

ATTACHMENT 2 – Scenarios

The scenarios below present a possible range of costs. As the Management Partners’ report identified, suppression base compensation is about 16% below market, the scenarios below apply the 16% over the next two years, with 8.0% factored into FY 2023-24 and 8.0% factored into FY 2024-25. The ongoing cost of living adjustments (COLA) are based on growth factors applied by Management Partners in their report presented on September 6, 2022 (see table 1 below).

Table 1: Growth Scenario Variables

City Growth Scenario Variables:						OCFA Growth Scenario Variables:		
	COLA1	COLA2	Health	Other	Revenue	OCFA1	OCFA2	OCFA3
High	8.00%	3.25%	3.50%	3.00%	2.25%	4.50%	4.25%	4.00%
Medium	8.00%	3.00%	3.00%	2.50%	2.00%	4.00%	3.75%	3.50%
Low	8.00%	2.75%	2.50%	2.00%	1.75%	3.50%	3.25%	3.00%
FY24 & 25		FY26>	FY24-26		FY27-30	FY31>		

The Growth Scenario Variable table above is presented by fiscal year in Table 2 below.

Table 2: Growth Scenario Variable Assumptions by Fiscal Year

Growth Scenario Assumptions Presented by Fiscal Year											
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
		FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32
COLA	High	MP Base	8.00%	8.00%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
COLA	Medium	MP Base	8.00%	8.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
COLA	Low	MP Base	8.00%	8.00%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Health	High	MP Base	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Health	Medium	MP Base	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Health	Low	MP Base	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Other	High	MP Base	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other	Medium	MP Base	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Other	Low	MP Base	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Revenue	High	MP Base	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Revenue	Medium	MP Base	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Revenue	Low	MP Base	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
OCFA	High	OCFA Proposal	4.50%	4.50%	4.50%	4.25%	4.25%	4.25%	4.25%	4.00%	4.00%
OCFA	Medium	OCFA Proposal	4.00%	4.00%	4.00%	3.75%	3.75%	3.75%	3.75%	3.50%	3.50%
OCFA	Low	OCFA Proposal	3.50%	3.50%	3.50%	3.25%	3.25%	3.25%	3.25%	3.00%	3.00%

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Scenario A: High City Cost / Low OCFA Cost Estimates

This scenario estimates City costs with ongoing COLA of 3.25% annually beginning with FY 2025-26; City Health related costs estimated at 3.50% annually; Other City costs estimated at 3.00%; Revenue estimated at 2.25% annual growth.

This scenario estimates OCFA cost increases of 3.50% annually between FY 2023-24 to FY 2025-26; increases of 3.25% annually between FY 2026-27 to FY 2029-30; increases of 3.00% from FY 2030-31 and thereafter.

Net Cost / (Savings) (in millions)										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32
High City Cost / Low OCFA Cost										
Low OCFA	27.44	27.65	28.52	29.34	30.06	30.81	31.44	32.00	32.18	32.60
High City	<u>21.87</u>	<u>23.21</u>	<u>24.64</u>	<u>25.37</u>	<u>26.06</u>	<u>26.76</u>	<u>27.34</u>	<u>27.87</u>	<u>28.26</u>	<u>28.69</u>
Net Cost / (Savings)	5.57	4.44	3.88	3.97	4.00	4.05	4.10	4.13	3.92	3.91

Scenario B: Low City Cost / High OCFA Cost Estimates

This scenario estimates City costs with ongoing COLA of 2.75% annually beginning with FY 2025-26; City Health related costs estimated at 2.50% annually; Other City costs estimated at 2.00%; Revenue estimated at 1.75% annual growth.

This scenario estimates OCFA cost increases of 4.50% annually between FY 2023-24 to FY 2025-26; increases of 4.25% annually between FY 2026-27 to FY 2029-30; increases of 4.00% from FY 2030-31 and thereafter.

