



Oceano Community Services District
Board Meeting - March 28, 2018
Draft Concepts for a JPA Restructuring Agreement

Concepts for a JPA Restructuring Agreement

- Based on direction from March, 2018 FCFA Board meeting.
- Needs to be approved by all three agencies by June 1, 2018 to avoid a 2018/19 budget impasse.
- Establishes the FCFA "Strategic Plan" budget scenario for 2018/19, including a one-time only budget deficit (for OCSD).
- Requires each agency to negotiate in good faith a restructured JPA so that:
 - Lessons learned since the JPA was created in 2010 can be addressed.
 - The funding formula / methodology can be addressed.
 - Future certainty for FCFA can be established.
- Establishes a deadline for each agency to adopt the restructured JPA.
 - Deadline of a date to be determined - December 31, 2018 - February 28, 2019.
 - Establishes June 30, 2019 as the end-date for a three-agency FCFA if a restructured JPA is not agreed upon by all three agencies.
- Requires each agency to negotiate in good faith a contract for services for Oceano.
 - If an OCSD special tax does not pass.
 - If the three agencies cannot agree on a restructured JPA and FCFA becomes a two-agency department (Arroyo Grande and Grover Beach).

Oceano CSD

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Draft Preliminary 2018/19 Budget Projections

	<u>BUDGET</u> <u>2017/18</u>	<u>PROPOSED</u> <u>BUDGET (a)</u> <u>2018/19</u>	<u>PROPOSED</u> <u>BUDGET (b)</u> <u>2018/19</u>	
ESTIMATED PROPERTY TAX REVENUES	\$968,120	\$1,012,947	\$1,012,947	5%
LESS: Lighting Fund Costs	\$53,683	\$55,293	\$55,293	3%
NET PROPERTY TAX REVENUES	<u>\$914,437</u>	<u>\$957,654</u>	<u>\$957,654</u>	
FIRE FUND COSTS				
FCFA	\$806,464	\$987,362	\$932,310	18%
GROVER - Dispatch	\$30,650			11%
OCSD - Overhead	\$31,965	\$32,924	\$32,924	3%
OCSD - Other	\$12,775	\$13,158	\$13,158	3%
TOTAL FIRE FUND	<u>\$881,854</u>	<u>\$1,033,444</u>	<u>\$978,392</u>	
DEFICIT	<u>\$32,583</u>	<u>(\$75,791)</u>	<u>(\$20,739)</u>	

Notes:

BUDGET (a) - Based on the Strategic Plan

BUDGET (b) - Based on Status Quo Staffing

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STATUS QUO (STAFFING) MULTI-YEAR PROJECTIONS							
	STRATEGIC PROPOSED BUDGET (a) 2018/19	BUDGET 2017/18	PROPOSED BUDGET (b) 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
ESTIMATED PROPERTY TAX REVENUES	\$1,012,947	\$968,120	\$1,012,947	\$ 1,043,335	\$ 1,074,635	\$ 1,106,875	\$ 1,140,081
	4.6%		4.6%	3.0%	3.0%	3.0%	3.0%
LESS: Lighting Fund Costs	\$55,293	\$53,683	\$55,293	\$56,952	\$58,661	\$60,421	\$62,233
	3%		3%	3%	3%	3%	3%
NET PROPERTY TAX REVENUES	<u>\$957,654</u>	<u>\$914,437</u>	<u>\$957,654</u>	<u>\$986,383</u>	<u>\$1,015,975</u>	<u>\$1,046,454</u>	<u>\$1,077,847</u>
FIRE FUND COSTS							
FCFA	\$987,362	\$806,464	\$987,362	\$974,987	\$996,056	\$1,030,855	\$1,055,000
GROVER - Dispatch		\$30,650					
OCSO - Overhead	\$32,924	\$31,965	\$32,924	\$33,912	\$34,929	\$35,977	\$37,056
	3%		3%	3%	3%	3%	3%
OCSO - Other	\$13,158	\$12,775	\$13,158	\$13,553	\$13,960	\$14,378	\$14,810
	3%		3%	3%	3%	3%	3%
TOTAL FIRE FUND	<u>\$1,033,444</u>	<u>\$881,854</u>	<u>\$1,033,444</u>	<u>\$1,022,452</u>	<u>\$1,044,945</u>	<u>\$1,081,210</u>	<u>\$1,106,866</u>
DEFICIT	<u>(\$75,791)</u>	<u>\$32,583</u>	<u>(\$20,739)</u>	<u>(\$36,069)</u>	<u>(\$28,970)</u>	<u>(\$34,756)</u>	<u>(\$29,018)</u>

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STRATEGIC PLAN MULTI-YEAR PROJECTIONS						
	BUDGET 2017/18	STATUS QUO PROPOSED BUDGET (b) 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
ESTIMATED PROPERTY TAX REVENUES	\$968,120	\$1,012,947 4.6%	\$ 1,043,335 3.0%	\$ 1,074,635 3.0%	\$ 1,106,875 3.0%	\$ 1,140,081 3.0%
LESS: Lighting Fund Costs	\$53,683	\$55,293	\$56,952 3%	\$58,661 3%	\$60,421 3%	\$62,233 3%
NET PROPERTY TAX REVENUES	<u>\$914,437</u>	<u>\$957,654</u>	<u>\$986,383</u>	<u>\$1,015,975</u>	<u>\$1,046,454</u>	<u>\$1,077,847</u>
FIRE FUND COSTS						
FCFA	\$806,464	\$932,310	\$1,083,705 9.8%	\$1,129,260 4.2%	\$1,210,148 7.2%	\$1,249,521 3.3%
GROVER - Dispatch	\$30,650	\$32,924	\$33,912 3%	\$34,929 3%	\$35,977 3%	\$37,056 3%
OCSD - Overhead	\$31,965	\$13,158	\$13,553 3%	\$13,960 3%	\$14,378 3%	\$14,810 3%
OCSD - Other	\$12,775	\$978,392	\$1,131,170	\$1,178,149	\$1,260,503	\$1,301,387
TOTAL FIRE FUND	<u>\$881,854</u>	<u>\$978,392</u>	<u>\$1,131,170</u>	<u>\$1,178,149</u>	<u>\$1,260,503</u>	<u>\$1,301,387</u>
DEFICIT	<u>\$32,583</u>	<u>(\$20,739)</u>	<u>(\$144,787)</u>	<u>(\$162,174)</u>	<u>(\$214,049)</u>	<u>(\$223,539)</u>
CUMMULATIVE DEFICITS			<u>(\$220,577)</u>	<u>(\$382,751)</u>	<u>(\$596,801)</u>	<u>(\$820,340)</u>