

**City of San Bernardino Responses to
LAFCO Questions:**

**Letter From City Attorney
Dated January 4, 2016;**

**Letter from City Manager
Dated November 9, 2015,
and Letter Dated November 2, 2015**

Attachment 4



OFFICE OF THE CITY ATTORNEY
CITY OF SAN BERNARDINO

RECEIVED
JAN 06 2016

LAFCO
San Bernardino County

GARY D. SAENZ
CITY ATTORNEY

REVISED

January 4, 2016

Mrs. Kathleen Rollins-McDonald, Executive Director
San Bernardino Local Agency Formation Commission
215 N. "D" Street, Suite 204
San Bernardino, Ca 92415

Re: Annexation of the City of San Bernardino into County of San Bernardino Fire District

Dear Mrs. Rollings-McDonald:

With regard to the City of San Bernardino's (City) application with LAFCO, we hereby address the following:

Conveyance of Property (Real and Personal)

The City will convey all Fire and EMS Services property and equipment owned by the City upon annexation into the County of San Bernardino's Fire District (County Fire District), effective July 1, 2016.

The City will **sublease** the Fire Fleet Maintenance Facility to the County for \$1 00 per year effective July 1, 2016, through June 30, **2022**. Effective July 1, **2022**, the City will convey ownership of the facility via transfer of the title to the County Fire District.

Ordinance(s) and Fee Schedule(s)

The City will adopt the fee schedule and San Bernardino County Fire Code (referencing the 2013 Edition of the California Fire Code and 2013 Edition of the California Residential Code) along with those certain changes, modifications, amendments, additions, deletions, and exceptions, relating to fire regulations as currently exists within the San Bernardino County Fire Protection District. The adoption will become effective upon annexation into the County Fire District on July 1, 2016.

San Bernardino Local Agency Formation Commission
Re: Annexation of the City of San Bernardino into County of San Bernardino Fire District
January 4, 2016
Page 2 of 2

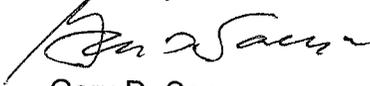
Third-Party Contract Assignments/Releases

The following third-party contractors have agreed to assignment of their respective contract(s) to the County of San Bernardino upon annexation, and all such assignments will be executed and effective July 1, 2016:

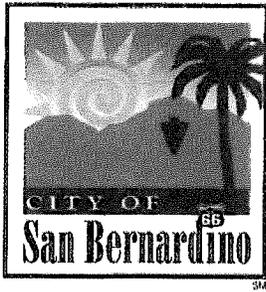
- San Bernardino Community College District, Crafton Hills College
- Amerik Medical Billing
- Fire Recovery USA, LLC
- US Forest Service
- Debbie Bavel, M.D.
- Department of State Hospitals – Patton
- San Manuel Band of Mission Indians
- Willdan Engineering
- San Bernardino Regional Training Center
- San Bernardino International Airport Authority

Should you have any questions, please contact me at (909) 384-5355.

Sincerely,



Gary D. Saenz
City Attorney



November 9, 2015

OFFICE OF THE CITY MANAGER
ALLEN PARKER – CITY MANAGER

300 North "D" Street • San Bernardino • CA 92418-0001
 909.384.5122 • Fax: 909.384.5138
 www.sbcity.org

Kathleen Rollings-McDonald
 Executive Officer
 San Bernardino LAFCO
 215 North "D" Street, Suite 2014
 San Bernardino, CA 92415

Dear Kathleen:

Pursuant to the request for additional information related to the City's application for annexation into the San Bernardino County Fire Protection District, attached is the City's policy adopted by the San Bernardino Common Council on November 2, 2015 for the handling of leave balances for General Unit employees when an employee leaves employment with the City. We believe the same policy would be applicable to transitioning fire employees. Essentially, they would be paid for post-petition leave balances up to the cap in the applicable MOU. These are leave balances accrued after August 2012. For pre-petition leave balances, (those on the books in August 2012), the employees will be paid an amount to be determined in bankruptcy court based on recovery for unsecured creditors. (This will likely be around 1% of the value of the balances.)

We did an analysis of the leave balances for fire employees eligible for transition to the San Bernardino County Fire District. This is shown in the table below which is based on data as of September 21, 2015.