Net Cost / (Savings) (in millions)										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32
Low City Cost / High OCFA Cost										
High OCFA	27.44	27.86	28.96	30.03	31.01	32.04	32.97	33.86	34.37	35.16
Low City	<u>21.87</u>	<u>23.15</u>	<u>24.52</u>	<u>25.11</u>	<u>25.65</u>	<u>26.19</u>	<u>26.61</u>	<u>26.96</u>	<u>27.17</u>	<u>27.41</u>
Net Cost / (Savings)	5.57	4.71	4.44	4.92	5.36	5.85	6.36	6.90	7.20	7.75

Scenario C: Medium City Cost / Medium OCFA Cost Estimates

This scenario estimates City costs with ongoing COLA of 3.00% annually beginning with FY 2025-26; City Health related costs estimated at 3.00% annually; Other City costs estimated at 2.50%; Revenue estimated at 2.0% annual growth.

This scenario estimates OCFA cost increases of 4.00% annually between FY 2023-24 to FY 2025-26; increases of 3.75% annually between FY 2026-27 to FY 2029-30; increases of 3.5% from FY 2030-31 and thereafter.

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Net Cost / (Savings) (in millions)										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32
Medium City Cost / Medium OCFA										
Medium OCFA	27.44	27.75	28.74	29.68	30.53	31.42	32.19	32.92	33.26	33.85
Medium City	21.87	23.18	24.58	25.24	25.85	26.48	26.97	27.41	27.70	28.04
Net Cost / (Savings)	5.57	4.57	4.16	4.44	4.68	4.94	5.22	5.51	5.55	5.81

Table 3: Net Cost / (Savings) Scenario Comparison

Table 3 below compares the net cost difference between Scenarios A, B, and C.

The chart below depicts the different net cost of contracting out to OCFA based on the variable growth assumptions.

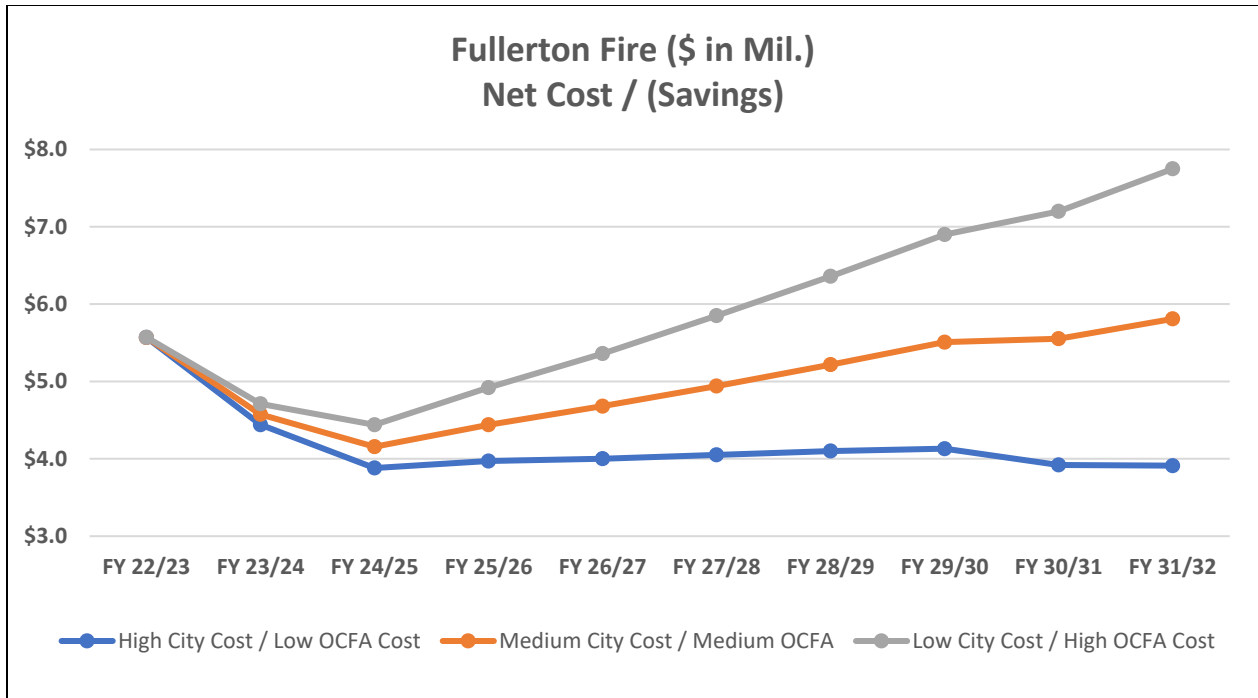
Scenario A is depicted in the blue line and contrasts high City variable growth factors against low OCFA growth factors.

