

September 14, 2021 Board Agenda Items



Item 5.A: Resolution 21-039 adopting the 5-Year Capital Funding Plan

Item 5.B: Resolution 21-040 committing and assigning fund balance for Fiscal Year 2020-2021 per the General Fund Balance Reserve Policy

Item 5.C: Resolution 21-038 adopting the final budget for Fiscal Year 2021-2022 (first reading)

Item 5.A. Resolution 21-039: 5-Year Capital Funding Plan



FY2021-2022 Capital Funding Plan						
Yr	Fiscal Year	LKS Vehicles & Equipment	Facilities	EMS Vehicles & Equipment	Total Capital Funding	Annual Increase
1	FY2022	690,000	326,000	239,557	1,255,557	(173,876)
2	FY2023	717,000	326,000	249,184	1,292,184	36,627
3	FY2024	746,000	326,000	257,332	1,329,332	37,148
4	FY2025	776,000	326,000	290,000	1,392,000	62,668
5	FY2026	807,000	326,000	301,600	1,434,600	42,600
Total Increase						5,167

- Year 1 – The plan shows a decrease. Year 2 thru Year 5 – Shows an average increase of 3%. Total increase at the end of 5 years is \$5,167.
- The committee will continue looking at the capital plan, cost of facilities, and will come up with an amended plan to present to the Board for approval in the very near future.
- The plan is projected to cover all the capital needs for vehicle and equipment of the district through year 5 and the debt services for facilities of loans acquired in previous years.
- Final FY21-22 budget includes \$2.0 million of capital purchases for vehicles, equipment, debt services, and facility improvements.

Detailed Breakdown
of All Capital
Expenditures and
corresponding
funding sources
both from revenue
and from general
fund reserves

Category	Operating Fund		Capital Reserve			TOTAL
	Facilities	Grants & Non-Operating	LKS Vehicle/Equipment	LKS Facilities	CSA Vehicle/Equipment	
EXPENDITURES:						
Debt Services	548,260			325,924		874,184
Capital Outlay						
CSA Vehicles & Equipment		20,000			275,500	295,500
LKS Vehicles & Equipment		39,550	1,041,000			1,080,550
LKS Facilities				342,651		342,651
Total Capital Outlay	-	59,550	1,041,000	342,651	275,500	1,718,701
Total Expenditures	548,260	59,550	1,041,000	668,575	275,500	2,592,885
REVENUE:						
Passthrough revenue (county of San Diego)	548,260					548,260
Homeland Security Grant Funding		39,550				39,550
5-year Capital Funding Plan: CSA					239,557	239,557
5-year Capital Funding Plan: LKS Vehicles&Equip			690,000			690,000
5-year Capital Funding Plan: LKS Facilities				326,000		326,000
Total Revenue	548,260	39,550	690,000	326,000	239,557	1,843,367
Difference between Revenue & Expenditures	0	(20,000)	(351,000)	(342,575)	(35,943)	(749,518)
USE OF RESERVES:						
Carryover from FY20-21 (Unassigned)		20,000	49,000			69,000
LKS Facilities Reserves				342,575		342,575
CSA Vehicle & Equipment Reserves					35,943	35,943
LKS Vehicle & Equipment Reserves			302,000			302,000
Total Use of Reserves	0	20,000	351,000	342,575	35,943	749,518

SUMMARY:

Capital Reserves	680,518
Carryover	69,000
	749,518

Item 5.B.

Resolution 21-040: Fund Balance Reserves FY20-21



Assigned:

Budget Stability Reserve/UAL Reserve	\$	911,725
Accrued Leave Reserve	\$	1,472,126
Capital Facilities Reserve		1,410,390
LKS:Capital Equipment & Vehicle Res.		1,563,627
CSA: Capital Equipment & Vehicle Res.		254,896
HCFA JPA Liability Reserve		620,700
CSA-69 Reserve		333,211

Committed:

Economic Budget Stability Reserve		3,688,752
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- Balances are reported on the Annual Financial Statements for FYE 2020-2021
- It is the Policy of the district to identify government fund balances and take into consideration long-term infrastructure needs, non-current liabilities, economic uncertainties, and possible catastrophic events.
- District Policy is to transparency and appropriate levels of reserves on prudent long-term financial strategic goals.
- The budget committee is in the process of reviewing and updating the reserve policy and will present it for Board Review.

