



**RANCHO SANTA FE FIRE PROTECTION DISTRICT
BOARD OF DIRECTORS MEETING
AGENDA**

Rancho Santa Fe FPD
Board Room – 18027 Calle Ambiente
Rancho Santa Fe, California 92067

December 13, 2017
1:00 pm PT
Regular Meeting

RULES FOR ADDRESSING BOARD OF DIRECTORS

Members of the audience who wish to address the Board of Directors are requested to complete a form near the entrance of the meeting room and submit it to the Board Clerk.

Any person may address the Board on any item of Board business or Board concern. The Board cannot take action on any matter presented during Public Comment, but can refer it to the Administrative Officer for review and possible discussion at a future meeting. As permitted by State Law, the Board may take action on matters of an urgent nature or which require immediate attention. The maximum time allotted for each presentation is FIVE (5) MINUTES.

Pledge of Allegiance

1. Roll Call
2. Public Comment
3. Motion waiving reading in full of all Resolutions
4. Consent Calendar
 - a. Board of Directors Minutes
Board of Directors minutes of November 8, 2017
ACTION REQUESTED: **Approve**
 - b. Receive and File
 - i) Monthly/Quarterly Reports
 - (1) List of Demands Check 29432 thru 29534, Electronic File Transfers (EFT), and Wire Transfer(s) for the period November 1 – 30, 2017 totaling: \$ 259,969.35
Wire Transfer(s) period November 1 – 30, 2017 \$ 200,790.03
Payroll for the period November 1 – 30, 2017 \$ 852,986.17
TOTAL DISTRIBUTION \$1,313,745.55
 - (2) Budget Review – July 1 – September 30, 2017
 - (3) Cash Statement – September 30, 2017
 - (4) Activity Reports – September – November 2017
 - (a) Operations
 - (b) Training
 - (c) Fire Prevention
 - (d) Correspondence - letters/cards were received from the following members of the public:
 - (i) None

ACTION REQUESTED: **Information**

5. Old Business

a. Potential Forced Abatement

To discuss a potential forced abatement noting a corrected APN 268-230-23-00

ACTION REQUESTED: **Information**

6. Resolution(s)

a. Resolution 2017-14

To discuss and/or adopt Resolution No. 2017-14 *entitled* A Resolution of the Rancho Santa Fe Fire Protection District Board of Directors Adopting an Amendment No. 1 to the Memorandum of Understanding between the Rancho Santa Fe Fire Protection District and the Rancho Santa Fe Professional Firefighters Association – Local 4349

ACTION REQUESTED: **Adopt and authorize President to execute Amendment No. 1**

b. Resolution 2017-15

To discuss and/or adopt Resolution No. 2017-15 *entitled* A Resolution of the Rancho Santa Fe Fire Protection District Board of Directors Authorizing a Salary Increase for Classifications Listed In The Memorandum Of Understanding Between Rancho Santa Fe Fire Protection District And The Rancho Santa Fe Professional Firefighters Association – Local 4349

ACTION REQUESTED: **Adopt**

c. Resolution 2017-16

To discuss and/or adopt Resolution No. 2017-16 *entitled* A Resolution of the Rancho Santa Fe Fire Protection District Board of Directors Adopting an Amendment No. 1 to the Memorandum of Understanding between the Rancho Santa Fe Fire Protection District and the Rancho Santa Fe Fire Protection District Employees Association

ACTION REQUESTED: **Adopt and authorize President to execute Amendment No. 1**

d. Resolution 2017-17

To discuss and/or adopt Resolution No. 2017-17 *entitled* A Resolution of the Rancho Santa Fe Fire Protection District Board of Directors Authorizing a Salary Increase for Classifications Listed in the Memorandum of Understanding between Rancho Santa Fe Fire Protection District and the Rancho Santa Fe Fire Protection District Employees Association

ACTION REQUESTED: **Adopt**

e. Resolution 2017-18

To discuss and/or adopt Resolution No. 2017-18 *entitled* A Resolution of the Rancho Santa Fe Fire Protection District Board of Directors Establishing Salaries and Benefits for Management Personnel

ACTION REQUESTED: **Adopt**

f. Resolution 2017-19

To discuss and/or adopt Resolution No. 2017-19 *entitled* A Resolution of the Board of Directors of the Rancho Santa Fe Fire Protection District Adopting a Pay Schedule in Accordance with California Code of Regulations, Title 2, Section 570.5

ACTION REQUESTED: **Adopt**

g. Resolution 2017-20

To discuss and/or adopt Resolution No. 2017-20 *entitled* A Resolution of the Board of Directors of the Rancho Santa Fe Fire Protection District Appointing Interim Battalion Chief and Approving an Employment Agreement

ACTION REQUESTED: **Adopt**

7. New Business

a. Independent Auditor's Report FY 2016/2017

The Finance ad hoc committee will make a presentation on the financial status of the Fire District for FY16 and present any findings resulting from the year-end audit to the Board of Directors.

ACTION REQUESTED: **Accept**

b. Budget Authorization

To discuss and/or approve additional repairs to Training Tower. [Staff Report 17-18](#)

ACTION REQUESTED: **Approve repairs**

c. Surplus of Equipment

To discuss and/or authorize the disposal of a district vehicle. [Staff Report 17-19](#)

ACTION REQUESTED: **Authorize disposal of equipment**

d. CalPERS Unfunded Accrued Liability (UAL)

To discuss the District's UAL and provide direction to staff for plans to make additional payments

ACTION REQUESTED: **Direction**

8. Oral Report

a. Fire Chief – Michel

i. District Activities

1. Fire activity/staffing

b. Operations – Deputy Chief

c. Volunteer – Division Chief

d. Training – Battalion Chief

e. Fire Prevention – Fire Marshal

f. Administrative Manager

g. Board of Directors

i. North County Dispatch JPA – Update

ii. County Service Area – 17 – Update

iii. Comments

9. Closed Session

a. Employee Performance Evaluation

Title: Fire Chief

With respect to every item of business to be discussed in closed session pursuant to Section 54957

10. Adjournment

The next regular meeting Board of Directors meeting to be January 10, 2018 in the Board Room located at 18027 Calle Ambiente, Rancho Santa Fe, California. The business meeting will commence at 1:00 p.m.



RANCHO SANTA FE FIRE PROTECTION DISTRICT
Board of Directors Regular Meeting Agenda
Wednesday, December 13, 2017 1:00 pm PT

CERTIFICATION OF POSTING

I certify that on December 8, 2017 a copy of the foregoing agenda was posted on the District's website and near the meeting place of the Board of Directors of Rancho Santa Fe Fire Protection District, said time being at least 24 hours in advance of the meeting of the Board of Directors (Government Code Section 54954.2)

Executed at Rancho Santa Fe, California on December 8, 2017

Karlena Rannals
Board Clerk



RANCHO SANTA FE FIRE PROTECTION DISTRICT
Regular Board of Directors Meeting
Minutes – November 8, 2017

These minutes reflect the order in which items appeared on the meeting agenda and do not necessarily reflect the order in which items were actually considered.

President Ashcraft called to order the regular session of the Rancho Santa Fe Fire Protection District Board of Directors at 1:00 pm.

Pledge of Allegiance

Division Chief Calhoun led the assembly in the *Pledge of Allegiance*.

1. Roll Call

Directors Present: Ashcraft, Hillgren, Malin, Tanner

Directors Absent: Stine

Staff Present: Tony Michel, Fire Chief; Fred Cox, Deputy Chief; Mike Calhoun, Division Chief; Chris Galindo, Battalion Chief; Marlene Donner, Fire Marshal; and Karlena Rannals, Board Clerk.

2. Public Comment

Haley Visajorn, representative from State Senator Joel Anderson invited the board members and staff to Senator Anderson's holiday open house at Toyota El Cajon on December 12 from 6 – 8pm. RSVP's were requested.

3. Motion waiving reading in full of all Resolutions/Ordinances

MOTION BY DIRECTOR HILLGREN, SECOND BY DIRECTOR MALIN, and CARRIED 4 AYES; 0 NOES; 1 ABSENT; 0 ABSTAIN to waive reading in full of all resolutions and/or ordinances.

4. Consent Calendar

MOTION BY DIRECTOR HILLGREN, SECOND BY DIRECTOR TANNER, CARRIED 4 AYES; 0 NOES; 1 ABSENT; 0 ABSTAIN to approve the consent calendar as submitted.

a. *Board of Directors Minutes*

i) Board of Directors minutes of September 27, 2017

b. Receive and File

i) *Monthly/Quarterly Reports*

1. List of Demands Check 29233 thru 29346, Electronic Fire Transfers (EFT), and ACH Transfer(s) for the period September 1 – 30, 2017 totaling: \$ 142,415.34
Wire Transfer(s) period September 1 – 3-, 2017 \$ 211,100.49
Payroll for the period September 1 – 30, 2017 \$ 584,845.74
TOTAL DISTRIBUTION \$ 938,361.57
2. List of Demands Check 29347 thru 29430 Electronic Fire Transfers (EFT), and ACH Transfer(s) for the period October 1 – 31, 2017 totaling: \$ 210,833.66
Wire Transfer(s) period October 1 – 31, 2017 \$ 204,613.75
Payroll for the period October 1 – 31, 2017 \$ 883,941.00
TOTAL DISTRIBUTION \$1,299,388.41
3. Quarterly Investment Summary – September 30, 2017

4. Activity Reports –September – October, 2017

- a) Operations
- b) Training
- c) Fire Prevention
- d) Correspondence – letters/cards were received from the following members of the public:
 - 1) Levin
 - 2) RedZone Disaster Intelligence LLC

5. Travel Reports

- a) James H Ashcraft – CalPERS Conference – October 23-25, 2017
- b) Tucker Stine – CalPERS Conference – October 23-25, 2017

c. Acceptance of Donation

The Board of Directors accepted from the *Barbara R. Levin* a cash donation of \$500, given in recognition of district personnel for their assistance with her husband. The monetary donation will be given to the Rancho Santa Fe Professional Firefighters Association.

5. Old Business

- a. None

6. Resolutions/Ordinances

- a. Resolution No. 2017-13

Chief Michel informed the Board that this resolution is necessary since the District is the recipient of the Staffing for Adequate Fire & Emergency Response (SAFER) Grant to employ a Volunteer Recruitment & Retention Coordinator. The District has completed the recruitment process and the person selected will start on November 27, 2018. The resolution outlines the compensation and benefits, which the District will receive reimbursement from the grant on a quarterly basis.

MOTION BY DIRECTOR HILLGREN, SECOND BY DIRECTOR MALIN, and ADOPTED Resolution No. 2017-13 entitled a *Resolution of the Board of Directors of the Rancho Santa Fe Fire Protection District Establishing Reimbursement, Salary, and Benefits for Personnel as Volunteer Recruitment and Retention Coordinator* on the following roll call vote:

AYES:	Ashcraft, Hillgren, Malin, Tanner
NOES:	None
ABSTAIN:	Stine
ABSENT:	None

7. New Business

- a. *Potential Forced Abatement*

Chief Michel advised the board of a specific parcel that is deemed a public nuisance and a fire hazard. He reported that fire prevention staff has attempted to meet with the property owner to assist in the forced abatement; however, prevention personnel have been kicked off the property numerous times. In order to abate the property, the District may be required to take legal actions and get assistance from law enforcement

to abate the property. Despite the numerous attempts, there is no willingness by the property owner to work on a cleanup plan. He requested direction from the Board of Directors. Staff responded to questions from the board. At the conclusion of the discussion, the Board of Directors concurred that District staff should proceed with the necessary steps to force abate the property on Las Colinas.

b. *RSF5 Design/Build Contract*

Chief Michel summarized the process in selecting the preferred contractor for the design/build of a fire station in Harmony Grove Village. The committee has recommended Erickson-Hall Construction Co. as the contractor to provide the design/build services. The estimated cost for the project is \$6 million; however, the final construction cost is not given until the design is close to completion. Staff is seeking board approval to authorize the Board President to execute the AIA Standard Form of Agreement between Owner (*Rancho Santa Fe Fire Protection District*) and Design-Builder (*Erickson-Hall Construction Co.*). Staff responded to questions from the board.

MOTION BY DIRECTOR HILLGREN, SECOND BY DIRECTOR TANNER, and CARRIED 4 AYES; 0 NOES; 1 ABSENT; 0 ABSTAIN to approve to select Erickson-Hall Construction Co. to provide design-build services to construct a fire station in Harmony Grove, and authorize the President, Board of Directors to execute the contract.

c. *Board of Directors Meeting Calendar*

Ms. Rannals reviewed the staff report provided. She included routine matters that are considered by the Board with specific deadlines to assist should it be necessary to reschedule a meeting. After review of the calendar, it was determined to change the following regular meetings:

Regular Meeting Date – 2018	Rescheduled Special Meeting Date – 2018
June 13	June 20
September 12	September 26

MOTION BY DIRECTOR HILLGREN, SECOND BY DIRECTOR MALIN, CARRIED 4 AYES; 0 NOES; 1 ABSENT; 0 ABSTAIN to move and calendar the 2018-year meeting schedule as agreed.

8. Oral Report

a. Fire Chief – Michel

i) He informed the board members that he received a letter from Battalion Chief Chris Galindo notifying him of his retirement date December 29, 2018. He thanked Chief Galindo for his years of service to the District.

ii) District Activities

He reported that he has been very busy since the last meeting. He discussed the following with the board on the following:

- CalPERS Conference – October 23-25, 2017 – he reported that it was a good conference and this year, he believed that CalPERS staff was more open to direct questions than in previous years.

