



SAN BERNARDINO COUNTY FIRE DISTRICT

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Mountain Division
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Mark A. Hartwig
Fire Chief/Fire Warden

Kathleen Opliger
Division Chief

Fiscal Impact Analysis

Crest Forest Fire Protection District (CFFPD) formed an ad hoc committee after a board action item on the May 12, 2014 meeting. Members of the committee include, Vice-President Robert Goss, Director Jerry Ringhofer Jr., Division Chief Kathleen Opliger, Battalion Chief Ronald Walls, and Administrative Secretary Patti Forsythe. At the June 15, 2014 Board Meeting, Director Ringhofer Jr. reported the ad hoc committee met and strongly recommended the District to move forward with the annexation process.

HISTORY-GENERAL

December 14, 2010, CFFPD approved a board action item to solicit for *All-Risk Community Emergency Response Services* from an outside agency through the distribution of a Request for Proposal (RFP). A contract was awarded to the San Bernardino County Fire Protection District (SBCFPD), commencing July 13, 2013, and ending on June 30, 2023. The agreement included a three-year firm term, commencing upon execution of the contract, during which time neither party may exercise early termination of the agreement. The remainder of the ten-year term was subject to annual renewal with a one-year advance notice if either party intended to exercise the right to terminate the contract.

HISTORY-PARAMEDIC SERVICE

Paramedic Service Zone PM-A

On May 21, 1991, the CFFPD formed Paramedic Service Zone PM-A within its boundaries. The CFFPD Board of Directors, under the authority of Government Code Section 50075, imposed a special tax on parcels within Zone PM-A on February 18, 1992. Voters within Zone PM-A approved the special tax at the November 5, 1991 special election "PM-A Special Tax". This special tax commenced with the 1992-1993 fiscal year, and ***did not include an inflation factor or cost of living increase and does not include a sunset provision.***

Paramedic Service Zone PM-1

In September 1986, County Service Area 70 Improvement Zone PM-1 and the Lake Arrowhead Fire Protection District entered into an agreement whereby the Lake Arrowhead Fire Protection District would provide paramedic and administrative support services to Improvement Zone PM-1 within County Service Area 70. The provision of service was funded by a special tax PM-1 Special Tax under authority of Government Code Section 50077, which was approved by voters on November 3, 1981. The special tax was not to exceed \$10 per parcel.

In February 1991, a special tax election was authorized within County Service Area 70 Improvement Zone PM-1 to increase the authorized special tax to \$17 per parcel. The measure was approved by voters on June 4, 1991. As result of the reorganization of SBCFPD in July 2008, County Service Area 70 was restructured. The PM-1 special tax was transferred to CFFPD to fund paramedic service to the new area. This special tax commenced with the 1991-1992 fiscal year and *did not include an inflation factor or cost of living increase and does not include a sunset provision.*

On January 31, 2012, the CFFPD Board authorized a special election (Measure J and K), held on May 8, 2012, for a special parcel tax for paramedic services. The special parcel tax would establish the District's appropriations limit to the qualified voters of the District. The election proposed a special parcel tax of \$59 per parcel to begin July 1, 2012. Both measures failed to receive the two-thirds majority vote needed to pass.

RATES

Paramedic Service Zone PM-1

The PM-1 Special Tax is \$17 per parcel. *No inflation factor or cost of living increase was included for the PM-1 Special Tax; therefore \$17 remains the current rate.*

Paramedic Service Zone PM-A

The following table shows the PM-A Special Tax rates established by Resolution 01-03, adopted on June 19, 2001. *No inflation factor or cost of living was included for the PM-A Special Tax, therefore the table below reflects the current rates.*

Per	Amount	Units*
Individual Dwelling Unit (IDU)	\$39.50	7318
Commercial Unit (CU)	\$45.00	258
Undeveloped Parcel (UP)	\$24.50	6210

*As of January 2014, Attachment 3 – NBS January 2014 report

Individual Dwelling Unit (IDU) is defined as “a single family residence, an individual apartment unit, condominium or mobile home”.

Commercial Unit (CU) is defined as “an individual wholesale or retail business at a single location”.

Undeveloped Parcel (UP) is defined as “an undeveloped parcel of real property”.

Property taxes are levied and payable in two installments on December 10th and April 10th. The San Bernardino County Treasurer/Tax Collector bills and collects the property taxes and distributes them to the District in installments throughout the year.

Dissolution of CFFPD: A condition of approval shall be included designating SBCFPD Mountain Service Zone as the successor agency for all property tax revenues attributable to the dissolving entity, including delinquent taxes, and any and all other collections or assets of the District to be dissolved, shall accrue and be transferred to the successor District, SBCFPD Mountain Service Zone, pursuant to the provisions of government Code Section 56810. The successor District shall succeed to all rights, duties, responsibilities, properties (both real and personal), contracts, equipment, assets, liabilities, obligations, functions, executory provisions,

entitlements, permits, and approvals of the dissolving CFFPD, except as otherwise outlined in the Conditions of Approval by LAFCO.

LONG-TERM DEBT: FACILITIES

The District has an installment loan with City National Bank, paid through the contract with SBCFPD. The loan is secured by structures and improvements, bears interest at 5.4% per annum, and matures in 2030. SBCFPD, successor public agency, will assume all of the obligations of the District as part of the LAFCO process, including financings. A simple notification of the name and billing address of the successor entity and the lease will continue without interruption. *There is no requirement for a mandatory prepayment of the financing* in the event of an annexation (Reference Attachment 6 - SBCFPD to assume CFFPD facility lease agreement #10-010) nor any penalty if an accelerated prepayment schedule is chosen. CFFPD Facilities Corporation submitted a Certificate of Dissolution to the California Secretary of State on March 2013. All known debts and liabilities were paid and the CFFPD Facilities Corporation was dissolved on April 23, 2013.

