



Contra Costa County FPD East Contra FPD



Phase One: Financial Analysis

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Introduction

- AP Triton Consulting, LLC (Triton) was retained by the Contra Costa County Fire Protection District (CCCFPD).
- The intent was to conduct a two-phase study for a potential annexation of the East Contra Costa Fire Protection District (ECCFPD) and the Rodeo-Hercules Fire District (RHFD).
- Phase One entails Triton's review and financial analyses as it relates to the conceptual annexation of East Contra Costa FPD by Contra Costa County FPD.

Introduction

- Should it be determined via the analysis from Phase One that annexation of ECCFPD is feasible and viable, and if approved by CCCFPD and RHFPD, Triton will move forward with Phase Two.
- Phase Two is a comprehensive feasibility analysis of annexation of RHFPD into CCCFPD. The intent was to conduct a two-phase study for a potential annexation of the East Contra Costa Fire Protection District (ECCFPD) and the Rodeo-Hercules Fire District (RHFD) inclusive of ECCFPD.
- Phase Two will include Contra Costa County's Local Agency Formation Commission (LAFCO) Service and Sphere Review Requirements found in CGC sections 56430 and 56425.

Phase One Process

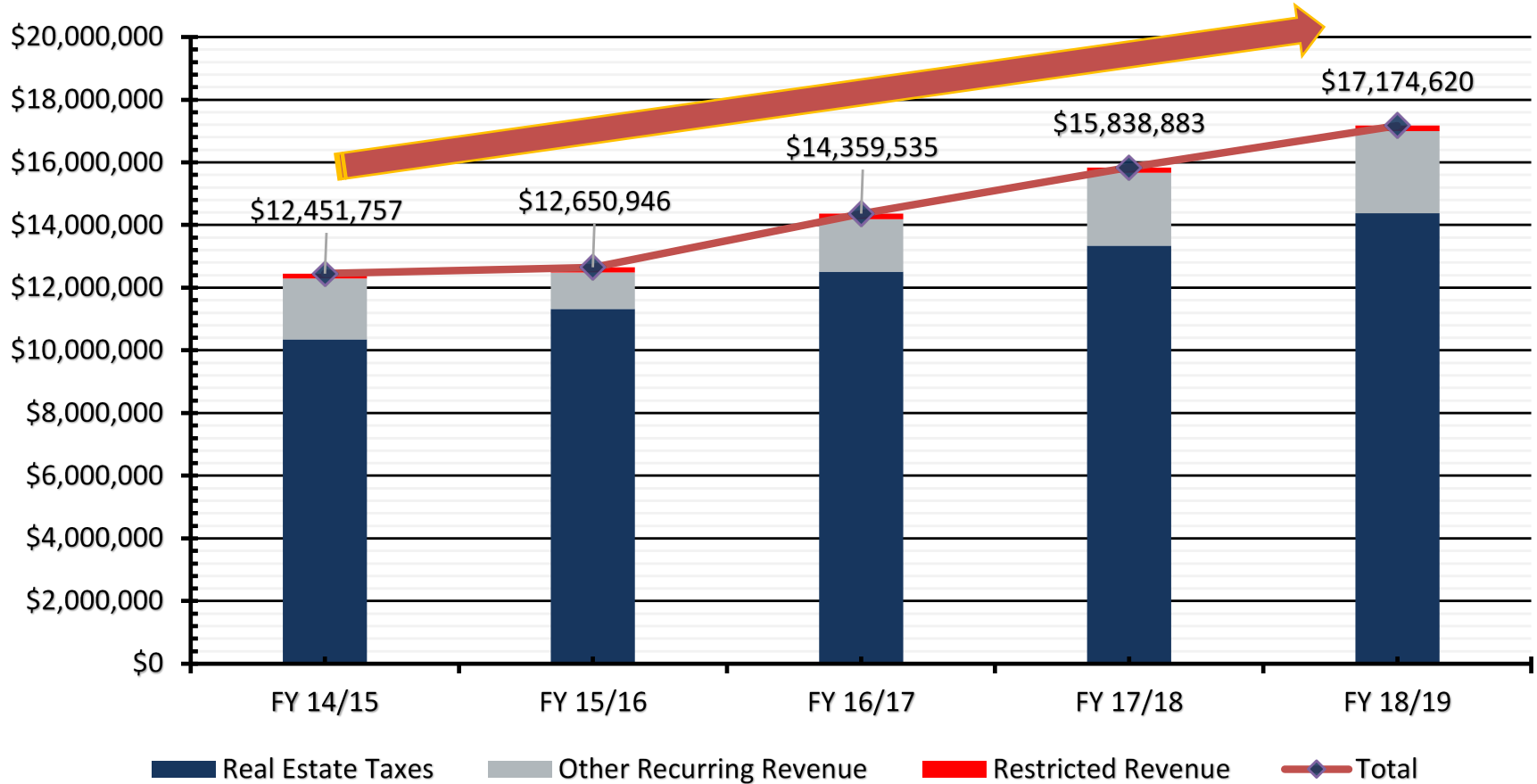
- Triton's assessment incorporated organizational and operational expenditure projections previously prepared by CCCFPD.
- The process was developed to coincide with the concept of annexation by CCCFPD along with an analysis of the revenue history of ECCFPD.