Scenario B is depicted in the grey line and contrasts low City variable growth factors against high OCFA growth factors.

Scenario C is depicted in the orange line and contrasts medium City variable growth factors against high OCFA growth factors.

Net Cost / (Savings) (in millions)										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32
High City Cost / Low OCFA Cost	5.57	4.44	3.88	3.97	4.00	4.05	4.10	4.13	3.92	3.91
Medium City Cost / Medium OCFA	5.57	4.57	4.16	4.44	4.68	4.94	5.22	5.51	5.55	5.81
Low City Cost / High OCFA Cost	5.57	4.71	4.44	4.92	5.36	5.85	6.36	6.90	7.20	7.75

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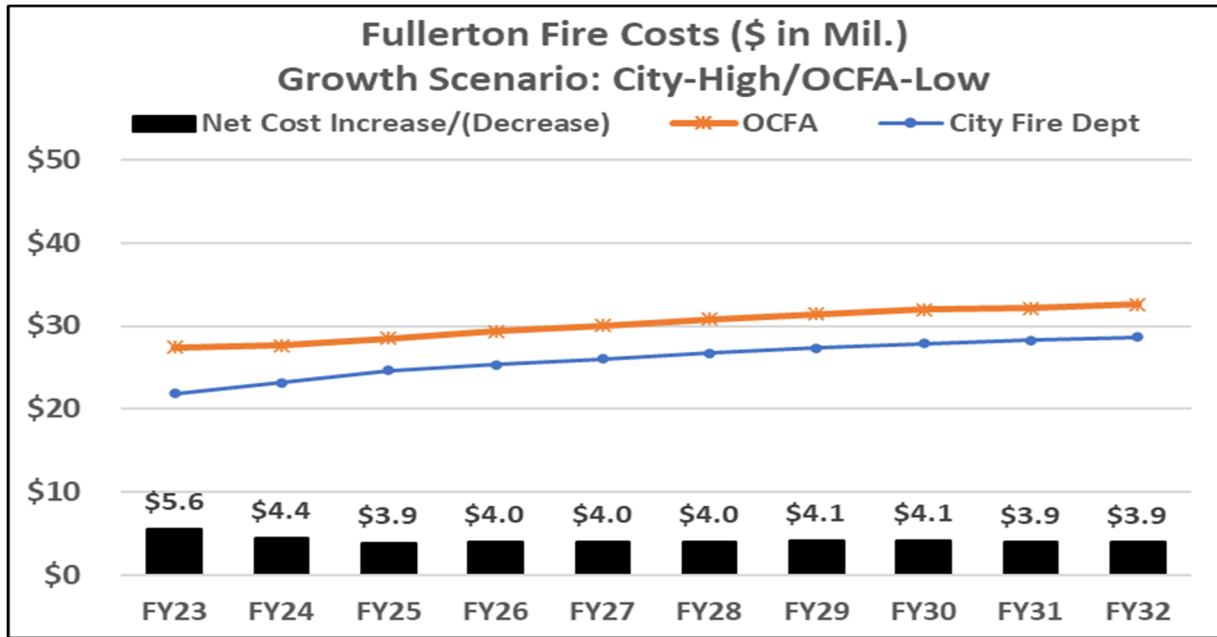
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Scenario A: High City Cost / Low OCFA Cost Estimates