Remaining maturities are as follows:

Fiscal Year Ending			
<u>June 30th</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2015	\$115,989	\$69,600	\$185,589
2016	\$112,217	\$70,500	\$182,717
2017	\$108,338	\$76,100	\$184,438
2018	\$104,085	\$86,800	\$190,885
2019-2023	\$441,529	\$547,500	\$989,028
2024-2028	\$265,091	\$797,100	\$1,062,191
2029-2030	<u>\$42,914</u>	<u>\$517,500</u>	<u>\$560,414</u>
Totals	<u>\$1,190,163</u>	<u>\$2,165,100</u>	<u>\$3,355,263</u>

FACILITIES

Real Property owned by the District is valued at approximately 3.5 million dollars (Attachment 9 – CFFPD Basic Financial Statements for the year ended June 30, 2013). The District's Structures/Land Reserves Fund (MCI) is a budget operating transfer out to the District's General Fire Fund (MCG) and is not expected to fund any future capital improvements.

Station	Address	APN	Approx Sq. Ft. Structure	Approx Sq. Ft. Land
24	21945 Crest Forest Drive, Cedarpines Park, CA 92325	0342-212-11	600	123,710
25	23407 Crest Forest Drive, Crestline, CA 92325	0338-083-16	14,000	40,000
26	737 Grandview Road, Twin Peaks, CA 92391	0334-091-13	6,500	40,000
28	23003 Waters Drive, VOE, CA 92325	0343-186-06	850	4875
29	24538 Lake Drive, Crestline, CA 92325	0337-202-14	1,500	10890
30	26330 State Highway 18, Rimforest, CA 92378	0336-021-18	1,000	Easement Deed with USFS

Station 30 is owned by the District and entered a Land Use Agreement with the USFS commencing on September 19, 1951. CFFPD Board of Directors granted an easement for land defined as: A portion of the SW ¼, NE ¼, Sec 30, T2N, R3W, S.B.B. & M. In consideration of such use, the Easement is issued Free of Charge. However, the successor agency, SBCFPD, will have the responsibility to enter into agreement with USFS at time of re-conveyance of real property (Station 30).

Revised 2/20/15

28	23003 Waters Drive, VOE, CA 92325	0343-186-06	850	4875
29	24538 Lake Drive, Crestline, CA 92325	0337-202-14	1,500	10890
30	26330 State Highway 18, Rimforest, CA92378	0336-021-18	1,000	Easement Deed with USFS

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FLEET

The District owns and operates a total fleet of emergency response vehicles valued at approximately 2.3 million dollars (Attachment 9 – CFFPD Basic Financial Statements for the year ended June 30, 2013) with no replacement program in place. The replacement dates and cost below are based on SBCFPD fleet replacement program schedule. District will transfer all vehicles and equipment to successor agency SBCFPD. The District's Vehicle/Equipment Reserves Fund (MCL) is a budget operating transfer out to the District's General Fire Fund (MCG) and is not expected to fund any future fleet replacement.

**	CO#	Radio ID	Type	Fuel	Vin# Ending	Year	Make/Model	Repl. Date	Repl. Cost
P/T	99806	3299	Support	Diesel	39416	1987	Chev/Stp Van	2012	\$35,000
P/T	99807	MA25A	AMB	Diesel	11211	2003	Ford/Van 4x4	2013	\$155,000
P/T	99809	UT26	Utility	Gas	30163	2000	Chev/3500 4x4	2010	\$50,000
P/T	99811	BP25	Brush Patrol	Gas	43061	2005	Chev/3/4 ton 4x4	2015	\$180,000
P/T	99812	OES309	Engine	Diesel	19607	2002	HME Westates	OES	OES
P/T	99813	BP26	Brush Patrol	Gas	10509	2005	Chev/3/4 ton 4x4	2015	\$180,000

Revised 2/20/15

P/T	99814	MA26	AMB	Diesel	74711	1997	Ford/Van 4x4	2007	\$155,000
P/T	99816	Crest 1	Engine	Gas	84	1929	Studebaker	N/A	N/A
P/T	99817	TRL26	Trailer	N/A	29312	1975	Spens Tilt Bed	1994	\$15,000
P/T	99818	E30	Engine	Diesel	03612	1991	Spartan 4x4	2006	\$400,000
P/T	99820	E28	Engine	Diesel	03613	1991	Spartan 4x4	2006	\$400,000
P/T	99821	WT30	Water Tender	Diesel	01252	1980	Mack	1995	\$210,000
P/T	99822	E29	Engine	Diesel	03614	1991	Spartan 4x4	2006	\$400,000
P/T	99824	LDR26	Loader	Diesel	0310T	1974	John Deere/Skip Loader	1994	\$175,000
P/T	99825	MA26R	AMB	Diesel	12054	1998	Ford/Van	2008	\$155,000
P/T	99826	BBQ25	Trailer	N/A	55751	1995	Homemade BBQ Trailer	N/A	N/A
F/T	99890	MA25	AMB	Diesel	17768	2007	Chev/4500 Box 4x4	2017	\$155,000
F/T	99891	3230	Support	Gas	92537	2001	Ford F350 4x4	2008	\$38,000
P/T	99892	SC26	Snow Cat	Gas	05586	1974	Bombardier	1994	\$195,000
F/T	99893	3200	Staff	Gas	27717	2003	Ford Expedition 4x4	2010	\$35,000
F/T	99894	BE25	Brush Engine	Diesel	59203	2003	International 5800 4x4	2018	\$380,000
F/T	99895	ME25	Engine	Diesel	40147	2003	Ferrara 4x4	2017	\$520,000
F/T	99896	ME26	Engine	Diesel	40146	2003	Ferrara 4x4	2017	\$520,000

** F/T = full-time and P/T = part-time

San Bernardino County Employees' Retirement Association (SBCERA) OBLIGATION

Contact terms between CFFPD and SBCFPD repayment of the District's *County safety cost pool* and obligation to SBCERA as described on page three, TERMS AND CONDITIONS, section 11 (a)(1) and page seven, CURRENT CONTRIBUTION RATES – SUPPLEMENTAL PAYMENT. As described in contract terms, the District shall make a supplemental payment to SBCFPD by December 1st of each year, beginning in 2013 and continuing for a total of twenty (20) years in the amount of \$410,437 including a four percent (4%) annual compounded increase to offset the cost of the *County safety cost pool*. SBCFPD will then make an equal payment to SBCERA by December 31st of each year. LAFCO will create a new service zone to isolate and retain the SBCERA pension obligation specific to the currently existing CFFPD boundaries. The

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RISK MANAGEMENT

Public Agencies Self-Insured Systems of San Bernardino (PASIS) began self-insuring its exposure to workers compensation claims on July 1, 1978. The program is set up as a banking system where the members share the expenses, and each member is responsible for its own losses up to a \$300,000 per occurrence self-insured retention. Losses above the self-insured retention are covered by reinsurance, which is purchased by PASIS. The members of PASIS, A Joint Powers Authority (JPA), are Apple Valley Fire Protection District, City of Beaumont, Rancho Cucamonga Fire Protection District, and Crest Forest Fire Protection District. The District is required to give a one-year notice to PASIS of withdrawal from the JPA.