Item 5.C

FINAL BUDGET REPORT FISCAL YEAR 2021-2022

LAKESIDE FIRE PROTECTION DISTRICT



AGENDA



- Fiscal Year 2020-2021 Final Budget
 - All Fund Summary (General & Grants)
 - Summary of Changes from Preliminary
 - Carryover Expenditures
- Capital Plan & Debt Services
- Long-Term Financial Planning (Reserves)
 - Fund Balance
- What the Future Holds

Fiscal Year 2021-22 All Funds Summary



	2021-2022 Final
Resources In:	
Revenues	
40 - Property Tax	13,276,852
41 - Fees and Services	149,750
42 - Revenue from other Agencies/Grants	4,702,885
43 - Miscellaneous	-
44 - Use of Money and Property	110,000
Total Revenue	18,239,487
Resource Uses:	
Expenditures	
60 - Salaries & Benefits	13,882,830
70 - Services & Supplies	2,865,041
80 - Debt Service	874,184
85 - Capital Outlay	1,718,701
Total Expenditures	19,340,756
Change in Fund Balance Surplus/(Deficit)	(1,101,269)
Transfer In/Out From/To Assigned Reserves	1,030,996
Net Operating Revenue Over/(Under)	(70,273)

- Total Revenues from all funds are nearly \$18.24 mil.
- Total Expenditures are about \$19.34 mil.
- Net change in Fund Balance is a decrease of approx. \$1.10 mil.
- Total transfers in from other assigned reserves are a net increase of \$1.03 mil.
- Net Operating Revenue is a decrease of about \$70,000.

Fiscal Year 2021-22 All Funds Summary



FY 2018 – 2022 Overall Summary

Multi-Year Comparison

	2017-2018 Total Activity	2018-2019 Total Activity	2019-2020 Total Activity	2020-2021 Amended	2021-2022 Final	Change	% Change
Resources In:							
Revenues							
40 - Property Tax	11,199,498	11,603,755	12,341,293	12,825,373	13,276,852	451,479	3.52%
41 - Fees and Services	85,432	101,632	255,619	101,000	149,750	48,750	48.27%
42 - Revenue from other Agencies/Grants	4,404,609	5,003,859	8,795,998	5,239,340	4,702,885	(536,455)	-10.24%
43 - Miscellaneous	938,508	487,298	63,722	-	-	-	0.00%
44 - Use of Money and Property	178,899	260,814	232,544	110,000	110,000	-	0.00%
Total Revenue	16,806,946	17,457,358	21,689,176	18,275,713	18,239,487	(36,226)	-0.20%
Resource Uses:							
Expenditures							
60 - Salaries & Benefits	10,926,329	11,631,543	12,403,955	13,935,889	13,882,830	(53,059)	-0.38%
70 - Services & Supplies	2,382,816	2,530,308	2,636,213	3,108,305	2,865,041	(243,264)	-7.83%
80 - Debt Service	550,773	629,237	781,254	873,717	874,184	467	0.05%
85 - Capital Outlay	1,103,181	2,243,727	4,909,290	1,652,492	1,718,701	66,209	4.01%
Total Expenditures	14,963,099	17,034,815	20,730,712	19,570,403	19,340,756	(229,647)	-1.17%
Change in Fund Balance Surplus/(Deficit)	1,843,847	422,543	958,464	(1,294,690)	(1,101,269)	(193,421)	14.94%
Transfer In/Out From/To Assigned Reserves	21,789	(50,150)	(741,346)	645,576	1,030,996		
Net Operating Revenue Over/(Under)	1,865,636	372,393	217,118	(649,114)	(70,273)		