- Tribute to Elfin Forest/Harmony Grove Fire Department, November 4, 2017 – he attended the community tribute to the volunteers the past 40 years. There were numerous volunteers, past and current, in attendance.
- Pancake Breakfast, November 5, 2017 – the breakfast was well attended by members of the community. There was lots of interest and participation in the different public education booths.
- Staff members continues to attend and monitor the County of San Diego a plan improve the ambulance service to the underserved areas of the County in creating a Unified Service Area (USA).

b. Operations – Deputy Chief

Chief Cox summarized the previous month’s activity, noting district personnel responded to 261 calls in September and 339 calls in October. During the previous two months, personnel responded to numerous deployments including the fires in the Napa region. He also reported that the fuel moisture is approximately 40%, and he provided a report on significant calls that occurred in the previous month.

Chief Cox informed the Board members that one District staff member attended the night of the Las Vegas shooting. He was not physically injured; however, the incident certainly affected him emotionally. The fire service is trending an increase in PTSD incidents and district personnel are exploring the benefits of peer support training.

c. Elfin Forest Volunteer Division – Division Chief

Chief Cox reported that they are working to procure all of the ALS equipment for the transition in January. They have retained professional services for a site plan development for a modular home and new septic system.

Chief Calhoun reported that they are working on a small tenant improvement to improve the sleeping rooms, bath, bunk, and day rooms for on duty personnel.

d. Training – Battalion Chief

Chief Cox reported for Chief McQuead that they have completed an Engineer and Captain’s exam, in addition to new hire testing. From the 25 new hire applicants, there are six individuals in background.

e. Fire Prevention – Fire Marshal

FM Donner reported that prevention staff continues to be busy with inspections. The two weed abatement inspectors are finishing their work for this calendar year. She also discussed reviewing maps of proposed new development within the fire district. Julie Taber completed public education for Fire Prevention month.

f. Administrative Manager

Ms. Rannals reported the following:

1. CalPERS Conference – summarized her attendance at the conference. Most valuable information that she obtained was meeting with the District’s actuarial consultant. She concurred with Chief Michel’s observations on the openness of CalPERS staff. The 2018 conference is scheduled for October 22-24 in Indian Wells.
2. New Administrative Temp – she informed the Board that the District has hired a temporary employee, Vanessa Schrandt to assist with our accounts payable.

g. Board of Directors

- i) CalPERS Conference – Director Ashcraft commented that he too concurred with the comments made from staff. He took the opportunity to meet with CalPERS staff and board members to discuss the concerns for sustainability of the retirement system and its investment portfolio.
- ii) North County Dispatch JPA – Update: Ashcraft – no report.
- iii) County Service Area – 17 – Update: Director Hillgren reported the advisory group met November 7, 2017 and summarized the following topics:
 - 1. Presentation on 211 – a centralized database that residents can call to get non-emergency assistance;
 - 2. Smoke Alarm Installations – provided by Red Cross of San Diego and Imperial Counties;
 - 3. County report on Hepatitis A;
 - 4. AMR Compliance Goals – AMR is in compliance 95-98% of the time
 - 5. Unified Service Area – County EMS is trying to add the Harmony Grove Community to the Valley Center Unified Service area.
- iv) Comments
 - 1. None

Ten-minute recess

9. Closed Session

- a. Pursuant to section 54957.6, the board met in closed session from 3:20 – 4:12 pm to discuss a Memorandum of Understanding (MOU) Amendment and compensation with the following represented employees:
 - i) Rancho Santa Fe Professional Firefighters Association – Local 4349
 - ii) Rancho Santa Fe Employees Association
 - iii) Unrepresented employees: Fire Chief, Deputy Chief, Battalion Chief, Fire Marshal and Administrative Manager

All board members listed and Chief Tony Michel attended the closed session.
- b. Pursuant to section 54957, the board met in closed session from 3:20 – 4:12 pm to discuss the following:
Public Employee Performance Evaluation
Title: Fire Chief

All board members listed and Chief Tony Michel attended the closed session.

Upon reconvening to open session, President Ashcraft reported that the Board of Directors discussed the following:

- 9. a. - Direction was given the Chief to present an amendment to the MOU and compensation at the next regular meeting; and
- 9. b. – The Fire Chief was given a performance evaluation. There was no action taken by the board.

10. Adjournment

Meeting adjourned at 4:15 pm.

Karlana Rannals
Secretary

James H Ashcraft
President

<i>Check No.</i>	<i>Amount</i>	<i>Vendor</i>	<i>Purpose</i>
29432	\$60.00	A-OK Power Equipment	Fleet Equip Maintenance/Repair-Port Gen/
29433	\$21.00	AAA Live Scan	Background Investigation
29434	\$702.62	Accountemps	Temporary Labor
29435	\$4,635.79	All Star Fire Equipment, Inc.	Safety Clothing (Protective)
29436	\$160.69	AT&T	Telephone RSF
29437	\$201.44	Barkhimer, Jake	CSA-17 Contract
29438	\$1,548.45	Bay City Electric Works Inc	Generator RSF4 - Maintenance & Service
29439	\$1,298.50	C.A.P.F.	Disability Ins Short & Long
29440	\$221.73	Complete Office of California Inc	Office Supplies
29441	\$1,147.60	Compressed Air Specialties Inc	SCBA Maint & Repair/ Flow Test/ Hydro Te
29442	\$456.05	Cox Communications	Telephone RSF
29443	\$1,658.59	Direct Energy Business - Dallas	Elec/Gas/Propane RSF1
29444	\$100.81	Dish	Cable RSF6
29446	\$450.00	Dynamic Communities Inc	Association Dues
29447	\$1,435.97	Engineered Mechanical Services Inc	Building RSF
29448	\$328.94	Fire ETC Inc	Safety Clothing (Protective)
29449	\$3,500.00	Integrity Data	Computer - License/Software
29450	\$1,250.50	Liebert Cassidy Whitmore	Legal Services
29451	\$673.32	Lincoln National Life Ins Co	Life Insurance/EAP
29452	\$107.26	Metro Fire & Safety Inc	Safety: Extinguishers (Service & Purchas
29454	\$4,254.14	North County EVS Inc	Repair
29455	\$7,875.00	R.E. Badger & Son, Inc.	Weed Abatement
29456	\$2,415.86	SoCo Group Inc	Fuel: Gasoline & Diesel
29457	\$302.00	Terminix International	Building RSF
29458	\$29.70	U P S	Shipping Service
29459	\$296.00	U.S. HealthWorks	Medical Services: Volunteers
29460	\$2,013.54	Verizon Wireless	Cellular - Telephone
29461	\$13.99	4S Ranch Gasoline & Carwash LP	Apparatus: Car Wash
29462	\$105.00	Aair Purification Systems	Building RSF2
29463	\$354.00	Accme Janitorial Service Inc	Building ADMIN
29464	\$115.50	Airgas Inc	Safety: Breathing Air
29465	\$510.00	APCD	Permit: County/City
29466	\$350.38	AT&T Calnet 2/3	Telephone RSF

29467	\$595.00 Bay City Electric Works Inc	Generator RSF3 - Maintenance & Service
29469	\$70.92 Complete Office of California Inc	Office Supplies
29470	\$441.32 Copycare of San Diego, Inc.	Repair Machines & Office Equipment
29471	\$3,306.70 County of SD/RCS	800 MHz Network Admin Fees
29472	\$886.79 Discount Tire	Apparatus: Tires & Tubes
29473	\$196.12 EDCO Waste & Recycling Inc	Trash RSF5
29474	\$2,940.00 Fitch Law Firm Inc	Legal Services
29475	\$146.83 Griffin Hardware Co.	Station Maintenance - RSF
29476	\$639.53 Home Depot, Inc	Station Maintenance - RSF
29477	\$297.59 Konica Minolta Business Inc	Copier Maintenance Contract
29478	\$252.00 MISSION SECURITY INC	Alarm System Monitoring - RSF6
29479	\$16,835.97 North County EVS Inc	Repair
29480	\$1,629.21 Olivenhain Municipal Water District	Water RSF
29481	\$1,987.21 R.E. Badger & Son, Inc.	Station Maintenance - RSF6
29482	\$195.14 Rincon Del Diablo Municipal Water Di	Water RSF5
29483	\$3,205.73 SDG&E	Elec/Gas/Propane RSF3
29484	\$5,492.99 SoCo Group Inc	Fuel: Gasoline & Diesel
29486	\$132.00 Terminix International	Building RSF2
29487	\$1,593.66 ThyssenKrupp Elevator Inc	Elevator Service
29488	\$544.99 Time Warner Cable	Telephone ADMIN
29489	\$441.05 TPx	Telephone ADMIN
29490	\$14.85 U P S	Shipping Service
29491	\$12,645.47 U S Bank Corporate Payment System	Cal-Card./IMPAC program
29492	\$2,460.36 Uniforms Plus	Uniforms: Safety Personnel
29493	\$3,480.73 Waste Management Inc	Trash RSF
29494	\$4,129.06 Willdan Financial Services Inc	Benefit Assessment
29495	\$145.43 Willis, Erwin L.	Computer Equipment/Parts
29496	\$6,350.00 WinTech Computer Services	Consulting Services
29497	\$21.00 AAA Live Scan	Background Investigation
29498	\$443.76 Accountemps	Temporary Labor
29499	\$245.65 AT&T	Telephone RSF
29500	\$2,533.93 AT&T Calnet 2/3	Telephone RSF
29501	\$45.16 Fire ETC Inc	Safety Equipment
29502	\$1,413.00 Garrett Electric Inc	Building RSF1

29503	\$3,674.30 Guardian Life Insurance Co	Medical Insurance
29504	\$74.82 Napa Auto Parts Inc	Apparatus: Parts & Supplies
29505	\$132.95 Orion Broadband	Telephone RSF1
29506	\$730.00 Power Plus!	Elec/Gas/Propane RSF5
29507	\$700.00 Santa Fe Irrigation District	NCDJPA Rebill
29508	\$2,467.83 Savmart Pharmaceutical Service	CSA-17 Contract
29509	\$8,082.93 SDG&E	Elec/Gas/Propane Admin
29510	\$2,654.73 SoCo Group Inc	Fuel: Gasoline & Diesel
29511	\$32.00 State of CA Dept of Justice	Background Investigation
29512	\$107.48 Time Warner Cable	Cable RSF4
29513	\$14.85 U P S	Shipping Service
29514	\$1,608.60 United Site Services	Sewer RSF5
29515	\$105.00 AAA Live Scan	Background Investigation
29516	\$739.60 Accountemps	Temporary Labor
29517	\$446.00 American Medical Response Inc	CSA-17 Contract
29518	\$581.62 bkm Officeworks	Repair Machines & Office Equipment
29519	\$1,246.99 California Health & Safety Inc	Breathing Apparatus - Supplies and Parts
29520	\$11.53 Complete Office of California Inc	Office Supplies
29521	\$175.25 Cox Communications	Telephone RSF2
29522	\$6,842.00 CSDA	Association Dues
29523	\$259.26 EDCO Waste & Recycling Inc	Trash RSF6
29524	\$805.34 Enerspect Medical Solutions LLC	CSA-17 Contract
29525	\$198.87 Gloria J Murphy	Training Equipment/Supplies Volunteer Di
29526	\$256.00 Golden Telecom Inc	Repair Machines & Office Equipment
29527	\$10.77 Griffin Hardware Co.	Station Maintenance - RSF2
29528	\$66.19 L N Curtis & Sons Inc	Safety Equipment
29529	\$660.72 Lincoln National Life Ins Co	Life Insurance/EAP
29529	\$660.72 Lincoln National Life Ins Co	Life Insurance/EAP
29530	\$71,759.44 NCDJPA	Dispatching
29531	\$70.00 RSF Mail Delivery Solutions	Mail Delivery Service
29532	\$1,733.32 SoCo Group Inc	Fuel: Gasoline & Diesel
29533	\$14.85 U P S	Shipping Service
29534	\$261.29 Verizon Wireless	Cellular - Telephone

EFT000000000356	\$912.44	Rannals, Karlena
EFT000000000361	\$197.10	Rannals, Karlena
EFT000000000363	\$2,950.98	Stine, Tucker S.
EFT000000000365	\$200.00	RSFPFA
Misc	\$34,170.06	
Subtotal	\$259,969.35	

ACH Transfer	\$59,087.44	CalPERS
ACH Transfer	\$141,702.59	CalPERS
Subtotal	\$200,790.03	

13-Nov-17	2,311.80	RSFFPD
14-Nov-14	180,237.30	RSFFPD
15-Nov-17	289,974.60	RSFFPD
30-Nov-17	380,462.47	RSFFPD
Subtotal	\$852,986.17	

Total	\$1,313,745.55	
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Meetings/Meal Expenses
 Meetings/Meal Expenses, Medical Reimbursement
 Admin - Meal/Lodging/Travel, Medical Reimbursement
 RSF Prof FF Assoc
 Medical Reimbursements