Cost Comparison with Growth Scenario: Growth Scenario: City-High/OCFA-Low

Fire Dept Forecast (\$ in millions)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32
Expense:										
Personnel	\$20.07	\$21.31	\$22.64	\$23.27	\$23.84	\$24.43	\$24.89	\$25.29	\$25.56	\$25.86
Contract Cost	\$3.04	\$3.14	\$3.23	\$3.33	\$3.43	\$3.53	\$3.64	\$3.74	\$3.86	\$3.97
Other O&M	\$4.57	\$4.70	\$4.85	\$4.99	\$5.14	\$5.30	\$5.45	\$5.62	\$5.79	\$5.96
Total Expense	\$27.68	\$29.15	\$30.72	\$31.59	\$32.41	\$33.26	\$33.98	\$34.66	\$35.20	\$35.79
% growth	4.64%	5.31%	5.38%	2.83%	2.60%	2.61%	2.19%	1.98%	1.57%	1.69%
Revenue:										
Ambulance	\$4.13	\$4.22	\$4.31	\$4.41	\$4.51	\$4.61	\$4.72	\$4.82	\$4.93	\$5.04
Paramedic Subscription	\$0.71	\$0.72	\$0.74	\$0.75	\$0.77	\$0.79	\$0.81	\$0.82	\$0.84	\$0.86
Paramedic/Misc Fees	\$0.31	\$0.32	\$0.32	\$0.33	\$0.34	\$0.35	\$0.35	\$0.36	\$0.37	\$0.38
Other Revenue	\$0.67	\$0.68	\$0.70	\$0.72	\$0.73	\$0.75	\$0.76	\$0.78	\$0.80	\$0.82
Total Revenue	\$5.81	\$5.94	\$6.08	\$6.21	\$6.35	\$6.49	\$6.64	\$6.79	\$6.94	\$7.10
Net Expense	\$21.87	\$23.21	\$24.64	\$25.37	\$26.06	\$26.76	\$27.34	\$27.87	\$28.26	\$28.69
% growth	11.77%	6.13%	6.18%	2.97%	2.69%	2.70%	2.18%	1.91%	1.40%	1.55%
OCFA Forecast										
(\$ in millions)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32
OCFA Contract	\$21.84	\$22.60	\$23.39	\$24.20	\$24.99	\$25.80	\$26.63	\$27.50	\$28.32	\$29.17
Pension UAL Expense	\$5.38	\$5.59	\$5.79	\$5.98	\$6.09	\$6.14	\$6.07	\$5.88	\$5.54	\$5.22
Retiree Medical	\$0.47	\$0.50	\$0.50	\$0.43	\$0.36	\$0.36	\$0.34	\$0.34	\$0.35	\$0.35
Private Transport/Billing	\$2.79	\$2.88	\$2.96	\$3.05	\$3.14	\$3.24	\$3.34	\$3.44	\$3.54	\$3.64
Property Insurance	\$0.51	\$0.53	\$0.55	\$0.56	\$0.58	\$0.60	\$0.61	\$0.63	\$0.65	\$0.67
Workers Compensation	\$0.93	\$0.84	\$0.74	\$0.65	\$0.56	\$0.47	\$0.37	\$0.28	\$0.19	\$0.09
Other Expense	\$0.87	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.00	\$0.00
Total Expense	\$32.80	\$33.13	\$34.12	\$35.07	\$35.92	\$36.80	\$37.56	\$38.27	\$38.59	\$39.15
% growth		0.77%	3.15%	2.88%	2.45%	2.49%	2.04%	1.81%	0.55%	1.31%
Revenue Retained by City	(\$5.36)	(\$5.48)	(\$5.61)	(\$5.73)	(\$5.86)	(\$5.99)	(\$6.13)	(\$6.26)	(\$6.41)	(\$6.55)
Net Expense	\$27.44	\$27.65	\$28.52	\$29.34	\$30.06	\$30.81	\$31.44	\$32.00	\$32.18	\$32.60
Net Cost/(Savings) from Shift to OCFA	\$5.57	\$4.44	\$3.88	\$3.97	\$4.00	\$4.05	\$4.09	\$4.14	\$3.92	\$3.91
City COLA		8.00%	8.00%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
OCFA Contract Increase		3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.00%	3.00%
Net Cost/(Savings) as a % of City Net Expense	25%	19%	16%	16%	15%	15%	15%	15%	14%	14%