FY2021-2022 By Fund and Reserve breakdown

	Operating Fund	Non-Operating Budget	CSA-69 Budget	Grants Fund	Total Capital Reserves	Total Other Reserves	Total General Fund & Reserves
Resources In:							
Revenues							
40 - Property Tax	13,276,852	-	-	-	-	-	13,276,852
41 - Fees and Services	149,750	-	-	-	-	-	149,750
42 - Revenue from other Agencies/Grar	602,500	372,500	3,688,335	39,550	-	-	4,702,885
43 - Miscellaneous	-	-	-	-	-	-	-
44 - Use of Money and Property	110,000	-	-	-	-	-	110,000
Total Revenue	14,139,102	372,500	3,688,335	39,550	-	-	18,239,487
Resource Uses:							
Expenditures							
60 - Salaries & Benefits	10,956,103	325,000	2,601,727	-	-	-	13,882,830
70 - Services & Supplies	1,962,646	172,769	729,627	-	-	-	2,865,041
80 - Debt Service	548,260	-	-	-	325,924	-	874,184
85 - Capital Outlay	-	20,000	-	39,550	1,659,151	-	1,718,701
Total Expenditures	13,467,009	517,769	3,331,353	39,550	1,985,075	-	19,340,756
Change in Fund Balance Surplus/(Deficit)	672,093	(145,269)	356,982	-	(1,985,075)	-	(1,101,269)
Other Sources							
Transfers In from other Funds	156,209	115,269	-	-	1,255,557	-	1,527,035
Transfers In from CSA-69 (admin)	117,425	30,000	-	-	-	-	147,425
Notes/Bond/Loan/Lease Proceeds	-	-	-	-	-	-	-
Subtotal Other Sources	273,634	145,269	-	-	1,255,557	-	1,674,460
Other Uses							
Transfers Out to Capital Funds	1,016,000	-	239,557	-	-	-	1,255,557
Transfers Out to Other Funds	-	-	147,425	-	-	271,478	418,903
Subtotal Other Uses	1,016,000	-	386,982	-	-	271,478	1,674,460
Total Other Sources/(Uses)	(742,366)	145,269	(386,982)	-	1,255,557	(271,478)	0
Net Operating Revenue Over/(Under)	(70,273)	-	(30,000)	-	(729,518)	(271,478)	(1,101,269)
Change In Fund Balance:							
Beginning Fund Balance *	521,943	-	333,211	0	3,228,913	6,693,303	10,777,370
Total Revenue & Transfers In	14,412,736	517,769	3,688,335	39,550	1,255,557	-	19,913,947
Total Expenses & Transfers Out	(14,483,009)	(517,769)	(3,718,335)	(39,550)	(1,985,075)	(271,478)	(21,015,216)
Carry-over onetime - Unassigned	(89,478)	-	-	-	49,000	40,478	-
Over/(Under)	(159,751)	-	(30,000)	-	(680,518)	(231,000)	(1,101,269)
Ending Fund Balance	362,192	-	303,211	0	2,548,395	6,462,303	9,676,102

Summary of changes from Preliminary



- Revenue increase from Preliminary Budget 21-22: \$139,000.
 - \$99,000 Property tax revenue growth projection
 - \$40,000 State Homeland Security Grants
- Expenditure Increase from Preliminary Budget 21-22: \$1,770,000
 - \$50,000 in Services & Supplies. heartland dispatch contract, office furniture, and EMS supplies.
 - \$1.72 mil in Capital Outlay. \$40,000 is offset by grant revenue. \$1.68 mil is covered by various assigned reserves of the general fund.

	2021-2022 Approved Preliminary Budget	2021-2022 Final Budget	Change	% Change
Resources In:				
Revenues				
40 - Property Tax	13,177,765	13,276,852	99,087	0.77%
41 - Fees and Services	149,750	149,750	-	0.00%
42 - Revenue from other Agencies/Grants	4,663,335	4,702,885	39,550	0.75%
43 - Miscellaneous	-	-	-	0.00%
44 - Use of Money and Property	110,000	110,000	-	0.00%
Total Revenue	18,100,850	18,239,487	138,637	0.76%
Resource Uses:				
Expenditures				
60 - Salaries & Benefits	13,882,830	13,882,830	-	0.00%
70 - Services & Supplies	2,815,817	2,865,041	49,224	1.58%
80 - Debt Service	874,184	874,184	-	0.00%
85 - Capital Outlay	-	1,718,701	1,718,701	104.01%
Total Expenditures	17,572,831	19,340,756	1,767,925	9.03%
Change in Fund Balance Surplus/(Deficit)	528,019	(1,101,269)	1,629,288	-125.84%
Transfer In/Out From/To Assigned Reserves	(920,524)	1,030,996		
Net Operating Revenue Over/(Under)	(392,505)	(70,273)		

Fiscal Year 2021-2022 Capital Plan & Debt Services

Category	Operating Fund		Capital Reserve			TOTAL
	Facilities	Grants & Non-Operating	LKS Vehicle/Equipment	LKS Facilities	CSA Vehicle/Equipment	
EXPENDITURES:						
Debt Services	548,260			325,924		874,184
Capital Outlay						
CSA Vehicles & Equipment		20,000			275,500	295,500
LKS Vehicles & Equipment		39,550	1,041,000			1,080,550
LKS Facilities				342,651		342,651
Total Capital Outlay	-	59,550	1,041,000	342,651	275,500	1,718,701
Total Expenditures	548,260	59,550	1,041,000	668,575	275,500	2,592,885
REVENUE:						
Passthrough revenue (county of San Diego)	548,260					548,260
Homeland Security Grant Funding		39,550				39,550
5-year Capital Funding Plan: CSA					239,557	239,557
5-year Capital Funding Plan: LKS Vehicles & Equip			690,000			690,000
5-year Capital Funding Plan: LKS Facilities				326,000		326,000
Total Revenue	548,260	39,550	690,000	326,000	239,557	1,843,367
Difference between Revenue & Expenditures	0	(20,000)	(351,000)	(342,575)	(35,943)	(749,518)
USE OF RESERVES:						
Carryover from FY20-21 (Unassigned)		20,000	49,000			69,000
LKS Facilities Reserves				342,575		342,575
CSA Vehicle & Equipment Reserves					35,943	35,943
LKS Vehicle & Equipment Reserves			302,000			302,000
Total Use of Reserves	0	20,000	351,000	342,575	35,943	749,518