Dec 2017 Health
 Oct 2017 Retirement

Payroll
 Payroll
 Payroll
 Payroll

**RANCHO SANTA FE FIRE PROTECTION DISTRICT
OPERATING EXPENDITURES FOR FISCAL YEAR 2018**

July 1 - September 30, 2017
FY18

PERSONNEL COSTS	BUDGET		ESTIMATED		% OF BUDGET
	EXPENDITURES		EXPENDITURES		
	FY18		FY18		
Salaries/Wages - Staff	\$	7,178,559	\$	1,697,551	24%
Overtime	\$	1,522,241	\$	409,681	27%
Holiday Pay	\$	224,653	\$	-	0%
Labor (Temporary)	\$	75,892	\$	9,013	12%
Retirement	\$	1,511,657	\$	582,699	39%
CalPERS UAL - Accelerated Payment	\$	-	\$	-	0%
Health Insurance + HRSA	\$	1,416,766	\$	383,369	27%
Life Insurance/Long Term Disability	\$	37,181	\$	8,356	22%
Social Security Tax	\$	7,621	\$	1,429	19%
Medicare Tax	\$	128,514	\$	30,043	23%
Unemployment Insurance	\$	17,325	\$	412	2%
Workers' Compensation/Wellness	\$	215,545	\$	146,076	68%
PERSONNEL (Subtotal)	\$	12,335,954	\$	3,268,630	26%

RANCHO SANTA FE FIRE PROTECTION DISTRICT
OPERATING EXPENDITURES FOR FISCAL YEAR 2018
 July 1 - September 30, 2017

CONTRACTURAL	BUDGET		ESTIMATED		% OF
	EXPENDITURES		EXPENDITURES		
		FY18		FY18	BUDGET
Administrative Fees	\$	222,356	\$	28,518	13%
Advertising	\$	1,500	\$	-	0%
Apparatus	\$	-	\$	-	0%
Association Dues	\$	12,645	\$	2,055	16%
Building/Facility Lease	\$	31,838	\$	9,480	30%
Dispatching	\$	166,867	\$	-	0%
Equipment Rental	\$	1,500	\$	-	0%
Equipment Repair	\$	38,346	\$	4,356	11%
Insurance	\$	101,581	\$	98,437	97%
Laundry Service	\$	350	\$	-	0%
Legal Services	\$	31,571	\$	5,673	18%
Local Meeting/Meal Expense	\$	8,808	\$	1,929	22%
Mileage Reimbursement	\$	700	\$	-	0%
Other Contractual Services	\$	184,868	\$	31,094	17%
Other Professional Services	\$	196,884	\$	33,434	17%
Permits	\$	11,183	\$	3,473	31%
Service Agreements	\$	66,028	\$	3,201	5%
Soil Contamination Cleanup	\$	-	\$	-	0%
Subscriptions	\$	2,130	\$	327	15%
Training	\$	119,000	\$	10,231	9%
Utility-Cable/Internet	\$	8,906	\$	1,128	13%
Utility-Electricity	\$	166,760	\$	32,492	19%
Utility-Sewer	\$	44,801	\$	3,217	7%
Utility-Telephone	\$	89,575	\$	18,015	20%
Utility-Trash	\$	19,684	\$	3,791	19%
Utility-Water	\$	31,360	\$	2,422	8%
Vehicle Maintenance (Scheduled)	\$	89,400	\$	5,824	7%
Vehicle Repair	\$	122,050	\$	29,129	24%
Contractual Services (Subtotal)	\$	1,770,691	\$	328,224	19%

RANCHO SANTA FE FIRE PROTECTION DISTRICT
OPERATING EXPENDITURES FOR FISCAL YEAR 2018
 July 1 - September 30, 2017

MATERIALS & SUPPLY	BUDGET		ESTIMATED		% OF
	EXPENDITURES		EXPENDITURES		
		FY18		FY18	BUDGET
Apparatus	\$	38,352	\$	10,582	28%
Apparatus - Computers	\$	4,440	\$	568	13%
Audio Visual	\$	350	\$	1,291	369%
Books	\$	10,324	\$	-	0%
Cellular	\$	1,109	\$	99	9%
Computer	\$	88,679	\$	10,583	12%
Electrical Supplies	\$	-	\$	-	0%
Fire Hose, Nozzles & Supply	\$	46,740	\$	2,242	5%
Firefighting Foam	\$	-	\$	-	0%
Food for Major Emergencies	\$	-	\$	-	0%
Fuel	\$	3,450 *	\$	2,418	70%
Furnishings/Equipment	\$	17,500	\$	1,474	8%
Grants	\$	81,265	\$	29,063	36%
Hydrant Maintenance	\$	-	\$	-	0%
Janitorial	\$	-	\$	-	0%
Knox Replacement	\$	-	\$	-	0%
Landscape	\$	-	\$	-	0%
Lumber/Screws/Nails	\$	-	\$	-	0%
Maps	\$	-	\$	-	0%
Medical Supplies	\$	2,000	\$	71	4%
Miscellaneous	\$	15,201	\$	2,960	19%
Office - General	\$	37,166	\$	11,064	30%
Paint	\$	7,500	\$	-	0%
Program - Supplies (CERT)	\$	1,500	\$	-	0%
Public Education	\$	21,000	\$	1,679	8%
Radio	\$	64,645	\$	8,200	13%
Rock, Sand, Gravel	\$	-	\$	-	0%
Safety	\$	30,400	\$	3,566	12%
Special Events & Awards	\$	6,000	\$	564	9%
Station Maintenance	\$	100,539	\$	14,701	15%
Station Supplies/Replacements	\$	23,500	\$	1,566	7%
Street Signs & Markers	\$	793	\$	139	18%
Tools	\$	4,383	\$	1,610	37%
Training (Expendable Supplies)	\$	6,895	\$	909	13%
Uniforms	\$	45,000	\$	4,595	10%
Material & Supplies (Subtotal)	\$	658,730	\$	109,944	17%

**RANCHO SANTA FE FIRE PROTECTION DISTRICT
 OPERATING EXPENDITURES FOR FISCAL YEAR 2018
 July 1 - September 30, 2017**

OPERATING COST SUMMARY	BUDGET EXPENDITURES FY18	ESTIMATED EXPENDITURES FY18	% OF BUDGET
Personnel	\$ 12,326,938	\$ 3,268,630	26%
Contractual	\$ 1,770,691	\$ 328,224	19%
Material & Supply	\$ 658,730	\$ 109,944	17%
Prior Year Expense	\$ -		
Depreciation	\$ 802,658	\$ 200,665	25%
TOTAL COSTS	\$ 15,559,017	\$ 3,907,462	25%

CAPITAL and PLANNED PROJECTS-Cash Expenses	Additional Cash		% OF BUDGET
RSF5 Station Design/Build	\$ -	\$ 2,000	
2016 Engine Equip #1611	\$ -	\$ 3,894	
Unit 1711 Equipment	\$ -	\$ 856	
Total Capital and Planned Projects	\$ -	\$ 6,750	

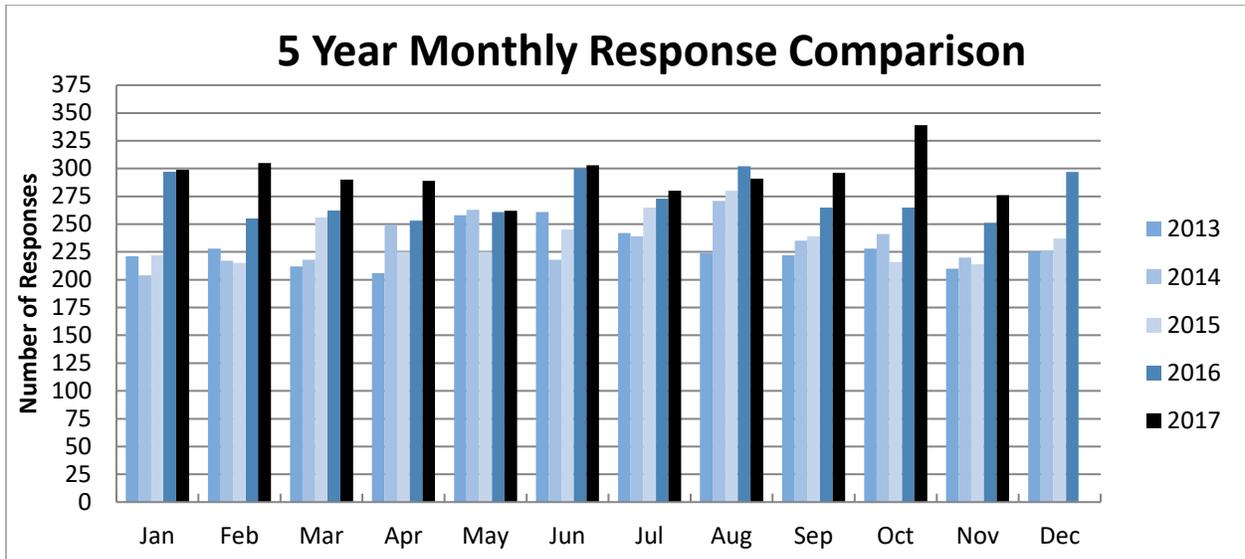
Rancho Santa Fe Fire Protection District
FY2018

	30-Jun-17	30-Sep-17
Assets		
Current Cash & Investments	15,856,506	12,692,038
Accounts Receivable	<u>1,443,406</u>	<u>377,219</u>
Current Assets Total	17,299,912	13,069,258
Fixed & Restricted Assets (Excluded)		
Intangible Assets (DIR - Pension Excluded)	-	-
Reserved Funds with Restrictions	5,229,108	5,262,519
Accumulated Depreciation (Excluded)	-	-
Current Cash Assets Total	<u>22,529,020</u>	<u>18,331,776</u>
Liabilities		
Current & Accrued Liabilities		
Current Liabilities	2,473,842	1,881,106
Accrued Liability Payable	1,143,390	1,179,232
Other Liabilities		
Net Pension Liabilities (GASB 68)	<u>10,865,029</u>	<u>10,865,029</u>
Total Current Liabilities	<u>14,482,261</u>	<u>13,925,367</u>
Long-Term Debt		
ESTIMATED Cash Available	<u>8,046,759</u>	<u>4,406,409</u>

Additional Information - Reserve Allocation

Reserve - Specified		
MDC Equipment Reserves (NCDJPA)	78,749	78,749
ALS Equipment Reserve	44,338	44,353
HGEF Caltrust Reserve	4,544,405	4,556,288
Environmental Initiative for Sustainability	228,770	228,770
PASIS Reserve	<u>328,386</u>	<u>344,991</u>
Total Reserve - Specified	5,224,648	5,253,150
Reserve - Unspecified		
General Reserve	5,500,000	2,500,000
Unspecified Capital Reserves	9,533,803	9,734,468
Undesignated Reserves	-	-
Total Reserve - Unspecified	20,258,452	17,487,618
Cash Reserves (Deficit) Subtotal	(12,211,693)	(13,081,209)
Profit & Loss Net - FY18	<u>-</u>	<u>(3,125,938)</u>
Cash Reserves (Deficit) - Total	(12,211,693)	(16,207,146)
Net Pension Liability - <i>added back in</i>	<u>10,865,029</u>	<u>10,865,029</u>
Cash Reserves (Deficit)	(1,346,664)	(5,342,117)

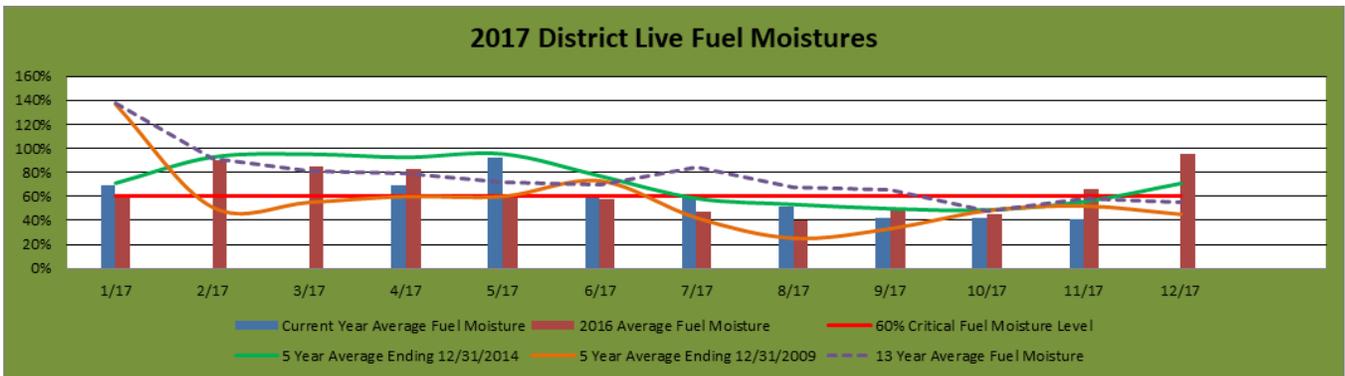
November Incident Count Stations 1 - 6



2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Responses
Responses	299	305	290	289	262	303	280	291	296	339	276		3,230
YTD	299	604	894	1,183	1,445	1,748	2,028	2,319	2,615	2,954	3,230		8.2%
2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Responses
Responses	297	255	262	253	261	300	273	302	265	265	251	297	3,281
YTD	297	552	814	1,067	1,328	1,628	1,901	2,203	2,468	2,733	2,984	3,281	15.6%
2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Responses
Responses	222	215	256	225	225	245	265	280	239	216	214	237	2,839
YTD	222	437	693	918	1,143	1,388	1,653	1,933	2,172	2,388	2,602	2,839	1.3%
2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Responses
Responses	204	217	218	249	263	218	239	271	235	241	220	226	2,801
YTD	204	421	639	888	1,151	1,369	1,608	1,879	2,114	2,355	2,575	2,801	2%
2013	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Responses
Responses	221	228	212	206	258	261	242	224	222	228	210	225	2,737
YTD	221	449	661	867	1,125	1,386	1,628	1,852	2,074	2,302	2,512	2,737	

