

**Letter Dated April 20, 2016 from City of San Bernardino and San Bernardino County Fire Protection District on Requested Amendment to Condition No. 7**

**Attachment 1**

April 20, 2016

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Kathleen Rollings-McDonald, Executive Officer  
Local Agency Formation Commission for San Bernardino County  
215 North D Street, Suite 204  
San Bernardino, CA 92415-0490

LAFCO  
San Bernardino County

Subject: **LAFCO 3198, Resolution 3211**

Dear Ms. Rollings-McDonald:

The purpose of this letter is to inform you of the City's inability to complete Condition No. 7 as currently presented in the terms and conditions to LAFCO 3198, Resolution 3211. Subsequent to the Commission hearing and expiration of the 30-days reconsideration period, the City was advised by its insurance broker that Tail Insurance is not available through the insurance market for Workers' Compensation claims insured on an occurrence-made basis. The City is self-insured and certified by the State with excess insurance in place through our Joint Powers Authority, BICEP, for claims on an occurrence-made basis. The City will fund sufficient reserves to satisfy any Tail Insurance requirements. In order to satisfy the County's concern for the funding of the reserves, it is requested that the Commission approve the substitute condition determination to allow for the issuance of the Certificate of Completion as provided below.

*Condition No. 7 Prior to issuance of the Certificate of Completion, the City of San Bernardino shall provide the Executive Officer of LAFCO, and the County, documentation that funds meeting the 75% confidence level of the Workers' Compensation Claim Reserve for all City fire suppression personnel and non-fire suppression personnel transitioning to San Bernardino County Fire Protection District (County Fire) and/or CONFIRE have been allocated and isolated in a trust account for the benefit of County Fire and/or CONFIRE. The amount of the trust funds must be supported by the City of San Bernardino's current actuarial report. The trust funds will be provided to County Fire by July 1, 2016.*

Please note that County and City staff have met and agreed to the above substitute condition.

Sincerely,



Mark Scott  
City Manager

Sincerely,



Mark Hartwig, Fire Chief  
San Bernardino County Fire District