ECCFPD Historic Revenue Sources (FY 14/15–FY 18/19)

Report Figure 1

Revenues	Actual				
	14/15	15/16	16/17	17/18	18/19
Property taxes	10,353,555	11,316,855	12,515,243	13,343,148	14,379,074
Other taxes	494,272	664,678	743,428	583,362	711,111
Intergovernmental revenues	1,437,691	498,896	915,918	218,391	534,247
Byron Bethany Irrigation District	-	-	-	802,280	839,358
Other recurring revenue	5,961	1,993	15,785	15,600	126,600
Recurring revenue	12,291,479	12,482,422	14,190,374	14,962,781	16,590,390
Non-recurring revenue	-	-	-	703,186	408,349
Special restricted revenues	160,278	168,524	169,161	172,916	175,881
TOTAL REVENUE	12,451,757	12,650,946	14,359,535	15,838,883	17,174,620

ECCFPD Historic Revenues Indicating Trends (FY 14/15–FY 18/19)



ECCFPD Adopted Budget (FY 20/21 Revenues)

Report Figure 3

Revenue	FY 20/21
Property taxes	15,671,269
Other taxes	585,487
Intergovernmental revenues	-
Byron Bethany Irrigation District	946,514
Other recurring revenue	455,500
Recurring revenue	17,658,770
Non-recurring revenue	4,500
Special restricted revenues	412,527
TOTAL REVENUE	18,075,797

ECCFPD Projected Revenues (FY 21/22–FY 26/27)

Report Figure 4

Projected Revenue	Actual					
	21/22	22/23	23/24	24/25	25/26	26/27
Property taxes	16,290,283	16,941,894	17,619,570	18,324,352	19,057,327	19,819,620
Other taxes	585,487	585,487	585,487	585,487	585,487	585,487
Intergovernmental revenues	-	-	-	-	-	-
Byron Bethany Irrigation District	956,515	975,645	995,158	1,015,061	1,035,363	1,056,070
Other recurring revenue	190,000	193,500	197,070	200,711	204,426	208,214
Recurring revenue	18,022,285	18,696,526	19,397,285	20,125,611	20,882,603	21,669,391
Non-recurring revenue	1,240	1,265	1,290	1,316	1,342	1,369
Special restricted revenues	429,083	444,823	460,638	468,529	484,497	492,546
TOTAL REVENUE	18,452,608	19,142,614	19,859,213	20,595,456	21,368,442	22,163,306

Projected Expenditures (FY 21/22–FY 26/27)

Report Figure 5

Projected Expenditures	21/22	22/23	23/24	24/25	25/26	26/27
Total salaries & benefits	9,037,150	14,955,015	16,362,936	17,344,712	18,385,395	19,488,518
Total services & supplies	1,795,903	1,851,409	1,908,645	2,022,303	2,084,805	2,149,254
Total recurring expenses	10,833,053	16,806,424	18,271,581	19,367,015	20,470,200	21,637,772
Total capital and lease costs	719,147	1,018,075	1,022,121	504,071	508,363	512,784
Total expenditures	11,552,200	17,824,499	19,293,702	19,871,086	20,978,563	22,150,556

Summary of Revenues & Expenditures

(FY 21/22–FY 26/27)

Revenues/Expenses	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Recurring Revenue	18,022,285	18,696,526	19,397,285	20,125,611	20,882,603	21,669,391
Non-Recurring Revenue	1,240	1,265	1,290	1,316	1,342	1,369
Total Special Revenue (Net)	494,083	444,823	460,638	468,529	484,497	492,546
TOTAL REVENUES:	18,517,608	19,142,614	19,859,213	20,595,456	21,368,442	22,163,306
Total Salaries & Benefits	9,037,150	14,955,015	16,362,936	17,344,712	18,385,395	19,488,518
Total Services & Supplies	1,795,903	1,851,409	1,908,645	2,022,303	2,084,805	2,149,254
Total Recurring Expenses	10,833,053	16,806,424	18,271,581	19,367,015	20,470,200	21,637,772
Capital Costs & Lease Pmnt.	719,147	1,018,075	1,022,121	504,071	508,363	512,784
TOTAL EXPENDITURES:	11,552,200	17,824,499	19,293,702	19,871,086	20,978,563	22,150,556
Net Cash Flow (Deficit)	6,965,408	1,318,115	565,511	724,370	389,879	12,750

Conclusions

- ECCFPD has funding sufficient to staff three fire stations.
- BBID funding is available to ECCFPD and any successor agency providing the service to the Irrigation District area.
- ECCFPD property taxes have increased at a rate of 8% annually.
- Additional real estate development is anticipated in the ECCFPD area.
- Contra Costa County FPD has the capacity, funding and administrative support to successfully integrate ECCFPD operations into its organizational structure.

Recommendations

- The fire districts should consider taking the next steps toward annexation of ECCFPD into CCCFPD. Triton believes this would result in economies of scale and a more cost-effective overall organization.
- Additional sources of revenue to fund operations should be explored to ensure operational cash-flow continues to produce an excess.
- Long-lived assets such as apparatus and equipment need to be replaced on a scheduled basis, requiring the accumulation of reserve funding.
- The fire service should pursue the possibility of acquiring a portion of the Measure X funding, as it could greatly enhance the ability to open additional ECCFPD fire stations.



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QUESTIONS?