Incident Response Summary by Station	
Date Range: From 11/1/2017 To 11/30/2017	
Station: RSF 1	70
Station: RSF 2	100
Station: RSF 3	48
Station: RSF 4	35
Station: RSF 5	16
Station: RSF 6	7
Total Incident Count:	276

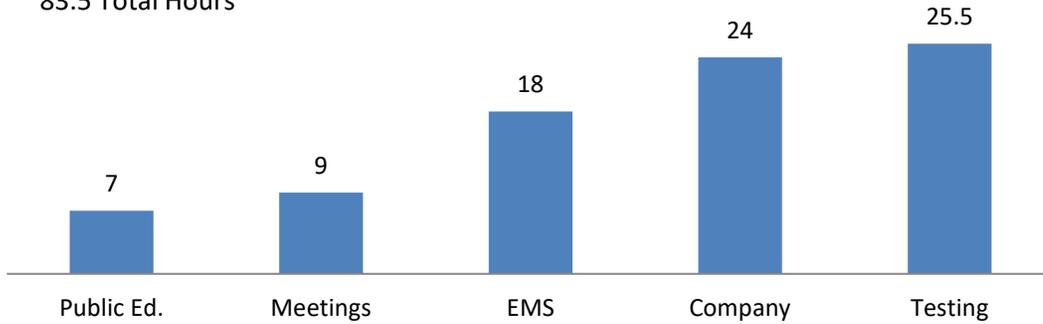
Incident Summary by Incident Type	
Date Range: From 11/1/2017 To 11/30/2017	
Incident Type	Incident Count
Fire	7
EMS/Rescue	143
Hazardous Condition	4
Service Call	30
Good Intent	60
False Call	30
Other	0
Blank or Invalid	2
Totals	276



Significant Incidents/Overhead Assignments				
DATE	INCIDENT/ LOCATION	TYPE	UNIT/PERSON	MISC.
No major incidents during the month of November.				

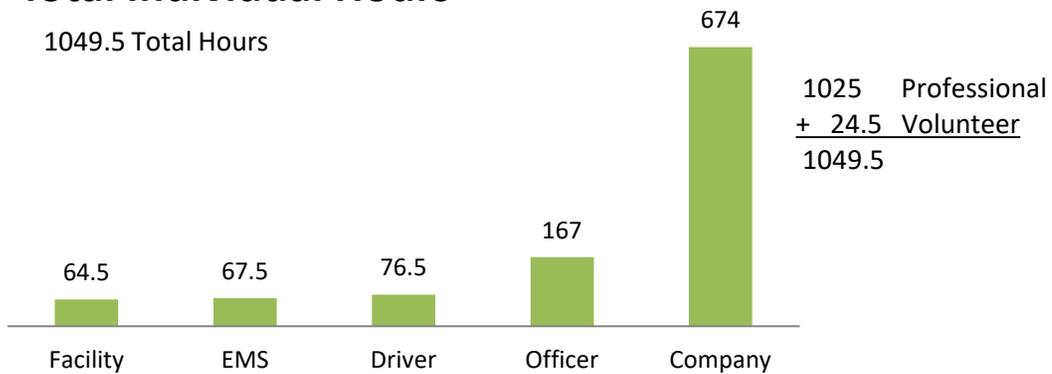
Scheduled Training

83.5 Total Hours



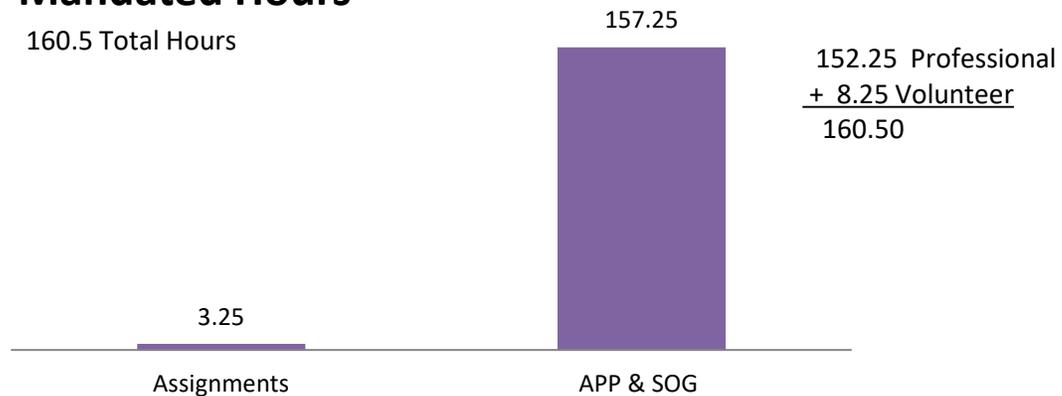
Total Individual Hours

1049.5 Total Hours



Mandated Hours

160.5 Total Hours



PLAN REVIEW

RESIDENTIAL PLAN REVIEWS		
	Number of Structures	Sq Footage
Fire Marshal	78	271,388
Fire Inspector	9	11,606
Fire Inspector/Forester	4	29,112
TOTAL	91	312,106
RESIDENTIAL ADDITIONS		
	Original Sq Footage	Added Sq Footage
Fire Marshal	8,751	967
Fire Inspector	0	0
Fire Inspector/Forester	0	816
TOTAL	8,751	1,783
COMMERCIAL PLAN REVIEWS		
	Number of Structures	Sq Footage
Fire Marshal	0	0
Fire Inspector	0	0
Fire Inspector/Forester	0	0
TOTAL	0	0
TOTAL NEW CONSTRUCTION		
		Sq Footage
Based on permitted Sq footage	Total Added	313,889
FIRE SPRINKLER REVIEWS		
	Commercial	Residential
Fire Marshal	1	4
Fire Inspector	0	3
Fire Inspector/Forester	0	1
TOTAL	1	8
TENANT IMPROVEMENTS		
	Number of Structures	Sq Footage
Fire Marshal	10	82,966
Fire Inspector	0	0
Fire Inspector/Forester	2	2,662
TOTAL	12	85,628
LANDSCAPE REVIEWS		
	Number of Reviews	Staff Hours
Fire Marshal	1	2.00
Fire Inspector	4	4.00
Fire Inspector/Forester	12	2.70
TOTAL	17	8.70

SERVICES PROVIDED- FIRE PREVENTION

DPLU -All Staff	Number	Staff Hours
Project Availability Forms	0	0.00
Use Permits	0	0.00
Zaps	0	0.00
Administrative Review	2	3.00
Habit Plans	0	0.00
Approval Letters	0	0.00
CWPP/FPP	0	0.00
TOTAL	2	3.00

INSPECTION SERVICES- All Staff	Number of Inspections	Staff Hours
Undergrounds	9	7.00
Hydros (Fire Sprinklers)	36	24.00
Finals (Structures)	39	39.00
Landscape	0	0.00
Reinspections	6	0.50
Tents/Canopy	1	3.50
Burn Permits	2	1.00
Department of Social Service Licensing	0	0.00
Knox/Strobe	1	1.00
Code Enforcement	0	0.00
Engine Company Follow Up	0	0.00
Misc.	0	0.00
TOTAL	94	76.00

HAZARD INSPECTIONS - All Staff	Number of Inspections	Staff Hours
Weed Abatement Inspection	222	42.75
Weed Abatement Reinspection	267	48.25
1st Notice	110	27.50
2nd Notice	70	21.50
Final Notice	34	8.50
Forced Abatement	0	0.00
Postings	4	2.00
Annual Mailers	0	0.00
Homeowner Meeting	17	10.00
WUI	0	0.00
TOTAL	724	160.50

GRADING -All Staff	Number of Reviews	Staff Hours
Plan Review	3	3.00
TOTAL	3	3.00

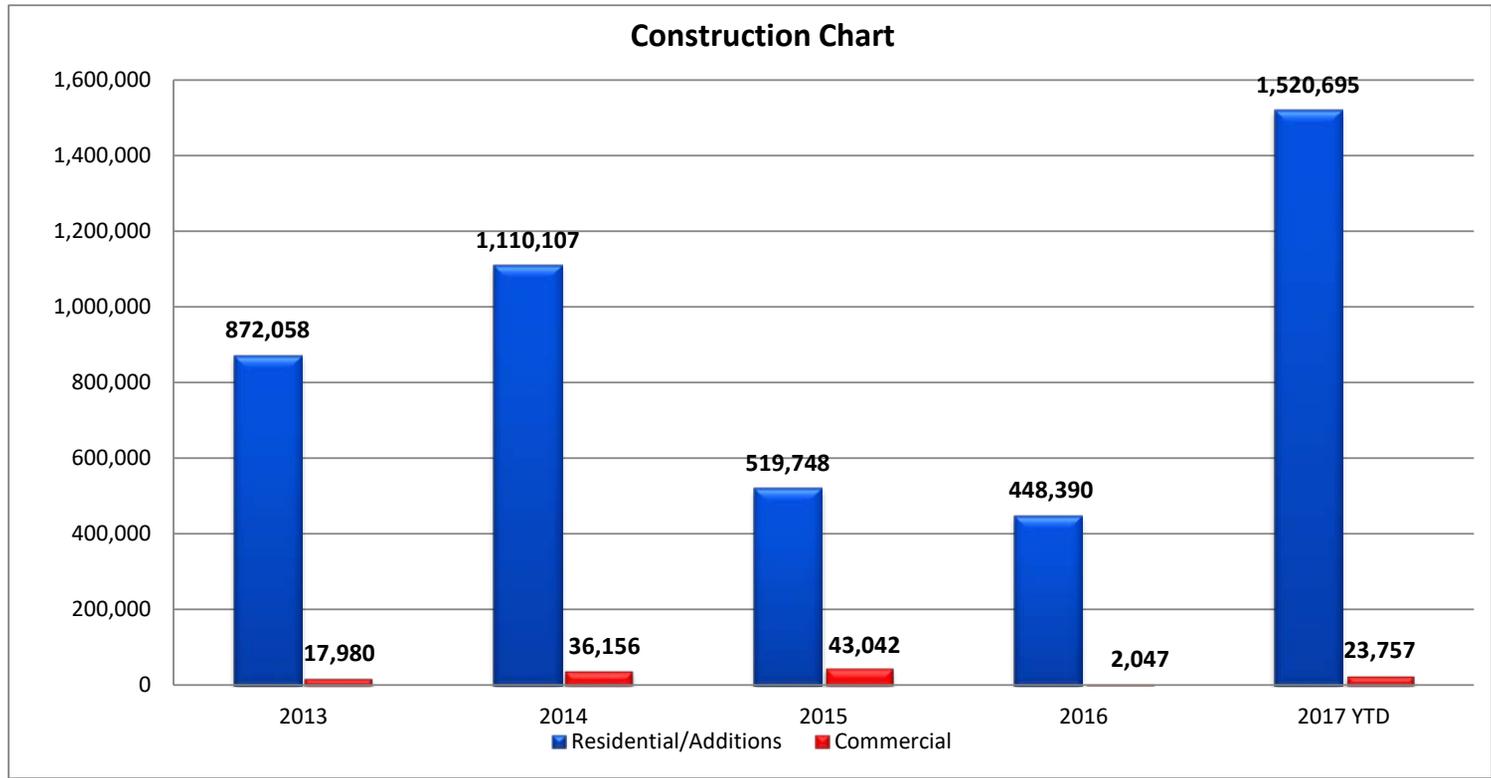
ADMINISTRATIVE SERVICES- FIRE PREVENTION

SPECIAL ACTIVITIES/EDUCATION-All Staff	Number	Staff Hours
GIS Mapping	0	0.00
CalFire Crew Projects	0	0.00
Hazmat	0	0.00
Emergency Response/Support	0	0.00
Training Classes	5	30.00
Conferences	0	0.00
Meetings	34	46.5
Other	0	0.00
Supervision	0	0.00
Fuels Reduction	0	0.00
TOTAL	39	76.50

FIRE PREVENTION -All Staff	Number	Staff Hours
Incoming Phone Calls	408	102.00
Correspondence	252	63.00
Consultations	52	52.00
Plan Review	85	85.00
Scanning	200	50.00
General Office	131	131.00
TOTAL	1,128	483.00