On June 15, 2014, CFFPD Board of Directors approved a board action item to issue a one year withdrawal notice to PASIS effective July 1, 2015.

Under the terms of the District's contract with SBCFPD, the district agreed to assume all liability for, and to defend, indemnify and hold harmless SBCFPD, its officers, agents, employees or volunteers from claims, actions, losses, or damages by any such CFFPD employee that arise from occupational injuries during the course of their employment during the term of the contact agreement that arose out of, or were aggravated by, medical conditions existing prior to the term of the contract agreement as identified during pre-employment physicals and in existing CFFPD employee files. The District continues to manage five (5) open claims (tails). Because CFFPD

transferred all employees to SBCFPD at contract commencement, PASIS premiums are shared with the other PASIS member at a 7.39% operating premium total. The successor agency, SBCFPD Risk Management, will assume all the District's claim liabilities as well as fund balances after all PASIS administrative obligations are satisfied.

Statement of Assets and Ending Balances

As of March 31, 2014

	Actuarial Reserve	Operating	Total
CFFPD	<u>\$421,721.00</u>	<u>\$59,606.99</u>	<u>\$481,327.99</u>

Statement of Income, Disbursements and Cash Balances

As of March 31, 2014

	Beginning Balances 6/30/2013	Premium Paid	Interest Allocation	Total Disbursements	Ending Balances 3/31/2014
CFFPD	<u>\$557,772.76</u>	<u>\$0.00</u>	<u>\$928.51</u>	<u>\$77,373.28</u>	<u>\$481,327.99</u>

Recap of Disbursements

As of March 31, 2014

	Medical	Indemnity	Claimant Expense	Fitness	Admin & Insurance	Dividend Credit	Total
CFFPD	<u>\$13,503.71</u>	<u>\$41,124.37</u>	<u>\$5,398.88</u>	<u>\$0.00</u>	<u>\$17,346.32</u>	<u>\$0.00</u>	<u>\$77,373.28</u>

Annual Premiums (percentage determined by actuarial calculation)

As of March 31, 2014

	2013-2014 IBNR Premium	2013-2014 Operating Premium	Operating Premium Total
CFFPD	<u>\$0.00</u>	<u>\$0.00</u>	<u>7.39%</u>

Potential Outstanding Claims Liability – Estimate Future Costs

As of March 31, 2014

	Number of Claims	Total
CFFPD	<u>5</u>	<u>\$402,417.80</u>

Estimated Present Value of Outstanding Liabilities and Equity

As of June 30, 2013*

*Note date change

	(1) FY 2013- 2014 PASIS Premium	(2) Limited Case Reserves As of 6/30/2013	(3) Total Indicated Liabilities As of 6/30/2013	(4) Ending Balance As of 6/30/2013	(5) Premium due 7/1/2012 - 2013	(6) Redundancy (Deficiency) (4)+(5)-(3)
CFFPD	<u>\$207,815</u>	<u>\$297,853</u>	<u>\$648,199</u>	<u>\$557,773</u>	<u>\$0.00</u>	<u>(\$90,426)**</u>

** This was reported to CFFPD Board Meeting on April 15, 2014

Projected Equity

As of June 30, 2014

	(7) FY 2013- 2014 PASIS Premium	(8) Limited Case Reserves As of 6/30/2013	(9) Total Projected Incurred 7/1/2013 – 2014	(10) Est. Ending Balance As of 6/30/2014 (4)+(5)+(7)-(9)	(11) Redundancy (Deficiency) (6)+(7)-(9)
CFFPD	<u>\$0.00</u>	<u>\$297,853</u>	<u>\$0.00</u>	<u>\$557,773</u>	<u>\$(90,426)</u>

FIRE AGENCIES FIRE RISK AUTHORITY (FAIRA)

Fire Agencies Fire Risk Authority (FAIRA) is the District's liability insurance. Founded in 1988, FAIRA is a public agency joint powers authority (JPA) providing insurance risk management services tailored to meet specific needs of fire and emergency service agencies.

The District is required to give a one-year notice to FAIRA of withdrawal from the JPA. On June 15, 2014, CFFPD Board of Directors approved a board action item to issue a one year withdrawal notice to FAIRA effective July 1, 2015.

CONTRACTS

Inland Counties Emergency Medical Agency (ICEMA) – MISS (electronic data collection) Memorandum of Understanding Agreement. This agreement does not impact discretionary general funding (net county cost). The Contract is non-financial in nature, and will result in no financial impact. The Contract does not involve any federal program or the use of any federal funds.

ICEMA-Memoranda of Understanding with Public Providers for Ambulance Services.

The CFFPD is authorized by LAFCO to provide ambulance services within its boundaries (Reference Attachment 7 - Crest Forest-Lake Arrowhead Companion Report, November 30, 2010) as an extension of authority under Health and Safety Code 1797.201. ICEMA authorizes the CFFPD to provide Advanced Life Support (ALS) ambulance service within EOA 10 and Basic Life Support (BLS) ambulance services within EOA 11, supporting the other EOA awardee - American Medical Response. The CFFPD boundary extends into EOA 18, and does not have authority by ICEMA to provide ambulance services to the SBCFPD. SBCFPD is authorized to provide ambulance services for EOA 18 and currently provides an ALS ambulance from the CFFPD Fire Station 26 to respond to EOA 18. Under an annexation proposal, the CFFPD proposes the successor agency SBCFPD Mountain Service Zone, to assume all rights and responsibilities. Preliminary inquiries from CFFPD to LAFCO support this position.

The District adopted Resolution 14-04, a Resolution imposing and levying Special Taxes on Property with Paramedic Service Zones PM-A and PM-1 to finance paramedic rescue services with said zones for 2014-2015. The CFFPD will fall under the influence of SBCFPD Mountain Service Zone. LAFCO indicated it would create a new PM special tax to reorganize CFFPD existing PM-1 and PM-A special tax.