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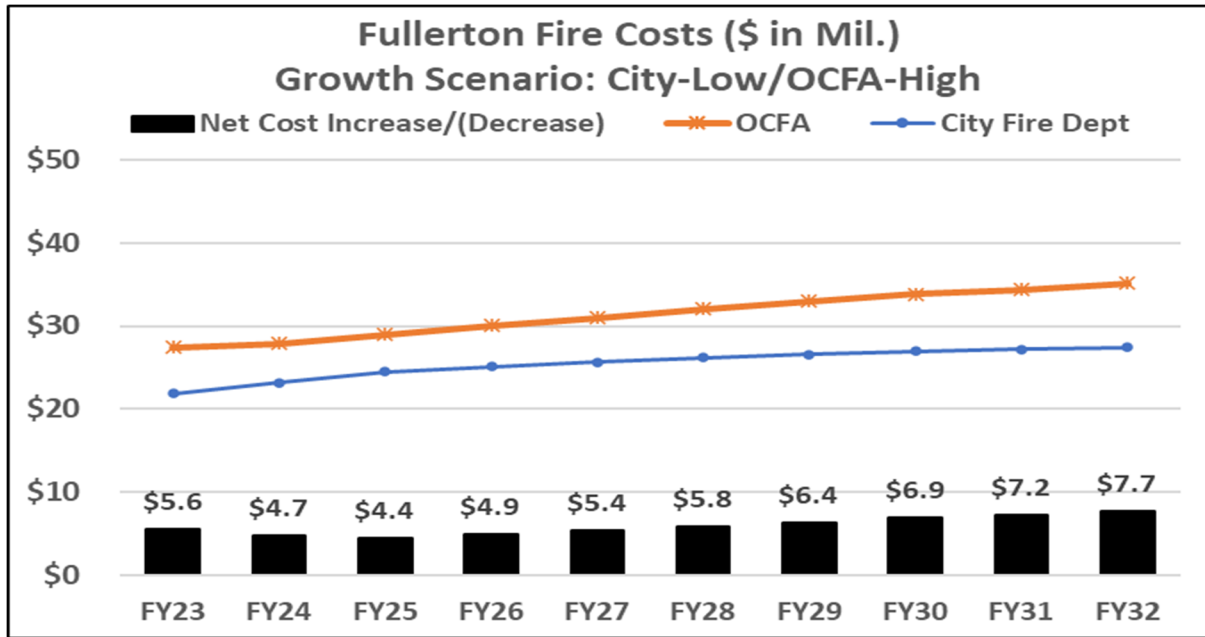
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Scenario B: Low City Cost / High OCFA Cost Estimates