ADMINISTRATIVE SERVICES- OFFICE SUPPORT

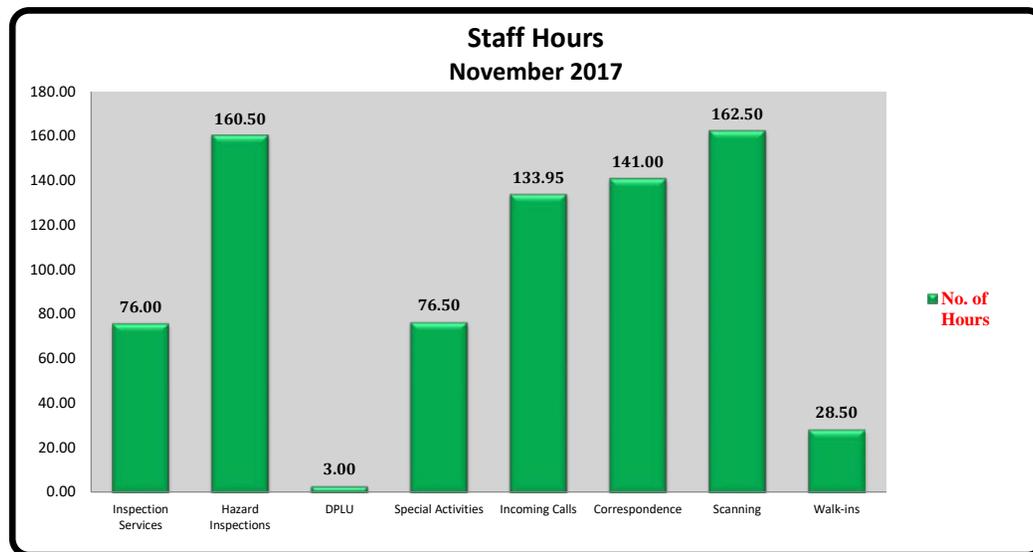
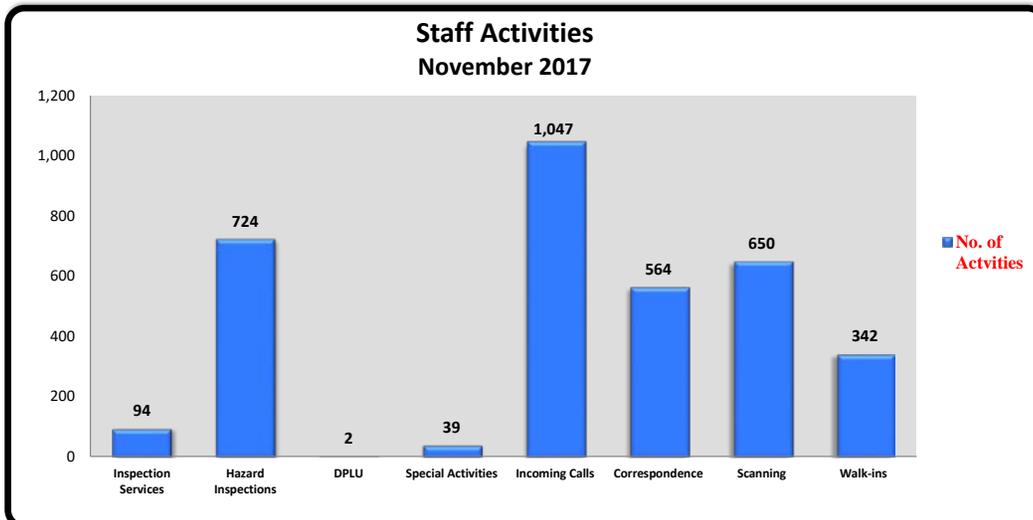
OFFICE COORDINATOR-PREVENTION	Number	Staff Hours
Phone Calls (All Administrative Staff) Internal & External	639	31.95
Correspondence	312	78.00
Walk in/Counter (All Administrative Staff)	342	28.50
Knox Application Request	6	1.50
Burn Permits	2	1.00
UPS Outgoing Shipments	2	0.17
Plan Accepted/Routed	90	132.00
Special Projects	10	10.00
Scanning Documents/Electronic Files	450	112.50
Meetings: Admin/Prevention/Admin Shift	11	5.50
Post Office Runs	0	0.00
Deposit runs and preparations	20	10.00
TOTAL	1,884	411.12



Year	Res/Add	Comm	Total
2013	872,058	17,980	890,038
2014	1,110,107	36,156	1,146,263
2015	519,748	43,042	562,790
2016	448,390	2,047	450,437
2016 YTD	339,785	2,047	341,832
2017 YTD	1,520,695	23,757	1,544,452

Comparison 2016/2017 Total Square Footage

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	28,971	25,957	12,480	19,850	15,989	47,693	28,456	91,542	70,894	25,511	54,531	28,563
2017	48,435	40,807	23,518	61,889	78,701	220,963	585,112	58,173	43,534	69,405	313,889	



Comparison 2016/2017 Total Monthly Hours/Activities

2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Activities	1517	1448	1473	1778	1841	3031	3081	3442	3462	3107	2491	1602
Hours	291.25	342.92	316.17	373.08	385.52	504.02	614.88	629.98	637.08	572.3	522.18	392.63

2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Activities	2187	2019	2614	2384	3137	3617	3300	3938	3537	3897		
Hours	482.62	494.10	578.82	567.50	676.43	745.76	713.5	844.47	850.08	795.81		

NOTE: This summary report is not intended to capture all staff hours worked but only to illustrate activity.

WEBSITE/INTERNET		Staff Hours
Update existing info & documents: <i>Updated home page, news, photos, etc</i>		4.0
		4.0
Compile & write new information:		0.0
		1.0
Social Media		10.0
<i>Facebook "Fans" - 1,018</i>		4.0
<i>Instagram "Followers" - 374</i>		3.0
<i>Twitter "Followers" - 2,881</i>		3.0
TOTAL		14.0
PUBLICATIONS		Staff Hours
Design/write brochures, flyers, etc: <i>Connect with us online flyer</i>		4.0
		4.0
TOTAL		4.0

MEDIA RELATIONS		Staff Hours
On-scene Public Information Officer:		1.0
<i>Pancake Breakfast</i>		1.0
Press Releases:		3.0
<i>Evacuation Preparation</i>		2.0
<i>Pancake Breakfast</i>		1.0
Other Articles/Stories/Interviews:		0.0
TOTAL		4.0

EDUCATIONAL PROGRAMS/PRESENTATIONS		Staff Hours
Children's Programs		6.0
<i>Station Tour</i>		3.0
<i>Fire Prevention Month Clean Up</i>		3.0
Adult Programs:		4.0
<i>Fire Extinguisher Training at Grifols</i>		4.0
TOTAL		10.0

EVENTS		Staff Hours
External/Community Events:		0.0
Internal Events:		7.0
<i>Pancake Breakfast</i>		7.0
TOTAL		7.0
CONTINUING EDUCATION		Staff Hours
Training Classes:		0.0
Conferences:		0.0
Meetings:		8.0
<i>Staff meetings</i>		5.0
<i>Shift Meetings</i>		2.0
<i>CSA17 Meeting</i>		1.0
TOTAL		8.0
CLERICAL		Staff Hours
Prevention-related:		45.0
<i>Mailbox, email inbox, phone calls, news clips, etc.</i>		42.0
<i>Phone Calls</i>		3.0
Non-prevention/non-minute related:		26.0
TOTAL		71.0
TOTAL HOURS		118.0

RESOLUTION 2017-14

A Resolution of the Rancho Santa Fe Fire Protection District Board of Directors Adopting an Amendment No. 1 to the Memorandum of Understanding between the Rancho Santa Fe Fire Protection District and the Rancho Santa Fe Professional Firefighters Association – Local 4349

This Amendment No. 1 Memorandum of Understanding, hereinafter referred to as the “MOU” is by and between the Rancho Santa Fe Fire Protection District, hereinafter referred to as the "District", and the Rancho Santa Fe Professional Firefighters Association – Local 4349, hereinafter referred to as "Association", and is intended to amend the “Exception” Section 23.02 Wage Schedule for the group of employees identified.

WHEREAS, the authorized representatives of the District and the authorized representatives of the Association have met and conferred pursuant to California Government Code Section 3500 et seq. for a successor MOU; and

WHEREAS, the District and the Association representatives acknowledge that the District and Association met and conferred on the matter within the scope of representation and prepared a written amendment to the MOU.

WHEREAS, the Association has agreed and ratified the MOU; and

WHEREAS, the District’s representatives have recommended that the Board of Directors adopt MOU.

NOW THEREFORE, the District and the Association agree to Amendment No. 1 MOU (Exhibit A.) for a term January 1, 2017 thru December 31, 2019.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Rancho Santa Fe Fire Protection District on December 13, 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JAMES H ASHCRAFT
President

ATTEST:

Karlana Rannals
Secretary

**AMENDMENT NO. 1 TO THE
MEMORANDUM OF UNDERSTANDING**
between
RANCHO SANTA FE FIRE PROTECTION DISTRICT
and
RANCHO SANTA FE PROFESSIONAL FIREFIGHTERS ASSOCIATION – LOCAL 4349
January 1, 2017 through December 31, 2019

The Rancho Santa Fe Fire Protection District and the Rancho Santa Fe Professional Firefighters Association – Local 4349 have previously met and conferred and agreed upon an amendment to the current Memorandum of Understanding (MOU) that expires December 31, 2019. Both parties have agreed that the following article shall be amended to strike the language of 23.02 Wage Schedule, 3.a. Exception (b).

23.02 Wage Schedule

The wage schedules listed on Exhibit A will be continued thru December 31, 2019 and adjusted as follows:

1. Effective January 1, 2017, the classification salary schedules (base salary) listed in the Appendix shall be increased by two percent (2%).
2. Effective January 1, 2018, the classification salary schedules (base salary) listed in the Appendix shall be increased by two percent (2%), if applicable.
3. Effective January 1, 2019, the classification salary schedules (base salary) listed in the Appendix shall be increased by two percent (2%), if applicable.
 - a. **Exception.** Salary adjustment agreed for January 1, 2018 and/or January 1, 2019 will not become effective if ~~either (a) the Fiscal Year Assessed Valuation increase (excluding tax rate areas identified within the Elfin Forest/Harmony Grove reorganization) is less than 3%.; or (b) PERS Safety Tier 1 employer cost (normal and unfunded accrued liability) exceeds two percentage points.~~

This amendment shall remain in effect until December 31, 2019.

Date: _____

Date: _____

Rancho Santa Fe Fire Protection District

Firefighters Local 4349

James H Ashcraft
President, Board of Directors

Nicholas Brandow
Local 4349 President

RESOLUTION 2017-15

A Resolution of the Rancho Santa Fe Fire Protection District Board of Directors Authorizing a Salary Increase for Classifications Listed in the Memorandum of Understanding between Rancho Santa Fe Fire Protection District and the Rancho Santa Fe Professional Firefighters Association – Local 4349

WHEREAS, the authorized representatives of the District and the authorized representatives of the Association have met and conferred pursuant to California Government Code Section 3500 et seq. for a successor MOU, as amended; and

WHEREAS, effective January 1, 2018, the classification salary schedules shall be increased by 2%, if the fiscal year assessed valuation increases (excluding tax rate areas identified within the Elfin Forest/Harmony Grove reorganization) three percent (3%) or greater; and

WHEREAS, the FY18 assessed valuation increased by 3.45%, excluding the areas identified within Elfin Forest/Harmony Grove reorganization.

NOW THEREFORE, the Board of Directors acknowledge and authorize a classification salary schedule increase by two percent (2%), effective January 1, 2018 for all classifications listed in the Memorandum of Understanding, as amended between Rancho Santa Fe Fire Protection District and Rancho Santa Fe Professional Firefighters – Local 4349.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Rancho Santa Fe Fire Protection District on December 13, 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JAMES H ASHCRAFT
President

ATTEST:

Karlana Rannals
Secretary

Firefighter/Paramedic	A	B	C	D	E
Hourly	25.645	26.927	28.273	29.687	31.171
OT Rate	38.467	40.390	42.410	44.530	46.757
Semi Monthly	3,195	3,355	3,522	3,698	3,883
Monthly	6,390	6,709	7,045	7,397	7,767
Annual	76,677	80,511	84,537	88,764	93,202
PERS Monthly	6,223	6,534	6,861	7,204	7,564
Engineer	A	B	C	D	E
Hourly	26.916	28.262	29.675	31.159	32.717
OT Rate	40.374	42.393	44.513	46.738	49.075
Semi Monthly	3,353	3,521	3,697	3,882	4,076
Monthly	6,707	7,042	7,394	7,764	8,152
Annual	80,479	84,503	88,728	93,165	97,823
PERS Monthly	6,532	6,858	7,201	7,561	7,939
Engineer/Paramedic	A	B	C	D	E
Hourly	27.639	29.021	30.472	31.995	33.595
OT Rate	41.458	43.531	45.708	47.993	50.393
Semi Monthly	3,443	3,616	3,796	3,986	4,185
Monthly	6,887	7,231	7,593	7,972	8,371
Annual	82,640	86,772	91,111	95,666	100,450
PERS Monthly	6,707	7,042	7,394	7,764	8,152
Captain	A	B	C	D	E
Hourly	31.885	33.479	35.153	36.911	38.756
OT Rate	47.827	50.218	52.729	55.366	58.134
Semi Monthly	3,972	4,171	4,379	4,598	4,828
Monthly	7,945	8,342	8,759	9,197	9,657
Annual	95,335	100,102	105,107	110,363	115,881
PERS Monthly	7,737	8,124	8,530	8,957	9,405

RESOLUTION 2017-16

A Resolution of the Rancho Santa Fe Fire Protection District Board of Directors Adopting an Amendment No. 1 to the Memorandum of Understanding between the Rancho Santa Fe Fire Protection District and the Rancho Santa Fe Fire Protection District Employees Association

This Amendment No. 1 Memorandum of Understanding, hereinafter referred to as the "MOU" is by and between the Rancho Santa Fe Fire Protection District, hereinafter referred to as the "District", and the Rancho Santa Fe Fire Protection District Employees, hereinafter referred to as "Association", and is intended to amend the "Exception" Section 11.02 Wage Schedule for the group of employees identified.

