

Current Operating Budget Only

	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$2,806,699	\$2,947,034	\$3,094,386	\$3,249,105	\$3,411,560	\$3,582,138	\$3,761,245	\$3,949,307	\$4,146,773
Arden Hills (25.0%)	\$701,675	\$736,758	\$773,596	\$812,276	\$852,890	\$895,535	\$940,311	\$987,327	\$1,036,693
North Oaks (14.4%)	\$404,165	\$424,373	\$445,592	\$467,871	\$491,265	\$515,828	\$541,619	\$568,700	\$597,135
Shoreview (60.6%)	\$1,700,860	\$1,785,903	\$1,875,198	\$1,968,958	\$2,067,405	\$2,170,776	\$2,279,315	\$2,393,280	\$2,512,944
Percentage Over Previous Year		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

NO SAFER Grant; LFD to cover all costs

	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total Levy Increase Over 2022	\$0	\$125,000	\$290,000	\$445,000	\$595,000	\$745,000	\$895,000	\$1,045,000	\$1,120,000
Levy Over Previous Year	\$0	\$125,000	\$165,000	\$155,000	\$150,000	\$150,000	\$150,000	\$150,000	\$75,000
Cost To Department	\$0	\$0	\$415,738	\$445,258	\$476,101	\$508,490	\$1,049,616	\$1,083,360	\$1,118,256
Remainder	\$0	\$125,000	(\$125,738)	(\$258)	\$118,899	\$236,510	(\$154,616)	(\$38,360)	\$1,744
Fund Balance	\$0	\$125,000	(\$738)	(\$996)	\$117,903	\$354,413	\$199,797	\$161,437	\$163,181
Arden Hills (25.0%)	\$0	\$31,250	\$72,500	\$111,250	\$148,750	\$186,250	\$223,750	\$261,250	\$280,000
North Oaks (14.4%)	\$0	\$18,000	\$41,760	\$64,080	\$85,680	\$107,280	\$128,880	\$150,480	\$161,280
Shoreview (60.6%)	\$0	\$75,750	\$175,740	\$269,670	\$360,570	\$451,470	\$542,370	\$633,270	\$678,720

Overall Operating Budget Implications (With Six Captain Positions)

	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total Costs	\$2,806,699	\$2,947,034	\$3,094,386	\$3,249,105	\$3,411,560	\$3,582,138	\$3,761,245	\$3,949,307	\$4,146,773
Arden Hills (25.0%)	\$701,675	\$768,008	\$846,096	\$923,526	\$1,001,640	\$1,081,785	\$1,164,061	\$1,248,577	\$1,316,693
North Oaks (14.4%)	\$404,165	\$442,373	\$487,352	\$531,951	\$576,945	\$623,108	\$670,499	\$719,180	\$758,415
Shoreview (60.6%)	\$1,700,860	\$1,861,653	\$2,050,938	\$2,238,628	\$2,427,975	\$2,622,246	\$2,821,685	\$3,026,550	\$3,191,664
Percentage Over Previous Year		9.45%	10.17%	9.15%	8.46%	8.00%	7.61%	7.26%	5.46%

Capital Budget Estimates

	2022	2023	2024	2025	2026	2027	2028	2029	2030
Arden Hills (25.0%)	\$230,125	\$8,500	\$67,650	\$423,750	\$143,000	\$234,450	\$206,795	\$222,500	n/a
North Oaks (14.4%)	\$132,552	\$4,896	\$38,966	\$244,080	\$82,368	\$135,043	\$119,114	\$128,160	n/a
Shoreview (60.6%)	\$557,823	\$20,604	\$163,984	\$1,027,170	\$346,632	\$568,307	\$501,271	\$539,340	n/a
Totals	\$920,500	\$34,000	\$270,600	\$1,695,000	\$572,000	\$937,800	\$827,180	\$890,000	n/a

Debt Service Estimate (\$7M)

	2022	2023	2024	2025	2026	2027	2028	2029	2030
Arden Hills (25.0%)	\$0	\$0	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000
North Oaks (14.4%)	\$0	\$0	\$77,760	\$77,760	\$77,760	\$77,760	\$77,760	\$77,760	\$77,760
Shoreview (60.6%)	\$0	\$0	\$327,240	\$327,240	\$327,240	\$327,240	\$327,240	\$327,240	\$327,240
Totals	\$0	\$0	\$540,000	\$540,000	\$540,000	\$540,000	\$540,000	\$540,000	\$540,000

Overall Operating and Capital Budget Implication Estimates

	2022	2023	2024	2025	2026	2027	2028	2029	2030
Arden Hills (25.0%)	\$931,800	\$776,508	\$1,048,746	\$1,482,276	\$1,279,640	\$1,451,235	\$1,505,856	\$1,606,077	\$1,451,693
North Oaks (14.4%)	\$536,717	\$447,269	\$604,078	\$853,791	\$737,073	\$835,911	\$867,373	\$925,100	\$836,175
Shoreview (60.6%)	\$2,258,683	\$1,882,257	\$2,542,161	\$3,593,038	\$3,101,847	\$3,517,793	\$3,650,196	\$3,893,130	\$3,518,904
Totals	\$3,727,199	\$3,106,034	\$4,194,986	\$5,929,105	\$5,118,560	\$5,804,938	\$6,023,425	\$6,424,307	\$5,806,773

Scenario #3 (Aggressive Without SAFER Grant): Hire Three Captains in 2024 & Three More in 2025

