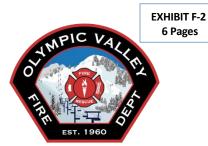


OLYMPIC VALLEY

PUBLIC SERVICE DISTRICT



FIRE DEPARTMENT LONG-TERM MODELING

- **DATE**: March 26, 2024
- TO: District Board Members
- **FROM**: Brad Chisholm, Fire Chief; Danielle Mueller, Finance & Administration Manager; Dave Hunt, Interim General Manager; Jessica Asher, Program Manager & Board Secretary
- SUBJECT: Fire Department Long-Term Modeling
- **BACKGROUND**: Staff have been analyzing the Fire Department financials to identify viable revenue streams and minimize expenses, aiming to fund current and future demands and opportunities. This initiative is closely tied with the upcoming strategic plan project in which determining how to support the Fire Department will be important. Key areas of focus within the fiscal analysis include meeting anticipated demands resulting from MOU negotiations (competitive wages and benefits), appropriate staffing for the fire department (including the addition of a dedicated Fire Prevention Officer) and ensuring we can sustain our fuels management program. Staff are considering a range of funding sources to achieve these objectives, including but not limited to traditional fundraising, cost recovery, cost sharing, in-kind donations, fee for service, expanding services, tax assessment, and consolidation/annexation. This comprehensive approach ensures a thorough exploration of various funding possibilities, and we remain open to considering other innovative solutions that may arise during our analysis.

At the February meeting of the Board of Directors, the OVFD Professional Firefighters provided public comment regarding their unanimous opinion that a North Tahoe Fire Protection District/OVFD consolidation is the best way for the Department to serve the community and provided their reasoning. The Board asked that staff make understanding these issues a top priority, recognizing that we do not want to rush any decisions. The Board requested that the Regular March Board meeting include (1) the first draft of relevant financial scenarios; (2) that General Counsel provide information regarding the process for consolidation/annexation and briefly present other revenue options discussed in the financial analysis (such a parcel tax or benefit assessment); and (3) Chief Chisholm provide qualitative components of the analysis such as levels of service changes. These items will inform decisions on how to proceed.

DISCUSSION: The attached slideshow, to be presented by Chief Chisholm, Ms. Mueller, and Mr. Bell during the Board meeting, addresses the requests of the Board. The purpose of the presentation is to present information so the Board may have a better understanding of the status of the Fire Department, potential financial scenarios, and the process to generate revenue or embark on a change of organization.

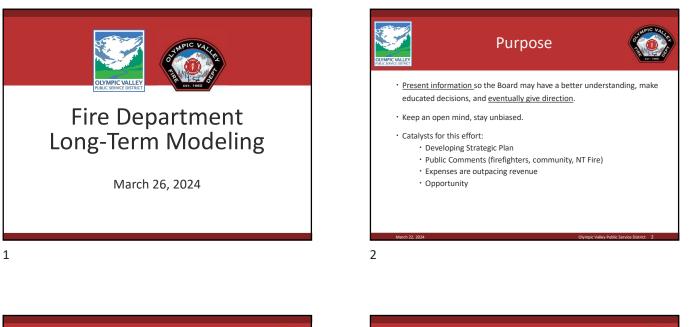
> It is imperative that staff, the Board of Directors, and the community remain unbiased during this analysis. The modeling provided is for information only and will provide background will inform the strategic direction and next steps. Additional studies and analysis will be needed prior to any decisions.

ALTERNATIVES: This report is for information only; no action is requested from the Board.

- **FISCAL/RESOURCE IMPACTS**: Staff, including General Counsel, have spent considerable time on this analysis and presentation, which was initiated several months ago. The impact of this work will have a fiscal impact however, it cannot be easily quantified at this time.
- **RECOMMENDATION**: This report is for information only; no action is requested from the Board.

ATTACHMENTS: Slideshow Presentation Fire Department Long-Term Modeling

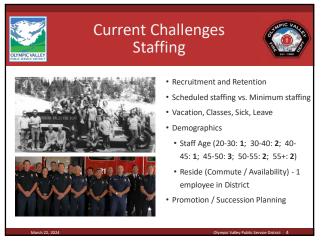
DATE PREPARED: March 22, 2024

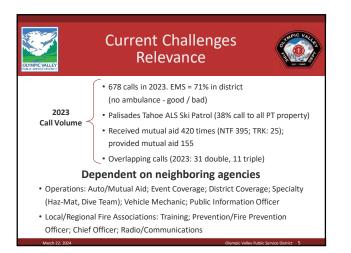


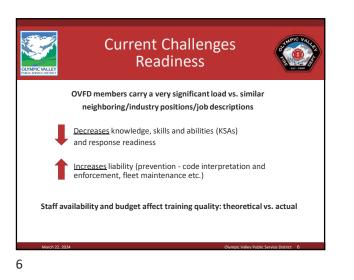
Δ



3









7

Current Environment Industry/Regional Dynamics



Annexation

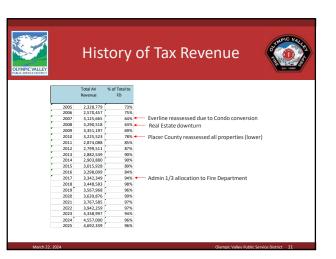
- Tax measures (Wildfire Prevention v. Operations)
- Regional Incorporation
- External Resource Cooperation (Operations, Administration, Prevention)