WHEREAS, the authorized representatives of the District and the authorized representatives of the Association have met and conferred pursuant to California Government Code Section 3500 et seq. for a successor MOU; and

WHEREAS, the District and the Association representatives acknowledge that the District and Association met and conferred on the matter within the scope of representation and prepared a written amendment to the MOU.

WHEREAS, the Association has agreed and ratified the MOU; and

WHEREAS, the District's representatives have recommended that the Board of Directors adopt MOU.

NOW THEREFORE, the District and the Association agree to Amendment No. 1 MOU (Exhibit A.) for a term January 1, 2017 thru December 31, 2019.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Rancho Santa Fe Fire Protection District on December 13, 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JAMES H ASHCRAFT
President

ATTEST:

Karlana Rannals
Secretary

**AMENDMENT NO. 1 TO THE
MEMORANDUM OF UNDERSTANDING**
between
RANCHO SANTA FE FIRE PROTECTION DISTRICT
and
RANCHO SANTA FE FIRE PROTECTION DISTRICT EMPLOYEES ASSOCIATION
January 1, 2017 through December 31, 2019

The Rancho Santa Fe Fire Protection District and the Rancho Santa Fe Fire Protection District Employees Association have previously met and conferred and agreed upon an amendment to the current Memorandum of Understanding (MOU) that expires December 31, 2019. Both parties have agreed that the following article shall be amended to strike the language of 11.02 Wage Schedule, 3.a. Exception (b).

11.02 Wage Schedule

The wage schedules listed on Exhibit A will be continued thru December 31, 2019 and adjusted as follows:

1. Effective January 1, 2017, the classification salary schedules (base salary) listed in the Appendix shall be increased by two percent (2%).
2. Effective January 1, 2018, the classification salary schedules (base salary) listed in the Appendix shall be increased by two percent (2%), if applicable.
3. Effective January 1, 2019, the classification salary schedules (base salary) listed in the Appendix shall be increased by two percent (2%), if applicable.
 - a. **Exception.** Salary adjustment agreed for January 1, 2018 and/or January 1, 2019 will not become effective if ~~either (a) the Fiscal Year Assessed Valuation increase (excluding tax rate areas identified within the Elfin Forest/Harmony Grove reorganization) is less than 3%.; or (b) PERS Miscellaneous Tier 1 employer cost (normal and unfunded accrued liability) exceeds two percentage points.~~

This amendment shall remain in effect until December 31, 2019.

Date: _____

Date: _____

Rancho Santa Fe Fire Protection District

Ranch Santa Fe Fire Protection District
Employees Association

James H Ashcraft
President, Board of Directors

Conor Lenehan
Member

RESOLUTION 2017-17

A Resolution of the Rancho Santa Fe Fire Protection District Board of Directors Authorizing a Salary Increase for Classifications Listed in the Memorandum of Understanding between Rancho Santa Fe Fire Protection District and the Rancho Santa Fe Fire Protection District Employees Association

WHEREAS, the authorized representatives of the District and the authorized representatives of the Association have met and conferred pursuant to California Government Code Section 3500 et seq. for a successor MOU, as amended; and

WHEREAS, effective January 1, 2018, the classification salary schedules shall be increased by 2%, if the fiscal year assessed valuation increases (excluding tax rate areas identified within the Elfin Forest/Harmony Grove reorganization) three percent (3%) or greater; and

WHEREAS, the FY18 assessed valuation increased by 3.45%, excluding the areas identified within Elfin Forest/Harmony Grove reorganization.

NOW THEREFORE, the Board of Directors acknowledge and authorize a classification salary schedule increase by two percent (2%), effective January 1, 2018 for all classifications listed in the Memorandum of Understanding, as amended between Rancho Santa Fe Fire Protection District and Rancho Santa Fe Fire Protection District Employees Association.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Rancho Santa Fe Fire Protection District on December 13, 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JAMES H ASHCRAFT
President

ATTEST:

Karlana Rannals
Secretary

Accounting Specialist	A	B	C	D	E
Hourly	29.503	30.978	32.527	34.153	35.861
OT Rate	44.254	46.466	48.790	51.229	53.791
Semi Monthly	2,557	2,685	2,819	2,960	3,108
Monthly	5,114	5,369	5,638	5,920	6,216
Annual	61,365	64,434	67,655	71,038	74,590
Accounting Technician	A	B	C	D	E
Hourly	26.036	27.338	28.705	30.140	31.647
OT Rate	39.054	41.007	43.057	45.210	47.470
Semi Monthly	2,256	2,369	2,488	2,612	2,743
Monthly	4,513	4,739	4,975	5,224	5,485
Annual	54,155	56,863	59,706	62,691	65,826
Deputy Fire Marshal	A	B	C	D	E
Hourly	44.018	46.219	48.530	50.957	53.505
OT Rate	66.028	69.329	72.795	76.435	80.257
Semi Monthly	3,815	4,006	4,206	4,416	4,637
Monthly	7,630	8,011	8,412	8,833	9,274
Annual	91,558	96,136	100,943	105,990	111,290
Fire Prevention Specialist	A	B	C	D	E
Hourly	33.422	35.093	36.848	38.690	40.624
OT Rate	50.133	52.639	55.271	58.035	60.937
Semi Monthly	2,897	3,041	3,193	3,353	3,521
Monthly	5,793	6,083	6,387	6,706	7,042
Annual	69,518	72,993	76,643	80,475	84,499
Fire Prevention Specialist II/Forester	A	B	C	D	E
Hourly	36.765	38.603	40.534	42.560	44.688
OT Rate	55.148	57.905	60.800	63.840	67.032
Semi Monthly	3,186	3,346	3,513	3,689	3,873
Monthly	6,373	6,691	7,026	7,377	7,746
Annual	76,472	80,295	84,310	88,525	92,952
Office Support Coordinator	A	B	C	D	E
Hourly	24.155	25.362	26.630	27.962	29.360
OT Rate	36.232	38.044	39.946	41.943	44.040
Semi Monthly	2,093	2,198	2,308	2,423	2,545
Monthly	4,187	4,396	4,616	4,847	5,089
Annual	50,242	52,754	55,391	58,161	61,069
Public Education Coordinator	A	B	C	D	E
Hourly	34.266	35.979	37.778	39.667	41.650
OT Rate	51.399	53.969	56.667	59.500	62.475
Semi Monthly	2,970	3,118	3,274	3,438	3,610
Monthly	5,939	6,236	6,548	6,876	7,219
Annual	71,273	74,837	78,578	82,507	86,633

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RANCHO
SANTA FE FIRE PROTECTION DISTRICT ESTABLISHING SALARIES AND
BENEFITS FOR MANAGEMENT PERSONNEL

BE IT RESOLVED that the Board of Directors of the Rancho Santa Fe Fire Protection District does hereby authorize the following salary ranges and benefits for management personnel effective January 1, 2018.

1. SALARIES (FLSA Exempt)

1.1 The following salary range for the positions identified is as follows:

<i>Position</i>	<i>Range/Annual Salary</i>	
Fire Chief	\$178,056	\$223,197
Deputy Chief	\$148,094	\$188,820
Battalion Chief	\$121,147	\$154,463
Fire Marshal	\$113,688	\$144,957
Administrative Manager	\$102,220	\$130,332

2. RETIREMENT

2.1 Retirement (Safety): the District shall retain a retirement plan with the Public Employees Retirement System (PERS) 3% @ 50 plan for all employees hired before March 31, 2012. The retirement plan shall include all statutory benefits listed in Government Code Section 20840(e) and the following optional benefits:

- a. One-Year Final Compensation
- b. 1959 Survivor Benefit – Fourth Level

Note: Government Code Section 20840(e) includes but not limited to: 1) pre-retirement optional settlement 2 death benefit; 2) conversion of unused sick leave to retirement service credit; 3) ability for members to convert, at their own expense, prior military service and prior public service to CalPERS retirement service; and 4) local system service credit included in the basic death benefit.

2.2 All employees enrolled in the CalPERS 3% @ 50 plan, the employee will contribute 100% of the employee’s contribution for all reportable wages. The employee will contribute \$2 per month towards the cost of the 1959 Survivor Benefit - Fourth Level.

2.3 All safety employees hired after July 1, 2012 the District shall retain a retirement plan with the Public Employee Retirement System (PERS) 3% @ 55 plan. The retirement plan shall include all statutory benefits listed in Government Code Section 20840(e) and the following optional benefit:

- a. 1959 Survivor Benefit – Fourth Level

Note: Government Code Section 20840(e) includes but not limited to: 1) pre-retirement optional settlement 2 death benefit; 2) conversion of unused sick leave to retirement service credit; 3) ability for members to convert, at their own expense, prior military service and prior public service to CalPERS retirement service; and 4) local system service credit included in the basic death benefit.

- 2.4 All employees enrolled in the PERS 3% @ 55 plan, the employee will contribute 100% of the employee's contribution for all reportable wages. The employee will contribute \$2 per month toward the cost of the 1959 Survivor Benefit – Fourth Level.
- 2.5 Employee contributions for employees entering membership on or after January 1, 2013 and subject to the California Public Employees' Pension Reform Act of 2013 (PEPRA) will be determined by CalPERS.
- 2.6 The District agrees to report member contributions as taxed deferred for all employees enrolled in the CalPERS plans.
- 2.7 Retirement (Non-safety): the District shall retain a retirement plan with the Public Employees Retirement System (PERS) 2.7% @ 55 plan for all employees hired before April 1, 2012. The retirement plan shall include all statutory benefits listed in Government Code Section 20840(e) and the following optional benefits:
 - a. One-Year Final Compensation
 - b. 1959 Survivor Benefit - Fourth Level

Note: Government Code Section 20840(e) includes but not limited to: 1) pre-retirement optional settlement 2 death benefit; 2) conversion of unused sick leave to retirement service credit; 3) ability for members to convert, at their own expense, prior military service and prior public service to CalPERS retirement service; and 4) local system service credit included in the basic death benefit.
- 2.8 All employees enrolled in the PERS 2.7% @ 55 plan, the employee will contribute 100% of the employee's contribution for all reportable wages. The employee will contribute \$2 per month towards the cost of the 1959 Survivor Benefit - Fourth Level.
- 2.9 All non-safety employees hired after July 1, 2012 the District shall retain a retirement plan with the Public Employee Retirement System (CalPERS) 2.5% @ 55 plan. The retirement plan shall include all statutory benefits listed in Government Code Section 20840(e) and the following optional benefit:

1959 Survivor Benefit – Fourth Level

Note: Government Code Section 20840(e) includes but not limited to: 1) pre-retirement optional settlement 2 death benefit; 2) conversion of unused sick leave to retirement service credit; 3) ability for members to convert, at their own expense, prior military service and prior public service to CalPERS retirement service; and 4) local system service credit included in the basic death benefit.
- 2.10 All employees enrolled in the PERS 2.5% @ 55 plan, the employee will contribute 100% of the employee's contribution toward the employee contribution for all reportable wages. The employee will also contribute \$2 per month toward the cost of the 1959 Survivor Benefit – Fourth level.
- 2.11 Employee contributions for employees entering membership on or after January 1, 2013 and subject to the California Public Employees' Pension Reform Act of 2013 (PEPRA) will be determined by CalPERS.
- 2.12 The District agrees to report member contributions as taxed deferred for all employees enrolled in CalPERS.

3. CLOTHING ALLOWANCE

3.1	<i>Position</i>	<i>Annual Allowance</i>
	Administrative Manager	\$150
	<i>Upon termination of any personnel in the above listed positions, the allowance shall then become \$0.</i>	

4. SICK LEAVE

- 4.1 *Shift Employees*
 - 4.1.1 Accrual: Shift employees shall accrue sick leave at the rate of 12 hours per month. Sick leave shall be accumulated with no maximum accrual.
 - 4.1.2 At retirement, unused sick leave credit for shift employees shall be converted as follows:
 - a. All unused sick leave hours will may be reported to CalPERS for additional service credit, if applicable

- b. The employee must choose to convert unused sick leave hours to an employee's RHSA at a ratio of 2:1. A minimum of 500 sick leave hours is required to be eligible for this option. The RHSA contribution shall be calculated at the straight time rate and shall not exceed the value of 40 shifts.

4.2 *Non-shift employees*

- 4.2.1 Accrual: Non-shift employees shall accrue sick leave at the rate of 8 hours per month. Sick leave shall be accumulated with no maximum accrual.
- 4.2.2 At retirement, unused sick leave credit for non-shift employees shall be converted as follows:
 - a. All unused sick leave hours will be reported to CalPERS for additional service credit, if applicable; and
 - b. The employee must convert unused sick leave hours to be an employee's RHSA at a ratio of 2:1. A minimum of 357 hours is required to be eligible for this option. The RHSA shall be calculated at the straight time rate and shall not exceed the value of 685 hours.