Cost Comparison with Growth Scenario: Growth Scenario: City-Low/OCFA-High

Fire Dept Forecast (\$ in millions)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32
Expense:										
Personnel	\$20.07	\$21.30	\$22.62	\$23.16	\$23.64	\$24.13	\$24.49	\$24.78	\$24.93	\$25.11
Contract Cost	\$3.04	\$3.11	\$3.17	\$3.23	\$3.30	\$3.36	\$3.43	\$3.50	\$3.57	\$3.64
Other O&M	\$4.57	\$4.66	\$4.75	\$4.85	\$4.94	\$5.04	\$5.14	\$5.25	\$5.35	\$5.46
Total Expense	\$27.68	\$29.06	\$30.54	\$31.24	\$31.88	\$32.53	\$33.06	\$33.52	\$33.84	\$34.21
% growth	4.64%	5.00%	5.08%	2.28%	2.05%	2.06%	1.62%	1.40%	0.96%	1.07%
Revenue:										
Ambulance	\$4.13	\$4.20	\$4.27	\$4.35	\$4.42	\$4.50	\$4.58	\$4.66	\$4.74	\$4.82
Paramedic Subscription	\$0.71	\$0.72	\$0.73	\$0.74	\$0.76	\$0.77	\$0.78	\$0.80	\$0.81	\$0.82
Paramedic/Misc Fees	\$0.31	\$0.32	\$0.32	\$0.33	\$0.33	\$0.34	\$0.34	\$0.35	\$0.36	\$0.36
Other Revenue	\$0.67	\$0.68	\$0.69	\$0.71	\$0.72	\$0.73	\$0.74	\$0.76	\$0.77	\$0.78
Total Revenue	\$5.81	\$5.91	\$6.02	\$6.12	\$6.23	\$6.34	\$6.45	\$6.56	\$6.68	\$6.79
Net Expense	\$21.87	\$23.15	\$24.52	\$25.11	\$25.65	\$26.19	\$26.61	\$26.96	\$27.17	\$27.41
% growth	11.77%	5.86%	5.93%	2.41%	2.12%	2.14%	1.59%	1.31%	0.77%	0.90%
OCFA Forecast (\$ in millions)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32
OCFA Contract	\$21.84	\$22.82	\$23.84	\$24.91	\$25.96	\$27.06	\$28.21	\$29.41	\$30.58	\$31.80
Pension UAL Expense	\$5.38	\$5.59	\$5.79	\$5.98	\$6.09	\$6.14	\$6.07	\$5.88	\$5.54	\$5.22
Retiree Medical	\$0.47	\$0.50	\$0.50	\$0.43	\$0.36	\$0.36	\$0.34	\$0.34	\$0.35	\$0.35
Private Transport/Billing	\$2.79	\$2.85	\$2.91	\$2.96	\$3.02	\$3.08	\$3.15	\$3.21	\$3.27	\$3.34
Property Insurance	\$0.51	\$0.52	\$0.54	\$0.55	\$0.56	\$0.57	\$0.58	\$0.59	\$0.60	\$0.61
Workers Compensation	\$0.93	\$0.84	\$0.74	\$0.65	\$0.56	\$0.47	\$0.37	\$0.28	\$0.19	\$0.09
Other Expense	\$0.87	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.00	\$0.00
Total Expense	\$32.80	\$33.31	\$34.51	\$35.67	\$36.75	\$37.88	\$38.92	\$39.91	\$40.53	\$41.42
% growth		1.54%	3.95%	3.69%	3.27%	3.32%	2.90%	2.70%	1.52%	2.28%
Revenue Retained by City	(\$5.36)	(\$5.45)	(\$5.55)	(\$5.65)	(\$5.75)	(\$5.85)	(\$5.95)	(\$6.05)	(\$6.16)	(\$6.27)
Net Expense	\$27.44	\$27.86	\$28.96	\$30.03	\$31.01	\$32.04	\$32.97	\$33.86	\$34.37	\$35.16
Net Cost/(Savings) from Shift to OCFA	\$5.57	\$4.71	\$4.44	\$4.91	\$5.36	\$5.84	\$6.36	\$6.90	\$7.21	\$7.74
City COLA		8.00%	8.00%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
OCFA Contract Increase		4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.00%	4.00%
Net Cost/(Savings) as a % of City Net Expense	25%	20%	18%	20%	21%	22%	24%	26%	27%	28%

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Scenario C: Medium City Cost / Medium OCFA Cost Estimates