The District adopted Resolution 14-05, a Resolution amending and restating maximum ambulance rates for ambulance service in conformance with ICEMA 2014-2015 Ambulance Rate Adjustment Effective July 1, 2014 – June 30, 2015.

OES-Cal EMA Agreement. Under an annexation proposal, the CFFPD proposes the successor agency, SBCFPD Mountain Service Zone, with all rights and responsibilities to enter into agreement with CAL EMA to transfer responsibility and manage OES309.

GRANTS

Staffing for Adequate Fire and Emergency Response (SAFER) - The SAFER Grant that was awarded to CFFPD ended July 2013 after 2 (two) years. All documentation has been reported and all reports have been submitted and approved by FEMA except the final closing report. FEMA reported having trouble with their closing documents for this grant and the District received an email last September (2013) indicating FEMA will advise when the District can close out the grant on their website. Successor agency, SBCFPD will assume the reporting of closing documents in the event annexation occurs before the final closing report.

Homeland Security

Radios & Pagers

The successor District shall succeed to all rights, duties, responsibilities, properties (both real and personal), contracts, equipment, assets, liabilities, obligations, functions, executory provisions, entitlements, permits, and approvals of the dissolving CFFPD, except as otherwise outlined in the Conditions of Approval by LAFCO.

Duo-dotes

The current issue of Duo-dotes has exceeded the posted expiration dates. However, documentation from the distributor indicates that the Duo-dotes should be retained, as the efficacy of the medication is known to exceed the expiration date.

Brush Patrol (AFG)

The successor District shall succeed to all rights, duties, responsibilities, properties (both real and personal), contracts, equipment, assets, liabilities, obligations, functions, executory provisions, entitlements, permits, and approvals of the dissolving CFFPD, except as otherwise outlined in the Conditions of Approval by LAFCO.

BUDGETS ACTUALS

General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance

	2010	2011	2012 *	2013 **
Revenues				
Property taxes & assessments	\$3,761,954	\$3,625,380	\$3,452,799	\$3,431,759
Grants	0	0	0	0
Ambulance fees	0	0	0	0
Charges for services		12,522	11,891	12,925
Interest	17,184	14,547	5,810	5,449
Other	100,085	145,609	297,550	368,063
Total Revenues	3,879,223	3,798,058	3,768,050	3,818,196
Expenditures				
Salaries and benefits	3,482,993	3,196,422	3,397,139	3,327,061
Services and supplies	388,563	331,207	374,062	393,332
Debt service	105,272	7,305	189,067	184,565
Capital outlay	10,442	13,663	24,542	5,667
Total Expenditures	3,987,270	3,548,597	3,984,810	3,910,625
Excess Revenues over/under expenditures	-108,047	249,461	-216,760*	-92,429**
Other Sources (Uses)				
Operating transfers in	181,414	121,958	58,701	110,000
Operating transfers out	-357,064	-204,269	-173,367	-240,000
Total Other Sources (Uses)	-175,650	-82,311	-114,666	-130,000
Excess revenues and other sources over/under expenditures	-283,697	167,150	-331,426	-222,429
Fund Balance, July 1st Start FY	1,108,753	735,506	902,202	570,776
Fund Balance, June 30th End FY	\$735,056	\$902,202	\$570,776	\$348,347

Special Revenue Fund is used to account for the proceeds of special revenue sources that are legally restricted to expenditures for specific purposes. The fund is used to account for ambulance operations.

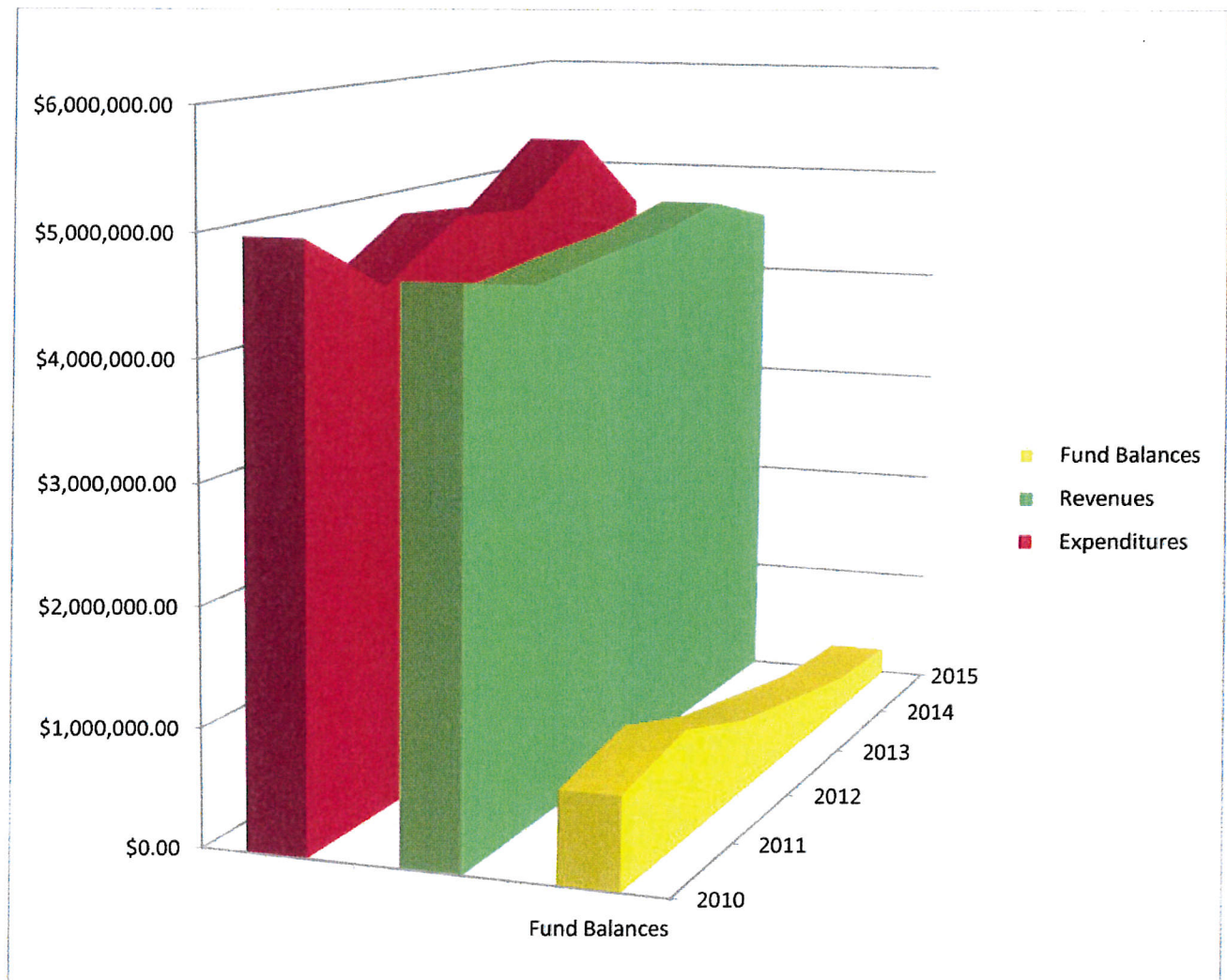
Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance

	2010	2011	2012 *	2013 **
Revenues				
Property taxes & assessments	\$500,018	\$488,255	\$478,274	\$497,856
Ambulance fees	289,804	299,923	341,456	322,441
Interest	554	1,898	920	1,183
Other	10,393	550	790	625
Total Revenues	809,769	790,626	821,440	822,105
Expenditures				
Salaries and benefits	799,135	776,681	777,117	787,027
Services and supplies	120,928	119,495	123,781	113,196
Debt service	79,416	1,992	1,049	1,159
Capital outlay	0	566	830	0
Total Expenditures	999,479	898,734	902,777	901,382
Excess Revenues over/under expenditures	-189,710	-108,108	-81,337*	-79,277**
Other Sources (Uses)				
Operating transfers in	190,808	85,525	120,004	130,000
Operating transfers out	-15,158	-3,214	-5,338	0
Total Other Sources (Uses)	175,650	82,311	114,666	130,000
Excess revenues and other sources over/under expenditures	-14,060	-25,797	33,329	50,723
Fund Balance, July 1st Start FY	61,163	47,103	21,309	54,637
Fund Balance, June 30th End FY	\$47,103	\$21,309	\$54,638	\$105,360

* June 30, 2012, the District reported negative assets of \$1,609 and a decrease in net assets of \$374,259 on its government-wide financial statements. A net excess of expenditures over revenues of \$298,098 is a reportable financial note. This factor created a significant unreliability in the CFFPD's ability to provide an acceptable level of *all risk emergency response services*. The CFFPD exhausted all potential ways to remedy the shortfalls – including Measures J and K – without success. The decision to contract services with SBCFPD was reached after a careful evaluation of all other options and found to be the only verifiable way to ensure continuation of service levels.

** June 30, 2013, the District reported a negative net position of \$171,568 and a decrease in a net position of \$169,959 on its government-wide financial statements. A net excess of expenditures over revenues of \$171,706 is a reportable financial note. This factor creates growing concern and uncertainty about the District's ability to continue. The District's Board of Directors contracted services with SBCFPD in an attempt to utilize resources in the most cost-effective manner.

General and Special Funds



BUDGETS ADOPTED

Contract Annual Budgets	Contracting 2013 - 2014	Contracting 2014 - 2015
Salaries and Benefits		
Suppression		
Captain x 6	1,050,443	1,099,404
Engineer/PM x 6	938,207	973,788
LT Firefighters x 3	111,036	128,130
LT Firefighters/PM x 3	123,725	142,788
Suppression Total	2,223,411	2,344,110
Non-Suppression		
Administrative Secretary x 1	53,001	63,872
Non-Suppression Total	53,001	63,872
Term Benefits		
PCF	25,000	11,812
Workers' Compensation*		
Suppression	82,712	*
Non-suppression	148	*
Workers' Compensation Total	82,860	
Chief Officers (21.35%)		
SBCFPD Division Chief x 1	50,609	59,501
Battalion Chief x 3	163,846	196,237
Chief Officers Total	214,455	255,738
CFFPD Chief Officer Differential**	23,000	23,000
Total Salaries and Benefits ***	2,621,727	2,698,532
Operating Expenses		
Services and Supplies	272,475	345,238
Station Expenses		
C025	145,183	256,836
C026	99,603	149,603
Debt Services	7,500	7,500
Lease Purchase Structure	183,207	185,590
Total Operating Expenses	707,968	944,767
Contract Management Fee	218,283	228,886
SBCERA	410,437	426,855
Total Annual Requirements	3,958,415	4,299,040

* Workers' Compensation is calculated in the employee cost for FY 2014-2015.

** Chief Officer Differential ends FY 2014-2015.

*** Salary and Benefits for FY 2013-2014 was based on 25 pay periods instead of 26 pay periods.

The terms of the contract between CFFPD and SBCFPD shall automatically renew in one (1) year periods. Assumptions include an annual increase to contract terms with projected revenues remaining flat.

PLAN FOR SERVICE

As result of the reorganization of SBCFPD in July 2008, County Service Area 70 was restructured, and the PM-1 special tax was transferred to CFFPD to fund paramedic service to the new area. Within the current boundaries of the CFFPD, isolating the PM-1 special tax and returning it to SBCFPD Mountain Service Zone is a condition upon the effective date of this reorganization through the dissolution of CFFPD. Through the formation of the legal existence of County Service Area 70 Improvement Zone PM-1, a new Service Zone PM-4 shall include the territory of the predecessor agency. The successor agency shall assume all rights, duties, responsibilities, properties (both real and personal), contracts, equipment assets, liabilities, obligations, functions, executor provisions, entitlements, permits, and approvals related to the new territory to be formed into the SBCFPD Mountain Service Zone.