4.3 *Management Employees*

- 4.3.1 The accrual rate shall apply to the employee's permanent work schedule and not be changed for temporary or short-term assignments.
- 4.3.2 When an employee changes from one work schedule to another work schedule as a permanent assignment, accumulated leave shall be adjusted in accordance to the ratio of one work schedule to the other. Example: factor from 56-hour workweek to 40-hour workweek is .714; the factor from 40-hour workweek to 56-hour workweek is 1.4.
- 4.3.3 Sick leave shall be available for personal illness or injury, emergency medical or dental appointments and for reasonable travel time to and from health care facilities. Sick leave shall also be available to an employee for caring for a member of his/her immediate family who is ill or injured, emergency medical or dental appointments, and for reasonable travel time to and from health care facilities.
- 4.3.4 Definition of Immediate Family - Immediate family shall include: husband, wife, child, stepchild, brother, stepbrother, sister, stepsister, parent, stepparent, grandparent, grandchild, or any legal dependent residing in same household.

5. INSURANCE

- 5.1 The District shall contract with a provider(s) for medical and dental benefits for providing employees and their eligible dependents with insurance benefits. The District agrees to contribute 80% of the average CalPERS HMO medical plans and 100% of the HMO dental plan(s) offered (at the family rate), per month toward medical and dental insurance. This calculated dollar amount shall be inclusive of any mandatory contributions that may be required by the provider. However, if the monthly premiums for medical and dental insurance exceed 80% of the average HMO medical/dental plans offered per month, the affected employee will be responsible for the difference.
- 5.2 Any unused premium may be used for medical/dental expenses as defined by the Administrative Policy for a maximum period of 18 months. After the 18-month period expires, or at retirement, 100% of any unused premium shall be transferred to the employee's Retirement Health Savings Account. NOTE: If an employee separates from employment, the unused premium shall be forfeited.
- 5.3 Eligible full-time employees may elect to opt out of only the medical insurance, if proof of coverage can be provided to the District. If no medical options are selected, the District shall place a capped rate of \$1,000 per month (\$12,000 annually) in the employee's medical reimbursement account. Unused premiums shall be transferred to the employees HRSA per the provisions in 6.01.
- 5.4 Employees, upon retirement, at no additional cost to active employees or to the District shall be allowed to remain on the group dental plan until age 65. The retiree will be required to have the same plan as active employees. The retiree will be responsible for payment of entire premium and a two percent (2%) administrative cost.

- 5.5 Life: The District shall provide a \$50,000 life insurance policy for the employee and the Board of Directors, and \$1,000 life insurance policy for employee's dependents. The policy shall include accidental death and dismemberment coverage.
- 5.6 Long-Term Disability: The District shall provide a Long-Term Disability plan.
- 5.7 In the event the Board of Directors modifies the insurance benefit (increase or decrease) in any other labor contract, this insurance benefit shall be adjusted per said resolution or contract for all positions identified in this Resolution.

6. HEALTH RETIREMENT SAVINGS ACCOUNT

- 6.1 Employees shall be required to participate in a District administered Retirement Health Savings Account (RHSA). The following terms apply:
 - a. Effective July 1, 2006 a monetary contribution will be made by the District in an amount of \$100 per employee per month.
 - b. The value of any unused medical reimbursement shall be transferred at the end of each calendar and fiscal year to the employee's RHSA (contributed twice a year).
 - c. If the shift employee has an excess of 480 hours of unused sick leave, then at the end of each calendar year 50% of the unused sick leave (144 minus sick leave used) will be contributed to the RHSA at the employee's hourly rate.
 - d. If the non-shift employee has an excess of 343 hours of unused sick leave, then at the end of each calendar year 50% of the unused sick leave (96 minus sick leave used) will be contributed to the RHSA at the employee's hourly rate.

7. MANAGEMENT SUPPLEMENTAL BENEFIT PLANS

- 7.1 Management Supplemental Benefit: All Managers represented in this resolution will receive a Management Supplemental Benefit (MSB) of 5% of their annual base salary as of July 1. The MSB provides for additional compensation and/or non-taxable benefit equal to 5.00% of annual base salary as of July 1, and paid once per calendar year on the July 31 pay date. The MSB of 5% of the annual base salary shall only to be used once in a twelve (12) month period for the calculation of reportable compensation. Managers covered by this benefit may choose one of the following options:
 - a. Direct Payment – Cash: this option is considered additional income and is subject to federal and state withholding taxes.
 - b. Direct Payment – Deferred Compensation 457 Plan: this option is considered additional income and is subject to the maximum deferral allowed by the IRS.
 - c. Medical Reimbursement: this option is considered a non-taxable benefit, which may be used for additional medical/dental expenses. Please note that unused monies in this account are not eligible for transfer to the District's Health Retirement Savings Account.
 - d. Combination of Option a, b, or c: this option may not exceed the maximum benefit.
- 7.2 Staff Management Supplemental Benefit: Beginning July 1, 2017, all Managers represented in this resolution and who are assigned to a 40-hour or 9/80 workweek, will receive an additional Staff Management Supplemental Benefit (SMSB) of 5% of their annual base salary. To be eligible for the SMSB, the manager must have been assigned to a 40-hour or 9/80 workweek for a minimum of 75% of the previous fiscal year. The SMSB provides for additional compensation and/or non-taxable benefit equal to 5.00% of annual base salary as of July 1 and paid once per year on the August 15 pay date, or at retirement if employee retires prior to this pay date. This SMSB of 5% of annual base salary shall only to be used once in a twelve (12) month period for the calculation of reportable compensation. Managers covered by this benefit may choose one of the options described in 7.1 a – d.

8. HOLIDAYS

8.1 For the purpose of this section, the legal "holiday" shall mean and include the following days:

- a. New Year’s Day (January 1)
- b. Martin Luther King Day (third Monday in January)
- c. President’s Day (third Monday in February)
- d. Memorial Day (fourth Monday in May)
- e. Independence Day (July 4)
- f. Labor Day (first Monday in September)
- g. Veteran’s Day (November 11)
- h. Thanksgiving Day (fourth Thursday in November)
- i. Day after Thanksgiving Day
- j. Christmas Day (December 25)
- k. Floating Holiday

8.2 All Chief Officers shall receive holiday payment equal to one-half month’s salary, payable on November 15. Rotating schedules to assure availability during holidays will be required.

9. USE OF DISTRICT VEHICLES

9.1 The District will assign a vehicle to the following positions for commuting to/from work and all business purposes to insure availability for immediate emergency response:

- a. Fire Chief
- b. Deputy Chief
- c. Fire Marshal
- d. Battalion Chief – Administrative/Training

9.2 Personnel assigned to a take home vehicle must meet a 45-minute response time to District from their place of residence.

9.3 Battalion Chief – Shift: while on duty, shift Battalion Chiefs are provided an emergency vehicle to assist in the performance of their duties.

9.4 The value for all personal use may be reported as a taxable fringe benefit as established by IRS Regulations and the District’s Administrative policy.

10. VACATION ACCRUAL

10.1 Annual vacation accrual hours shall be based upon years of service in accordance with the following:

Years of Service	Based on 40 hour work week	Based on 56 hour work week
0 – 5 years	80 hours	112 hours
6 – 10 years	120 hours	168 hours
11 – 15 years	136 hours	190 hours
16 – 20 years	160 hours	224 hours
21+ years	200 hours	280 hours

Note: The Fire Chief is authorized to negotiate the starting vacation accumulation different from shown above for management staff members new to the District.

- 10.2 All management employees shall have the option to sell the excess of 80 hours (non-shift), or the excess of 112 hours (shift) accrued vacation at straight time, not more than twice a year, after the work period ends that include June 30 and December 31.
- 10.3 An employee may only sell a maximum of 200 hours of accrued vacation per calendar year. Minimum vacation accrual balances are required as identified in 10.02.
- 10.4 A written request received by December 31 for payment of accrued vacation sold back to the District, which will be remitted by separate check on January 15. A written request received by June 30 for payment of vacation sold back to the District, which will be remitted by separate check on July 15. No payments under this section will be reported as “reportable compensation” for retirement purposes.

11. EMERGENCY RESPONSE COMPENSATION

- 11.1 The District will compensate employees at the straight-time hourly rate for all time worked greater than their daily rate for responses for which the District is reimbursed. The District will pay compensation upon receipt of monies from agencies requesting services. Maximum compensation will not exceed any reimbursement amount received by the District. This provision does not apply to any Battalion Chief position.
- 11.2 Battalion Chief Emergency Callback: *Battalion Chief Emergency Callback* is defined as a call back to work for emergency coverage exceeding three (3) hours; or when on an emergency assignment that does not extend into the next 24-hour operational period shall be paid at their straight time hourly rate.
- 11.3 Battalion Chief Extended Overhead Assignment: *Battalion Chief Extended Assignment* is defined as an emergency assignment that extends into the next 24-hour operational period. The employee shall be paid an hourly rate of time and one-half.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Rancho Santa Fe Fire Protection District on December 13, 2017 by the following vote:

AYES: Ashcraft, Hillgren, Malin, Stine, Tanner
 NOES: None
 ABSENT: None
 ABSTAIN: None

James H Ashcraft
 President

ATTEST:

Karlana Rannals
 Secretary

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RANCHO SANTA FE FIRE PROTECTION DISTRICT ADOPTING A PAY SCHEDULE IN ACCORDANCE WITH CALIFORNIA CODE OF REGULATIONS, TITLE 2, SECTION 570.5

WHEREAS, the California Public Employees Retirement System (“PERS”) recently adopted the California Code of Regulations, Title 2, Section 570.5 on August 10, 2011; and

WHEREAS, the California Code of Regulations, Title 2, Section 570.5 requires the District’s Board of Directors approve and adopt all pay schedules; and

WHEREAS, the Regulations require that the pay schedule be made public without reference to another document in disclosure of the pay rate.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Rancho Santa Fe Fire Protection District, a public agency in the County of San Diego, California, as follows:

- 1) That the attached pay schedule titled Rancho Santa Fe Fire Protection District Pay Schedule, set forth in Exhibit “A” attached hereto and incorporated herein by reference is approved effective November 1, 2017 and adopted.
- 2) That the attached pay schedule titled Rancho Santa Fe Fire Protection District Pay Schedule, set forth in Exhibit “B” attached hereto and incorporated herein by reference is approved effective January 1, 2018 and adopted.
- 3) That the pay schedules approved and adopted by this resolution shall be periodically updated by the Board of Directors, in accordance with the California Code of Regulations requirements.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Rancho Santa Fe Fire Protection District on December 13, 2017 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JAMES H ASHCRAFT
President

ATTEST:

Karlana Rannals
Secretary

Effective Date - November 1, 2017

		Steps or Range				
Position		Step A	Step B	Step C	Step D	Step E
Fire Prevention Specialist	Hourly	32.767	34.405	36.125	37.932	39.828
	OT Rate	49.15	51.61	54.19	56.90	59.74
	Semi Monthly	2,840	2,982	3,131	3,287	3,452
	Monthly	5,680	5,964	6,262	6,575	6,904
	Annual	68,155	71,563	75,141	78,898	82,843
Public Education Coordinator	Hourly	33.594	35.274	37.037	38.889	40.834
	OT Rate	50.39	52.91	55.56	58.33	61.25
	Semi Monthly	2,911	3,057	3,210	3,370	3,539
	Monthly	5,823	6,114	6,420	6,741	7,078
	Annual	69,875	73,369	77,038	80,890	84,934
Office Support Coordinator	Hourly	23.681	24.865	26.108	27.414	28.784
	OT Rate	35.52	37.30	39.16	41.12	43.18
	Semi Monthly	2,052	2,155	2,263	2,376	2,495
	Monthly	4,105	4,310	4,525	4,752	4,989
	Annual	49,256	51,719	54,305	57,020	59,871
Accounting Specialist	Hourly	28.924	30.370	31.889	33.483	35.157
	OT Rate	43.39	45.56	47.83	50.22	52.74
	Semi Monthly	2,507	2,632	2,764	2,902	3,047
	Monthly	5,013	5,264	5,527	5,804	6,094
	Annual	60,162	63,170	66,328	69,645	73,127
Accounting Technician	Hourly	25.525	26.802	28.142	29.549	31.026
	OT Rate	38.29	40.20	42.21	44.32	46.54
	Semi Monthly	2,212	2,323	2,439	2,561	2,689
	Monthly	4,424	4,646	4,878	5,122	5,378
	Annual	53,093	55,748	58,535	61,462	64,535
Fire Prevention Specialist II/Forester	Hourly	36.044	37.847	39.739	41.726	43.812
	OT Rate	54.07	56.77	59.61	62.59	65.72
	Semi Monthly	3,124	3,280	3,444	3,616	3,797
	Monthly	6,248	6,560	6,888	7,232	7,594
	Annual	74,972	78,721	82,657	86,790	91,129
Deputy Fire Marshal	Hourly	43.155	45.313	47.579	49.958	52.455
	OT Rate	64.73	67.97	71.37	74.94	78.68
	Semi Monthly	3,740	3,927	4,123	4,330	4,546
	Monthly	7,480	7,854	8,247	8,659	9,092
	Annual	89,763	94,251	98,963	103,912	109,107