Stay Open Minded This is not a complete list © TAX MEASURE ANNEXATION Increased revenue Support Fuels Management Hire necessary staff - FPO Help reduce line staff's obligation to perform major ancillary roles Keep community tax funding in OV Mujatai mero local central Depth in staffing ICS to industry standards Expansion of services Economies of Scale Economies of Scale Support: Fleet/Facilities; PIO; Training; Prevention/Forester; EMS; IT; Safety; etc. Training opportunities Personal and Professional Opportunity Common Policies Mandates; Standards; Best Practices Diversity Maintain more local control Identity, History, Culture versity Funds earmarked for new services One station, one community Revenue unknown Identity / History / Legacy District familiarization Sunset clause / annual increase unknown Community interaction What happens after sunset clause Tax revenue to a regional budget Public opinion In conflict with annexation Less local control Change in level/type of servic

9





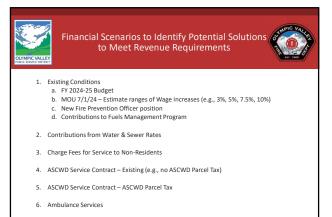


Financial & Operational Objectives

- Identify additional Revenue Sources to fund annually increasing gap between operating expenses and property tax revenue and create a Financial Plan that sustainably funds the Fire Dept.
- Expand staffing to maintain / improve the Fire Department's Levels of Service (e.g., hire Fire Prevention Officer).
- Secure funding for Fuels Management Program.
- Identify, include, and prioritize strategies in forthcoming Five-Year Strategic Plan.

10

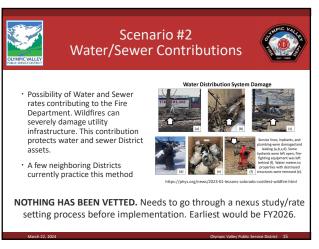
12



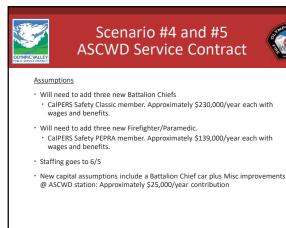


- New Fire Prevention Officer Miscellaneous PEPRA Employee. Approximately \$175,000/year with wages and benefits.
- \$50,000 annual contribution of Fire Department funds to Fuels Management Projects

13



15



Pay Increase	New Staff	Fuels Management Contribution	% of Property Tax to FD	CRP Funding Level	Meeting Financial Reserves Target?	Deficit in Year
3%			96%	\$300,000	YES	
5%			96%	\$300,000	YES	
7.50%			96%	\$300,000	YES	
10%			96%	\$300.000	YES	
3%	Fire Prevention Officer		96%	\$300,000	YES	
5%	Fire Prevention Officer		96%	\$300,000	NO	\$50,000
7.50%	Fire Prevention Officer		96%	\$300,000	NO	\$90,000
10%	Fire Prevention Officer		96%	\$300.000	NO	\$160,000
3%	Fire Prevention Officer	\$50,000	96%	\$300,000	NO	\$50,000
5%	Fire Prevention Officer	\$50,000	96%	\$300,000	NO	\$100,000
7.50%	Fire Prevention Officer	\$50,000	96%	\$300,000	NO	\$140,000
10%	Fire Prevention Officer	\$50,000	96%	\$300.000	NO	\$210,000
3%		\$50,000	96%	\$300,000	YES	
5%		\$50,000	96%	\$300,000	YES	
7.50%		\$50,000	96%	\$300,000	YES	
10%		\$50,000	96%	\$300,000	YES	

Scenario #1

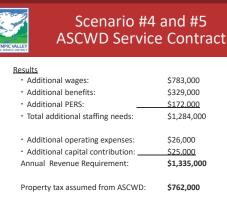
14



- \$90,000 x 20% admin fee from 3rd party = \$18,000
- \$90,000 x 50% estimated recovery from 3rd party = \$45,000
- Net <u>\$27,000</u> to the Fire Department

This revenue has not been incorporated into the modeling. Information only at this point

16



Deficit = \$573,000. Additional ASCWD funding would be needed (tax measure)



Scenario #6 **Ambulance Services**



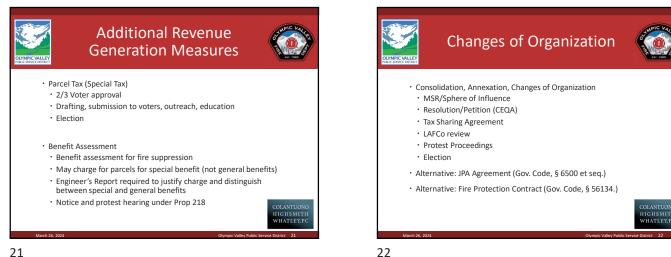
Ambulance study was completed by AP Triton in October 2022

- Estimated \$220,000 in revenue to OVFD
- Estimated \$210,000 in annual operating and capital expenses Excludes labor costs as no additional staff is considered (keep 5/4 staff)
- · At time of study, ambulance service had OV community support, did not have regional support
- · This revenue has not been incorporated into the modeling, information only at this point

19



20



21