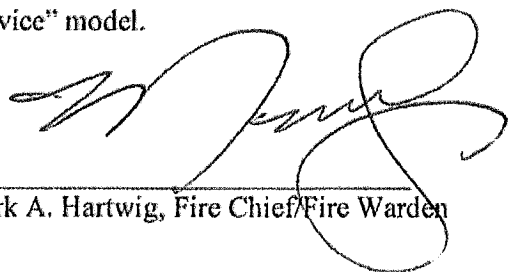
Upon the effective date of this reorganization, the Auditor/Controller-Recorder is directed to re-assign the ad valorem property tax revenues appropriated within CFFPD boundaries to the SBCFPD Mountain Service Zone, based upon the location of the tax rate areas in which said revenues were generated. Any and all reserve funds that exist upon the effective date of this proposed reorganization shall be transferred to the SBCFPD Mountain Service Zone.

LAFCO will create a new service zone (FP7) to isolate and retain the SBCERA pension obligation specific to the currently existing CFFPD boundaries beginning in 2015-2016 fiscal-years. Service Zone FP7 amortization schedule is reported under the heading: San Bernardino County Employees' Retirement Association (SBCERA) Obligation, reference page 9.

We continue to project revenues flat, using a modest one percent increase as our conservative budgeting tool. The plan for service spans a five-year period, over which service levels are increased to better serve the needs of this complex and growing community. The elimination of

management fees and other redundant services will allow for the reallocation of revenues to improve fire station staffing to enhance the delivery of fire, rescue, and EMS services to the community.

Service level increases include the conversion of the ambulance positions at fire station 25 from Limited Term Firefighters to single function Ambulance Operator positions. This change alone will improve EMS delivery in our community. In addition, one Firefighter Paramedic position (3 personnel) will be added to current fire station 25 staffing that will provide for improved firefighter safety in Immediately Dangerous to Life and Health (IDLH) operations. This improvement of service is consistent with SBCFPD regional service zone concept of operations. The regional service zone approach will allow CFFPD to fully benefit from the additional services and resources the county has to offer, not currently being realized under a "Contract for Service" model.

A handwritten signature in black ink, appearing to read 'Mark A. Hartwig', written over a horizontal line.

Mark A. Hartwig, Fire Chief/Fire Warden

Attachment 18

Provided to LAFCO during
1/15/15 DRC Meeting (LAFCO 3185/3186)



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John W. Monroe, ASA, MAAA, EA
Vice President & Associate Actuary
jmonroe@segalco.com

May 2, 2013

Mr. Norm Ruggles
San Bernardino County Employees' Retirement Association
348 West Hospitality Lane, 3rd Floor
San Bernardino, CA 92415-0014

**Re: San Bernardino County Employees' Retirement Association
Crest Forest Fire District – Annual Payment for Possible Transfer Based on
June 30, 2012 Actuarial Valuation**

Dear Norm:

We understand that the Crest Forest Fire District (the District) is considering transferring their members to employment with the County. Currently, the District's Safety members are included in the Other Safety cost group in SBCERA's annual actuarial valuation. The District's two General members would also be transferring.

If the District's active Safety and General members were all transferred to County employment then the assets and liabilities associated with the District's members (both active and nonactive/retired) would be transferred to the County Safety and County General cost groups. Based on the June 30, 2012 actuarial valuation, we have determined that this would not change the current County General employer contribution rate but would result in an increase in the County Safety employer contribution rate by an estimated 0.21% of payroll (or \$0.4 million annually based on 2012/13 combined payroll of County Safety and the District's Safety members of \$195.4 million) due to the lower funded status of the District as compared to the County.

As a result, we have been asked to determine the amount that the District would need to pay the County in order to avoid the increase in the County Safety employer contribution rate described above. This amount is \$410,437 annually and would increase by 4% per year. The payment has been calculated using a 20-year amortization period as a level percent of payroll assuming payroll increases by 4% per year and payment at the middle of the fiscal year. The entire schedule of the payment amounts is shown in Exhibit I.

Mr. Norm Ruggles
May 2, 2013
Page 2


Note that the County would then be responsible for any future employer contributions to SBCERA associated with these members. In addition, the County would be taking on the risk associated with any potential future changes in SBCERA's UAAL for these members (both active and nonactive/retired).

Unless otherwise noted, all of the above calculations are based on the June 30, 2012 actuarial valuation results including the participant data and actuarial assumptions on which that valuation was based. That valuation and these calculations were completed under the supervision of John Monroe, ASA, MAAA, Enrolled Actuary.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Please let us know if you have any questions.

Respectfully submitted,



John Monroe

AW/hy

Enclosure

Exhibit I

**San Bernardino County Employees' Retirement Association
Crest Forest Fire District
Annual Payment Schedule for Possible Transfer**

Payment	
<u>Date</u>	<u>Payment</u>
12/31/2013 \$	410,437
12/31/2014	426,854
12/31/2015	443,928
12/31/2016	461,685
12/31/2017	480,152
12/31/2018	499,358
12/31/2019	519,332
12/31/2020	540,105
12/31/2021	561,709
12/31/2022	584,177
12/31/2023	607,544
12/31/2024	631,846
12/31/2025	657,120
12/31/2026	683,405
12/31/2027	710,741
12/31/2028	739,171
12/31/2029	768,738
12/31/2030	799,488
12/31/2031	831,468
12/31/2032	864,727