	Current Operating Budget Only								
	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$2,806,699	\$2,947,034	\$3,094,386	\$3,249,105	\$3,411,560	\$3,582,138	\$3,761,245	\$3,949,307	\$4,146,773
Arden Hills (25.0%)	\$701,675	\$736,758	\$773,596	\$812,276	\$852,890	\$895,535	\$940,311	\$987,327	\$1,036,693
North Oaks (14.4%)	\$404,165	\$424,373	\$445,592	\$467,871	\$491,265	\$515,828	\$541,619	\$568,700	\$597,135
Shoreview (60.6%)	\$1,700,860	\$1,785,903	\$1,875,198	\$1,968,958	\$2,067,405	\$2,170,776	\$2,279,315	\$2,393,280	\$2,512,944
Percentage Over Previous Year		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

	NO SAFER Grant; LJFD to cover all costs								
	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total Levy Increase Over 2022	\$0	\$125,000	\$375,000	\$725,000	\$905,000	\$965,000	\$1,025,000	\$1,080,000	\$1,115,000
Levy Over Previous Year	\$0	\$125,000	\$250,000	\$350,000	\$180,000	\$60,000	\$60,000	\$55,000	\$35,000
Cost To Department	\$0	\$0	\$393,882	\$833,908	\$899,671	\$962,474	\$1,028,548	\$1,080,007	\$1,114,698
Remainder	\$0	\$125,000	(\$18,882)	(\$108,908)	\$5,329	\$2,526	(\$3,548)	(\$7)	\$302
Fund Balance	\$0	\$125,000	\$106,118	(\$2,790)	\$2,538	\$5,064	\$1,516	\$1,508	\$1,811
Arden Hills (25.0%)	\$0	\$31,250	\$93,750	\$181,250	\$226,250	\$241,250	\$256,250	\$270,000	\$278,750
North Oaks (14.4%)	\$0	\$18,000	\$54,000	\$104,400	\$130,320	\$138,960	\$147,600	\$155,520	\$160,560
Shoreview (60.6%)	\$0	\$75,750	\$227,250	\$439,350	\$548,430	\$584,790	\$621,150	\$654,480	\$675,690

	Overall Operating Budget Implications (With Six Captain Positions)								
	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total Costs	\$2,806,699	\$2,947,034	\$3,094,386	\$3,249,105	\$3,411,560	\$3,582,138	\$3,761,245	\$3,949,307	\$4,146,773
Arden Hills (25.0%)	\$701,675	\$768,008	\$867,346	\$993,526	\$1,079,140	\$1,136,785	\$1,196,561	\$1,257,327	\$1,315,443
North Oaks (14.4%)	\$404,165	\$442,373	\$499,592	\$572,271	\$621,585	\$654,788	\$689,219	\$724,220	\$757,695
Shoreview (60.6%)	\$1,700,860	\$1,861,653	\$2,102,448	\$2,408,308	\$2,615,835	\$2,755,566	\$2,900,465	\$3,047,760	\$3,188,634
Percentage Over Previous Year		9.45%	12.93%	14.55%	8.62%	5.34%	5.26%	5.08%	4.62%

	Capital Budget Estimates								
	2022	2023	2024	2025	2026	2027	2028	2029	2030
Arden Hills (25.0%)	\$230,125	\$8,500	\$67,650	\$423,750	\$143,000	\$234,450	\$206,795	\$222,500	n/a
North Oaks (14.4%)	\$132,552	\$4,896	\$38,966	\$244,080	\$82,368	\$135,043	\$119,114	\$128,160	n/a
Shoreview (60.6%)	\$557,823	\$20,604	\$163,984	\$1,027,170	\$346,632	\$568,307	\$501,271	\$539,340	n/a
Totals	\$920,500	\$34,000	\$270,600	\$1,695,000	\$572,000	\$937,800	\$827,180	\$890,000	n/a

	Debt Service Estimate (\$7M)								
	2022	2023	2024	2025	2026	2027	2028	2029	2030
Arden Hills (25.0%)	\$0	\$0	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000
North Oaks (14.4%)	\$0	\$0	\$77,760	\$77,760	\$77,760	\$77,760	\$77,760	\$77,760	\$77,760
Shoreview (60.6%)	\$0	\$0	\$327,240	\$327,240	\$327,240	\$327,240	\$327,240	\$327,240	\$327,240
Totals	\$0	\$0	\$540,000	\$540,000	\$540,000	\$540,000	\$540,000	\$540,000	\$540,000

	Overall Operating and Capital Budget Implication Estimates								
	2022	2023	2024	2025	2026	2027	2028	2029	2030
Arden Hills (25.0%)	\$931,800	\$776,508	\$1,069,996	\$1,552,276	\$1,357,140	\$1,506,235	\$1,538,356	\$1,614,827	\$1,450,443
North Oaks (14.4%)	\$536,717	\$447,269	\$616,318	\$894,111	\$781,713	\$867,591	\$886,093	\$930,140	\$835,455
Shoreview (60.6%)	\$2,258,683	\$1,882,257	\$2,593,671	\$3,762,718	\$3,289,707	\$3,651,113	\$3,728,976	\$3,914,340	\$3,515,874
Totals	\$3,727,199	\$3,106,034	\$4,279,986	\$6,209,105	\$5,428,560	\$6,024,938	\$6,153,425	\$6,459,307	\$5,801,773