Cost Comparison with Growth Scenario: Growth Scenario: City-Med/OCFA-Med

Fire Dept Forecast (\$ in millions)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32
Expense:										
Personnel	\$20.07	\$21.30	\$22.63	\$23.21	\$23.74	\$24.28	\$24.69	\$25.03	\$25.24	\$25.48
Contract Cost	\$3.04	\$3.12	\$3.20	\$3.28	\$3.36	\$3.44	\$3.53	\$3.62	\$3.71	\$3.80
Other O&M	\$4.57	\$4.68	\$4.80	\$4.92	\$5.04	\$5.17	\$5.30	\$5.43	\$5.57	\$5.70
Total Expense	\$27.68	\$29.11	\$30.63	\$31.41	\$32.14	\$32.89	\$33.52	\$34.08	\$34.51	\$34.99
% growth	4.64%	5.16%	5.23%	2.55%	2.32%	2.34%	1.90%	1.68%	1.26%	1.38%
Revenue:										
Ambulance	\$4.13	\$4.21	\$4.29	\$4.38	\$4.47	\$4.56	\$4.65	\$4.74	\$4.84	\$4.93
Paramedic Subscription	\$0.71	\$0.72	\$0.73	\$0.75	\$0.76	\$0.78	\$0.79	\$0.81	\$0.83	\$0.84
Paramedic/Misc Fees	\$0.31	\$0.32	\$0.32	\$0.33	\$0.34	\$0.34	\$0.35	\$0.36	\$0.36	\$0.37
Other Revenue	\$0.67	\$0.68	\$0.70	\$0.71	\$0.72	\$0.74	\$0.75	\$0.77	\$0.78	\$0.80
Total Revenue	\$5.81	\$5.93	\$6.05	\$6.17	\$6.29	\$6.42	\$6.54	\$6.68	\$6.81	\$6.94
Net Expense	\$21.87	\$23.18	\$24.58	\$25.24	\$25.85	\$26.48	\$26.97	\$27.41	\$27.70	\$28.04
% growth	11.77%	5.99%	6.05%	2.69%	2.40%	2.42%	1.88%	1.61%	1.08%	1.22%
OCFA Forecast (\$ in millions)										
OCFA Contract	\$21.84	\$22.71	\$23.61	\$24.55	\$25.47	\$26.42	\$27.41	\$28.44	\$29.43	\$30.46
Pension UAL Expense	\$5.38	\$5.59	\$5.79	\$5.98	\$6.09	\$6.14	\$6.07	\$5.88	\$5.54	\$5.22
Retiree Medical	\$0.47	\$0.50	\$0.50	\$0.43	\$0.36	\$0.36	\$0.34	\$0.34	\$0.35	\$0.35
Private Transport/Billing	\$2.79	\$2.86	\$2.93	\$3.01	\$3.08	\$3.16	\$3.24	\$3.32	\$3.40	\$3.49
Property Insurance	\$0.51	\$0.53	\$0.54	\$0.55	\$0.57	\$0.58	\$0.60	\$0.61	\$0.63	\$0.64
Workers Compensation	\$0.93	\$0.84	\$0.74	\$0.65	\$0.56	\$0.47	\$0.37	\$0.28	\$0.19	\$0.09
Other Expense	\$0.87	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.00	\$0.00
Total Expense	\$32.80	\$33.22	\$34.32	\$35.37	\$36.33	\$37.33	\$38.23	\$39.07	\$39.54	\$40.26
% growth		1.15%	3.55%	3.28%	2.86%	2.90%	2.47%	2.25%	1.03%	1.79%
Revenue Retained by City	(\$5.36)	(\$5.47)	(\$5.58)	(\$5.69)	(\$5.80)	(\$5.92)	(\$6.04)	(\$6.16)	(\$6.28)	(\$6.41)
Net Expense	\$27.44	\$27.75	\$28.74	\$29.68	\$30.53	\$31.42	\$32.19	\$32.92	\$33.26	\$33.85
Net Cost/(Savings) from Shift to OCFA	\$5.57	\$4.57	\$4.16	\$4.44	\$4.68	\$4.94	\$5.22	\$5.51	\$5.55	\$5.81
City COLA		8.00%	8.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
OCFA Contract Increase		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	3.50%	3.50%
Net Cost/(Savings) as a % of City Net Expense	25%	20%	17%	18%	18%	19%	19%	20%	20%	21%

ATTACHMENT 2 – Scenarios