Crest Forest Five-Year Financial Analysis	2014 SBCFPD Position Staffing & 2015 Proposed Staffing	2014 SBCFPD Current contract Costs for Personnel	2015 Average Cost Per Position	2015 SBCFPD Proposed Staffing	2016 Average Cost Per Position	2016 SBCFPD Proposed Staffing	2017 Average Cost Per Position	2017 SBCFPD Proposed Staffing	2018 Average Cost Per Position	2018 SBCFPD Proposed Staffing	2019 Average Cost Per Position	2019 SBCFPD Proposed Staffing	2020 Average Cost Per Position	2020 SBCFPD Proposed Staffing
Staffing														
Station 25 - ME/MT & MA														
Captain	3	\$ 549,702.00	\$ 187,814.85	\$ 563,444.55	\$ 192,510.22	\$ 577,530.66	\$ 197,322.98	\$ 591,968.93	\$ 202,256.05	\$ 606,768.15	\$ 207,312.45	\$ 621,937.36	\$ 212,495.26	\$ 637,485.79
Engineer	3	\$ 486,894.00	\$ 166,355.45	\$ 499,066.35	\$ 170,514.34	\$ 511,543.01	\$ 174,777.19	\$ 524,331.58	\$ 179,146.62	\$ 537,439.87	\$ 183,625.29	\$ 550,875.87	\$ 188,215.92	\$ 564,647.77
Limited Term/EMT (LT)	3	\$ 128,130.00	\$ 42,710.00	\$ 128,130.00	\$ 42,710.00	\$ 128,130.00	\$ 42,710.00	\$ 128,130.00	\$ 42,710.00	\$ 128,130.00	\$ 42,710.00	\$ 128,130.00	\$ 42,710.00	\$ 128,130.00
Limited Term/Paramedic's (LT)	3	\$ 142,788.00	\$ 47,596.00	\$ 142,788.00	\$ 47,596.00	\$ 142,788.00	\$ 47,596.00	\$ 142,788.00	\$ 47,596.00	\$ 142,788.00	\$ 47,596.00	\$ 142,788.00	\$ 47,596.00	\$ 142,788.00
Chief Officer Differential (2 yr benefit for Crest Forest Fire Chief downgraded to Capt)		\$ 23,000.00												
Administrative Secretary	1	\$ 63,872.00	\$ 65,468.80	\$ 65,468.80	\$ 67,105.52	\$ 67,105.52	\$ 68,783.16	\$ 68,783.16	\$ 70,502.74	\$ 70,502.74	\$ 72,265.31	\$ 72,265.31	\$ 74,071.94	\$ 74,071.94
PCFs	varies	\$ 11,812.00	\$ 5,000.00	\$ 5,000.00	\$ 5,125.00	\$ 5,125.00	\$ 5,253.13	\$ 5,253.13	\$ 5,384.45	\$ 5,384.45	\$ 5,519.06	\$ 5,519.06	\$ 5,657.04	\$ 5,657.04
Station 26 - ME26 & MA26														
Captain	3	\$ 549,702.00	\$ 187,814.85	\$ 563,444.55	\$ 192,510.22	\$ 577,530.66	\$ 197,322.98	\$ 591,968.93	\$ 202,256.05	\$ 606,768.15	\$ 207,312.45	\$ 621,937.36	\$ 212,495.26	\$ 637,485.79
Engineer	3	\$ 486,894.00	\$ 166,355.45	\$ 499,066.35	\$ 170,514.34	\$ 511,543.01	\$ 174,777.19	\$ 524,331.58	\$ 179,146.62	\$ 537,439.87	\$ 183,625.29	\$ 550,875.87	\$ 188,215.92	\$ 564,647.77
FF/PM	FMZ*													
Limited Term/EMT's (LT)	FMZ*													
Total Count of Employees	19													
Total Salary and Benefits		\$ 2,442,794.00		\$ 2,466,408.60		\$ 2,521,295.87		\$ 2,577,555.32		\$ 2,635,221.24		\$ 2,694,328.83		\$ 2,754,914.10
Services and Supplies														
Services and Supplies - (2000-2099)		\$ 748,697.00		\$ 614,915.00		\$ 627,213.30		\$ 639,757.57		\$ 652,552.72		\$ 665,603.77		\$ 678,915.85
Data Processing and Travel (appr 241 and 294)		\$ 2,980.00		\$ 3,039.60		\$ 3,100.39		\$ 3,162.40		\$ 3,225.65		\$ 3,290.16		\$ 3,355.96
SBCERA Obligation - (3015)		\$ 426,855.00		\$ 443,928.66		\$ 461,685.81		\$ 480,153.24		\$ 499,359.37		\$ 519,333.74		\$ 540,107.09
Debt Service Interest (3330)		\$ 7,500.00		\$ 7,500.00		\$ 7,500.00		\$ 7,500.00		\$ 7,500.00		\$ 7,500.00		\$ 7,500.00
Lease Payment - COPs (4000-4095)		\$ 185,590.00		\$ 182,717.40		\$ 184,437.50		\$ 190,885.00		\$ 191,624.90		\$ 192,165.10		\$ 197,338.10
Transfers - (5000-5030)		\$ 255,738.00		\$ 333,190.00		\$ 341,519.75		\$ 350,057.74		\$ 358,809.19		\$ 367,779.42		\$ 376,973.90
Admin Overhead Costs from Crest Forest to County Fire		\$ 228,886.00												
Total Appropriations		\$ 4,299,040.00		\$ 4,051,699.26		\$ 4,146,752.62		\$ 4,249,071.27		\$ 4,348,293.07		\$ 4,450,001.02		\$ 4,559,105.00
Revenues														
Taxes				1%		1.50%		1.50%		2.025%		2.025%		2.50%
Prop Taxes - Curr Sec Debt Svc - (8015)		\$ 3,025,000.00		\$ 3,055,250.00		\$ 3,101,078.75		\$ 3,147,594.93		\$ 3,211,333.73		\$ 3,276,363.24		\$ 3,358,272.32
Prop Taxes Cur Unsec 1% Gen Tax - (8025)		\$ 134,000.00		\$ 135,340.00		\$ 137,370.10		\$ 139,430.65		\$ 142,254.12		\$ 145,134.77		\$ 148,763.14
Prop Tax Cur Unitary 1% Levy - (8035)		\$ 120,000.00		\$ 121,200.00		\$ 123,018.00		\$ 124,863.27		\$ 127,391.75		\$ 129,971.43		\$ 133,220.72
Prop Tax Pri Sec 1% Gen Tax Lvy - (8115)		\$ 50,000.00		\$ 50,500.00		\$ 51,257.50		\$ 52,026.36		\$ 53,079.90		\$ 54,154.76		\$ 55,508.63
Prop Tax Pri Unsec 1% Gen Tax - (8125)		\$ 5,000.00		\$ 5,050.00		\$ 5,125.75		\$ 5,202.64		\$ 5,307.99		\$ 5,415.48		\$ 5,550.86
Int & Pen Delinquent Taxes - (8145)		\$ 56,000.00		\$ 56,560.00		\$ 57,408.40		\$ 58,269.53		\$ 59,449.48		\$ 60,653.34		\$ 62,169.67
Special Assmt Pr. - (8155)		\$ 35,000.00		\$ 35,350.00		\$ 35,880.25		\$ 36,418.45		\$ 37,155.93		\$ 37,908.33		\$ 38,856.04
Special Assmt - (8160)		\$ 446,000.00		\$ 400,000.00		\$ 406,000.00		\$ 412,090.00		\$ 420,434.82		\$ 428,948.63		\$ 439,672.34
Supp Roll Current - (8230)		\$ 15,000.00		\$ 15,150.00		\$ 15,377.25		\$ 15,607.91		\$ 15,923.97		\$ 16,246.43		\$ 16,652.59
Supp Roll Prior - (8235)		\$ 12,000.00		\$ 12,120.00		\$ 12,301.80		\$ 12,486.33		\$ 12,739.18		\$ 12,997.14		\$ 13,322.07
Other Revenue														
Interest Earned - (8500)		\$ 3,000.00		\$ 2,000.00		\$ 2,030.00		\$ 2,060.45		\$ 2,102.17		\$ 2,144.74		\$ 2,198.36
Gen Tax Levy Homeowner Exm - (8800)		\$ 42,000.00		\$ 42,420.00		\$ 43,056.30		\$ 43,702.14		\$ 44,587.11		\$ 45,490.00		\$ 46,627.25
Ambulance Service Fees - (9470)		\$ 250,000.00		\$ 252,500.00		\$ 256,287.50		\$ 260,131.81		\$ 265,399.48		\$ 270,773.82		\$ 277,543.17
Other Revenue - (9970) Verizon Cell Tower Lease		\$ 26,160.00		\$ 23,400.00		\$ 23,400.00		\$ 23,400.00		\$ 23,400.00		\$ 23,400.00		\$ 23,400.00
Operating Transfers IN from Crest Forest Fire Reserve Funds - 9975 (one time only)		\$ 108,925.00												
Total Revenues		\$ 4,328,085.00		\$ 4,206,840.00		\$ 4,269,591.60		\$ 4,333,284.47		\$ 4,420,559.63		\$ 4,509,602.12		\$ 4,621,757.17
Total Revenues less Appropriations		\$ 29,045.00		\$ 155,140.74		\$ 122,838.98		\$ 84,213.21		\$ 72,266.57		\$ 59,601.10		\$ 62,652.17