Leave Balance Data Category	
Staff with positive leave balances after elimination of pre-petition balance	16
Staff with negative leave balances after elimination of pre-petition balance	74
Average positive leave balance in hours	23.9
Average negative leave balance in hours	235.8
Total negative leave balance in hours	17,446
Total positive leave balance in hours eligible for payment on separation	382
Total pre-petition leave hours	74,606

The vast majority of fire personnel have used all of their pre-petition leave balances, and most post-petition leave balances. Whereas there was an aggregate leave balance of some 74,000 hours in August 2012, there is now very little leave which would be payable (of the post-petition variety) upon termination, only 382 hours. We believe that employees are using their leave rather than being subject to uncertainty about how leave balances will be treated by the City.

At the current time, the City would apply the adopted policy to transitioning fire employees, paying only post-petition leave balances upon separation from City employment.

Sincerely,

A handwritten signature in black ink, appearing to read "Allen Parker", written in a cursive style.

Allen Parker
City Manager

Copy: Gary Saenz, City Attorney
Linda Daube
Paul Glassman
Andy Belknap, Management Partners
Mark Hartwig, Chief, San Bernardino County Fire
Don Trapp, Deputy Chief, San Bernardino County Fire

Side Letter Agreement between the City of San Bernardino ("City") and the General Unit Employees represented by the International Union of Operating Engineers (IUOE) amending the terms and conditions of employment.

The following sets forth the Amendment to Side Letter Resolution 2015-xxx for full-time, non-safety, General Unit employees, Article V – Leaves – Pre-Petition Leave Balances. The remainder of the resolution remains in effect with the following change.

ARTICLE V – LEAVES

NEW SECTION – Pre-Petition Leave Balances

This section affects those General Unit employees employed by the City on the approval date of this Side Letter Agreement who had existing leave accruals for vacation leave, sick leave and holiday leave on August 1, 2012.

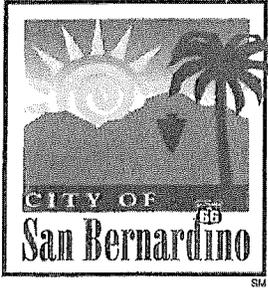
All vacation leave balances, sick leave balances and holiday leave balances that all employees in this bargaining group had accrued as of August 1, 2012 ("pre-petition leave") will be separated from post August 1, 2012 leave accruals ("post-petition leave") in each of these leave categories.

Pre-petition leave balances, including vacation leave, sick leave and holiday leave, may be utilized by employees in this bargaining group. However, employees are *required* to utilize all post-petition leave accruals in each category before they utilize any pre-petition leave accruals in the same leave category.

Upon separation from employment with the City, employees will receive payment for any post-petition leave balances according to the terms and conditions outlined in their existing Memorandums of Understanding/Side Letter Agreements and the final paragraph of this section.

Upon separation from employment with the City, employees will *not* receive payment for any pre-petition leave balances. The monetary value of all pre-petition leave bank accruals will be placed in the unsecured creditors' pool and be the subject of distribution as part of the bankruptcy unsecured creditors' pool. Upon final approval of the City's Plan of Adjustment by the Bankruptcy Court, any remaining pre-petition leave balances, although available for use by current employees, will have no cash value to current employees upon separation from employment with the City.

Upon separation from employment with the City, with the exception of post-petition vacation accruals, all post-petition leave accruals will be deferred pending the final approval and effective date of a Plan of Adjustment by the Bankruptcy Court.



OFFICE OF THE CITY MANAGER
ALLEN PARKER – CITY MANAGER

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November 2, 2015

Kathleen Rollings-McDonald
Executive Officer
San Bernardino LAFCO
215 North "D" Street, Suite 204
San Bernardino, CA 92415

Dear Kathleen:

As part of the City's application for annexation into the San Bernardino County Fire Protection District (District), we wanted to respond to your request for information regarding the following two properties.

1. *Verdemont Fire Station* – The City owns this property which currently has a debt obligation of approximately \$ 1,695,470 to the California iBank . The City intends to pay the debt and convey the property to District upon approval by LAFCO of the annexation.
2. *City Fire Fleet Facility* – The City owns this property which currently has a debt of \$1,200,000. Upon approval by LAFCO of the annexation, the City intends to lease the property to the District for \$1/year. As part of the restructuring of the City's debt obligations under bankruptcy, the City intends to pay the debt and ultimately convey the property to the District. Due to the bankruptcy proceedings, the timing of this remains uncertain; however, we believe it will occur in the first half of 2016.

Please let us know if you have any further questions or need other information.

Sincerely,

Allen Parker
City Manager