SUMMARY:

Capital Reserves	680,518
Carryover	69,000
Total	749,518

Capital Reserve Balance



Fund Balance Classification	Estimated Beginning Fund Balance 7-1-2021	Transfers Out	Transfers In	Adjustments	Transfer In/Out net	Estimated Ending Fund Balance 6/30/2022
Capital Facilities Reserve	1,410,390	(668,575)	326,000		(342,575)	1,067,815
LKS:Capital Equipment & Vehicle Res.	1,563,627	(1,041,000)	690,000	49,000	(302,000)	1,261,627
CSA: Capital Equipment & Vehicle Res.	254,896	(275,500)	239,557		(35,943)	218,953
					-	
	3,228,913	(1,985,075)	1,255,557	49,000	(680,518)	2,548,395

*** Table above excludes the Operating Fund Capital and Debt Services**

- Capital Reserves estimated beginning balance is \$3.23 million.
- Budgeted uses of capital funding (Expenditures) -\$1.99 million.
- Use of property tax revenue \$1.26 million and reserve adjustments for carryovers \$0.05 mil.
- Net use of capital reserves -\$0.68 million.
- Estimated ending balance \$2.55 million.

Long – Term Financial Planning (Reserves)



FY21-22 Estimated Ending Fund Balance

FY 21/22 - FINAL BUDGET - (ESTIMATES)

8/30/2021

Fund Balance Classification	Estimated Beginning Fund Balance 7-1-2021*	FY21-22 Revenues Budget	FY21-22 Expenses Budget	Transfers Out	Transfers In	Adjustments	Estimated Ending Fund Balance 6/30/2022**	Transfer In/Out net
<i>Committed:</i>								
Nonspendable	\$ -						\$ -	0
<i>Assigned:</i>								
Budget Stability Reserve/UAL Reserve	\$ 911,725			(240,478)		40,478	\$ 711,725	(200,000)
Accrued Leave Reserve	\$ 1,472,126						1,472,126	0
Capital Facilities Reserve	1,410,390			(668,575)	326,000		1,067,815	(342,575)
LKS:Capital Equipment & Vehicle Res.	1,563,627			(1,041,000)	690,000	49,000	1,261,627	(302,000)
CSA: Capital Equipment & Vehicle Res.	254,896			(275,500)	239,557		218,953	(35,943)
HCFA JPA Liability Reserve	620,700			(31,000)			589,700	(31,000)
CSA-69 Reserve	333,211			(30,000)			303,211	(30,000)
<i>Committed:</i>								
Economic Budget Stability Reserve	3,688,752						3,688,752	0
<i>Unassigned:</i>								
Fund Balance	521,943					(89,478)	432,465	(89,478)
Available (Budget)		18,239,487	(19,340,756)	(1,255,557)	2,286,553	-	(70,273)	(70,273)
Total General Fund	\$ 10,777,370	\$ 18,239,487	\$ (19,340,756)	\$ (1,255,557)	\$ 2,286,553	\$ -	\$ 9,676,102	(1,101,269)
*Self-Insured Retention Reserve - Liability account 100-2200							657,418	

Estimated Fund balance at the end of FY21-22 is \$9.68 million or 74% of property tax revenue.

What the Future Holds



FUTURE POTENTIAL IMPACTS:

- Increased costs of personnel and costs of good and services
- Increased CalPERS unfunded liability due to investment losses in the retiree fund in FY19-20
- Decreased Property Tax revenue due to impacts of the COVID-19 Pandemic

GOALS/PLANS:

- Review and amend the General Fund Reserves Policy
- Review and amend the Capital Funding Plan and Capital Replacement Schedule
- Start the process of acquiring a Pension Obligation Fund (POB) to fully or partially fund the CalPERS unfunded liability – This will generate future savings
- Establish a trust 115 to save and prepare for future unfunded costs
- Establish a funding policy to address retirement liabilities



QUESTIONS?
Comments?
Feedback?