*FMZ shared resource, stationed at FS26

Note: S&B 14-16 MOU

Note: Step increase is based on 2.5% increase per year and Svc/Supplies are based on 2% increase per year

Note: 1%, 1.5%, 2.025%, and 2.5% projected revenue increase

Note: "Other Revenue" (9970) is income from the Verizon Cell Tower located at FS25

Note: Transfers (5000-5030) represents share of DC, BCs and office staff (these cost shares will remain the same when annexed); as well as share of training expenses, SCBA program and safety gear pool program

Note: Captains and Engineers salaries represent current average of wages earned from actual employees stationed at Crest Forest fire stations at time of budgeting for FY 14/15

Note: PCF added (FY 14/15 budget of \$11,812 with estimated \$5k spent)

Note: Chief Officer Differential of \$23k is a 2 year agreement within the contract to pay the outgoing Fire Chief for Crest Forest going to County Fire Capt a lost wage differential

Note: Admin Overhead costs go away with annexation

Note: Operating Transfers In (9975) represents all Crest Forest Reserve funds being depleted and transferred in to MCG to help pay for the contract and other extraneous costs that the district incurred

Note: Variance from 2014 Contract svcs/supplies to 2015 is that training costs of \$56,330 will not be a cost anymore under annexation and other costs totaling \$77,452 are moved to the 5000 series for 2015

Note: Special Assmt - (8160) represents PM-A and PM-1 in 2014 contract and only PM-A in 2015 and subsequent years under annexation due to PM-1 funds having to be returned to Mountain Regional Service Zone per LAFCO

Budget page 16 (Revised 2/20/2015)	Contracting
	2014-2015
Contract Annual Budgets	
Salaries and Benefits	
Suppression	
Captain x 6	\$ 1,099,404.00
Engineer/PM x 6	\$ 973,788.00
Limited Term/EMT (LT) x 3	\$ 128,130.00
Limited Term/Paramedic's (LT) x 3	\$ 142,788.00
Suppression Total	\$ 2,344,110.00
Non-suppression	
Administrative Secretary	\$ 63,872.00
Non-Suppression Total	\$ 63,872.00
Term Benefits	
PCF	\$ 11,812.00
Workers' Compensation*	
Suppression	\$ -
Non-Suppression	\$ -
Workers' Compensation Total	\$ -
Chief Officers (21.35%)	
SBCFPD Division Chief x 1	\$ 59,501.00
Battalion Chief x 3	\$ 196,237.00
Chief Officers Total	\$ 255,738.00
CFFPD Chief Officer Differential **	\$ 23,000.00
Total Salaries and Benefits ***	\$ 2,698,532.00
Operating Expenses	
Services and Supplies	\$ 345,238.00
Station Expenses	
C025	\$ 256,836.00
C026	\$ 149,603.00
Debt Services	\$ 7,500.00
Lease Purchase Structure	\$ 185,590.00
Total Operating Expenses	\$ 944,767.00
Contract Management Fee	\$ 228,886.00
SBCERA	\$ 426,855.00
Total Annual Requirements	\$ 4,299,040.00
Crest Forest Budget 2014-2015	
Salaries & Benefits	
MCE (1010-1235)	\$ -
MCG (1010-1235)	\$ -
Total Salary and Benefits	\$ -
Services and Supplies	
MCE (2000-2099)	
MCG (2000-2099)	\$ 4,530,131.00
MCW (2000-2099)	
Total	\$ 231,091.00

pforsythe:

\$48,744 96 AL cashout accrual from FY13/14, \$6,000 EDD, \$38,000 (LAFCO, Attorney, NBS, and W/C cash out), \$17,500 Gen. Liability, \$6,000 audit, \$4,299,040 (SBCF contract), \$26,347 equip. maint., \$3,500 debt services, \$85,000 Zoll Monitors = \$4,530,131. Difference between CRF Budget and Contract is \$231,091 to account for CRF Admin costs not included in contract price.

pforsythe:

Difference between CRF Budget and Contract is \$231,091 to account for CRF Admin costs not included in contract price.

* Workers' Compensation is calculated in the employee cost for FY 2014-2015.

** Chief Officer Differential ends FY 2014-2015.

*** Salary and Benefits for FY 2013-2014 was based on 25 pay periods instead of 26 pay periods.