Position		Step A	Step B	Step C	Step D	Step E
Firefighter/Paramedic	Hourly	25.142	26.399	27.719	29.105	30.560
	OT Rate	37.713	39.598	41.578	43.657	45.840
	Semi Monthly	3,132	3,289	3,453	3,626	3,807
	Monthly (Includes FLSA)	6,264	6,578	6,907	7,252	7,615
	Annual (Includes FLSA)	75,174	78,933	82,879	87,023	91,374
Engineer	Hourly	26.388	27.708	29.093	30.548	32.075
	OT Rate	39.583	41.562	43.640	45.822	48.113
	Semi Monthly	3,288	3,452	3,625	3,806	3,996
	Monthly (Includes FLSA)	6,575	6,904	7,249	7,611	7,992
	Annual (Includes FLSA)	78,901	82,846	86,989	91,338	95,905
Engineer/Paramedic	Hourly	27.097	28.452	29.874	31.368	32.936
	OT Rate	40.645	42.678	44.811	47.052	49.405
	Semi Monthly	3,376	3,545	3,722	3,908	4,103
	Monthly (Includes FLSA)	6,752	7,089	7,444	7,816	8,207
	Annual (Includes FLSA)	81,020	85,071	89,324	93,790	98,480
Captain	Hourly	31.260	32.823	34.464	36.187	37.996
	OT Rate	46.889	49.234	51.695	54.280	56.994
	Semi Monthly	3,894	4,089	4,294	4,508	4,734
	Monthly (Includes FLSA)	7,789	8,178	8,587	9,017	9,467
	Annual (Includes FLSA)	93,466	98,139	103,046	108,199	113,609

Position		Range	
Fire Chief	Semi Monthly	7,419	→ 9,118
	Monthly	14,838	18,235
	Annual	178,056	218,820
Deputy Chief	Semi Monthly	6,171	→ 7,713
	Monthly	12,341	15,425.50
	Annual	148,094	185,118
Battalion Chief	Semi Monthly	5,048	→ 6,310
	Monthly	10,096	12,620
	Annual	121,147	151,434
Fire Marshal	Semi Monthly	4,737	→ 5,921
	Monthly	9,474	11,843
	Annual	113,688	142,110
Administrative Manager	Semi Monthly	4,259	→ 5,324
	Monthly	8,518	10,648
	Annual	102,220	127,776

Position - Volunteer Division		Range	
Division Chief-Volunteer Coordinator	Semi Monthly		2,917
	Monthly		5,833
	Annual		70,000
Division Chief-Volunteer Training Coordinator <i>(part time)</i>	Semi Monthly		1,458.33
	Monthly		2,917
	Annual		35,000
Recruitment-Retention Volunteer Coordinator	Hourly	34.00	→ 40.00
Firefighter Driver/Operator <i>(part time)</i>	Hourly		California Minimum Wage

Positions - Temporary <i>(as needed and determined by the Fire Chief)</i>		Range	
Temporary - Non-exempt	Hourly	California Minimum Wage	→ 76.10

Examples of a temporary employee's position includes but is not limited to:
 Fire Services Assistant; Interns (Administration, Fire Prevention, Training); Fire Prevention (Weed Abatement; Plan Review); Firefighter/Paramedic; Retired Annuitants as extra help

Effective Date - January 1, 2018

Position		Steps or Range				
		Step A	Step B	Step C	Step D	Step E
Fire Prevention Specialist	Hourly	33,422	35,093	36,848	38,690	40,625
	OT Rate	50.13	52.64	55.27	58.04	60.94
	Semi Monthly	2,897	3,041	3,193	3,353	3,521
	Monthly	5,793	6,083	6,387	6,706	7,042
	Annual	69,518	72,994	76,644	80,476	84,500
Public Education Coordinator	Hourly	34,266	35,979	37,778	39,667	41,650
	OT Rate	51.40	53.97	56.67	59.50	62.48
	Semi Monthly	2,970	3,118	3,274	3,438	3,610
	Monthly	5,939	6,236	6,548	6,876	7,219
	Annual	71,273	74,837	78,578	82,507	86,633
Office Support Coordinator	Hourly	24,155	25,362	26,630	27,962	29,360
	OT Rate	36.23	38.04	39.95	41.94	44.04
	Semi Monthly	2,093	2,198	2,308	2,423	2,545
	Monthly	4,187	4,396	4,616	4,847	5,089
	Annual	50,241	52,754	55,391	58,161	61,069
Accounting Specialist	Hourly	29,502	30,978	32,526	34,153	35,860
	OT Rate	44.25	46.47	48.79	51.23	53.79
	Semi Monthly	2,557	2,685	2,819	2,960	3,108
	Monthly	5,114	5,369	5,638	5,920	6,216
	Annual	61,365	64,433	67,655	71,038	74,590
Accounting Technician	Hourly	26,036	27,338	28,705	30,140	31,647
	OT Rate	39.05	41.01	43.06	45.21	47.47
	Semi Monthly	2,256	2,369	2,488	2,612	2,743
	Monthly	4,513	4,739	4,975	5,224	5,485
	Annual	54,155	56,862	59,706	62,691	65,825
Fire Prevention Specialist II/Forester	Hourly	36,765	38,603	40,534	42,560	44,688
	OT Rate	55.15	57.91	60.80	63.84	67.03
	Semi Monthly	3,186	3,346	3,513	3,689	3,873
	Monthly	6,373	6,691	7,026	7,377	7,746
	Annual	76,472	80,295	84,310	88,526	92,952
Deputy Fire Marshal	Hourly	44,018	46,219	48,530	50,957	53,505
	OT Rate	66.03	69.33	72.80	76.44	80.26
	Semi Monthly	3,815	4,006	4,206	4,416	4,637
	Monthly	7,630	8,011	8,412	8,832	9,274
	Annual	91,558	96,136	100,943	105,990	111,289
Position		Step A	Step B	Step C	Step D	Step E
Firefighter/Paramedic	Hourly	25,645	26,927	28,273	29,687	31,171
	OT Rate	38.467	40.390	42.410	44.530	46.757
	Semi Monthly	3,195	3,355	3,522	3,698	3,883
	Monthly (Includes FLSA)	6,390	6,709	7,045	7,397	7,767
	Annual (Includes FLSA)	76,677	80,511	84,537	88,764	93,202
Engineer	Hourly	26,916	28,262	29,675	31,159	32,717
	OT Rate	40.374	42.393	44.513	46.738	49.075
	Semi Monthly	3,353	3,521	3,697	3,882	4,076
	Monthly (Includes FLSA)	6,707	7,042	7,394	7,764	8,152
	Annual (Includes FLSA)	80,479	84,503	88,728	93,165	97,823
Engineer/Paramedic	Hourly	27,639	29,021	30,472	31,995	33,595
	OT Rate	41.458	43.531	45.708	47.993	50.393
	Semi Monthly	3,443	3,616	3,796	3,986	4,185
	Monthly (Includes FLSA)	6,887	7,231	7,593	7,972	8,371
	Annual (Includes FLSA)	82,640	86,772	91,111	95,666	100,450
Captain	Hourly	31,885	33,479	35,153	36,911	38,756
	OT Rate	47.827	50.218	52.729	55.366	58.134
	Semi Monthly	3,972	4,171	4,379	4,598	4,828
	Monthly (Includes FLSA)	7,944.6	8,341.8	8,758.9	9,196.9	9,656.7
	Annual (Includes FLSA)	95,335	100,102	105,107	110,363	115,881

Position		Range		
Fire Chief	Semi Monthly	7,419	→	9,300
	Monthly	14,838		18,600
	Annual	178,056		223,196
Deputy Chief	Semi Monthly	6,171	→	7,867
	Monthly	12,341		15,734.03
	Annual	148,094		188,820
Battalion Chief	Semi Monthly	5,048	→	6,436
	Monthly	10,096		12,872
	Annual	121,147		154,463
Fire Marshal	Semi Monthly	4,737	→	6,040
	Monthly	9,474		12,079
	Annual	113,688		144,952
Administrative Manager	Semi Monthly	4,259	→	5,430
	Monthly	8,518		10,861
	Annual	102,220		130,332
Position - Volunteer Division		Range		
Recruitment-Retention Volunteer Coordinator	Hourly	34.00	→	40.00
Firefighter Driver/Operator (part time)	Hourly	California Minimum Wage		
Positions - Temporary (as needed and determined by the Fire Chief)		Range		
Temporary - Non-exempt	Hourly	California Minimum Wage	→	76.10
Examples of a temporary employee's position includes but is not limited to: Fire Services Assistant; Interns (Administration, Fire Prevention, Training); Fire Prevention (Weed Abatement; Plan Review); Firefighter/Paramedic; Retired Annuitants as extra help				

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RANCHO SANTA FE FIRE PROTECTION DISTRICT APPOINTING INTERIM BATTALION CHIEF AND APPROVING AN EMPLOYMENT AGREEMENT

WHEREAS, Government Code Section 21221(h) permits the Board of Directors to appoint a CalPERS retiree to a vacant position requiring specialized skills during recruitment for a permanent appointment, and provides that such appointment will not subject the retired person to reinstatement from retirement or loss of benefits so long as it is a single appointment that does not exceed 960 hours in a fiscal year; and

WHEREAS, an appointment under Government Code section 21221(h) requires an active, publicly posted recruitment for a permanent replacement; and

WHEREAS, the position of Battalion Chief became vacant on December 29, 2017; and

WHEREAS, the District is currently actively recruiting applicants for the Battalion Chief position, and will be reviewing applications, conducting background checks, and interviewing candidates; and

WHEREAS, to ensure the District's efficient continued operations, the Board of Directors desires to retain the services of a retired member of CalPERS, to serve as interim Battalion Chief; and

WHEREAS, it is anticipated that the Interim Battalion Chief Chris F. Galindo, CalPERS ID: 7478964197, will provide the leadership, managerial, and organization skills to the District's Administrative Operations as well as some transition assistance once a permanent Battalion Chief is selected; and

WHEREAS, Chris F. Galindo is a retired member of CalPERS and has over 25 years' experience in fire service with an extensive history in fire management and District operations; and

WHEREAS, this appointment will continue until September 30, 2018, unless earlier terminated due to the selection and adequate training for the successor for the Battalion Chief position; and

WHEREAS, it is understood by the District and the Interim Battalion Chief, Chris F. Galindo that the combined total hours to be served by him in any fiscal year, for all CalPERS employers combined, shall not exceed the 960-hour limitation set forth in California Government Code Section 21221(h) and Section 7522.56(d); and

WHEREAS, this Government Code Section 21221(h) appointment shall only be made once and therefore will end on September 30, 2018 or, if earlier, the date that these appointments are terminated by the District or Chris F. Galindo; and

WHEREAS, the entire employment agreement, contract or appointment document between Chris F. Galindo and the Board of Directors has been reviewed by this body and is attached herein; and

WHEREAS, no matters, issues, terms or conditions related to this employment and appointment have been or will be placed on a consent calendar; and

WHEREAS, the compensation paid to retirees cannot be less than the minimum nor exceed the maximum monthly base salary paid to other employees performing comparable duties, divided by 173.333 to equal the hourly rate; and

WHEREAS, the maximum base salary for this position is \$12,872.00 and the hourly equivalent is \$74.26, and the minimum base salary for this position is \$10,096.00 and the hourly equivalent is \$52.22; and

WHEREAS, the hourly rate paid to Chris F. Galindo will be \$74.26; and

WHEREAS, Chris F. Galindo has not and will not receive any other benefit, incentive, compensation in lieu of benefit or other form of compensation in addition to this hourly pay rate; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Rancho Santa Fe Fire Protection District, hereby certify the following:

Section 1. All of the recitals above are true and correct and are hereby incorporated by reference herein.

Section 2. Chris F. Galindo has the specialized skills needed to perform the work required of the interim Battalion Chief until a permanent Battalion Chief is appointed and thereafter begins his or her service.

Section 3. The Board of Directors hereby authorizes the appointment of Chris F. Galindo as interim Battalion Chief pursuant to the authority provided under Government Code Section 21221(h) and 7522.56, during the recruitment, selection, and employment of a permanent Battalion Chief, to provide the critically needed, specialized skills necessary for the District's administrative operations. This appointment can allow for some transitional duties once a successor Battalion Chief commences service with the District.

Section 4. The Board of Directors approves the employment agreement with Chris F. Galindo a copy of which is attached as Exhibit A.

Section 5. The Fire Chief is authorized to execute said agreement on behalf of the District, with an effective date and other technical amendments as may be deemed appropriate by the City Manager and legal counsel.

PASSED AND ADOPTED at a special meeting of the Board of Directors of the Rancho Santa Fe Fire Protection District on December 13, 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JAMES H ASHCRAFT
President

ATTEST:

Karlena Rannals
Secretary

December 30, 2017

Chris F. Galindo
Address on File

RE: Temporary, Part-Time Retired Annuitant Appointment with the Rancho Santa Fe Fire Protection District

Dear Mr. Galindo:

This letter is an offer of employment, and your agreement to the terms and conditions of your employment, with the Rancho Santa Fe Fire Protection District. You are appointed effective January 2, 2018 by the Fire Chief to serve as the interim Battalion Chief during an active recruitment to fill the vacancy. Your job functions shall include:

Under general direction of the Fire Chief, performs a variety of administrative functions in planning, organizing, and providing immediate direction to the functions and operations of the District in accordance with a broad delegation of authority; may be assigned responsibilities in one or more functional areas including Operations, Training, and Administration.

Your term of employment will extend to September 30, 2018, or upon appointment of a permanent employee to the vacant position, whichever occurs first.

Temporary positions with the District are considered "at-will." As a CalPERS retired annuitant, you may not work more than 960 hours for all CalPERS employers combined in the fiscal year. You are responsible for monitoring compliance with this work limit. Your compensation will not exceed the maximum, nor be less than the minimum, monthly base salary paid to other employees performing comparable duties. Your hourly rate will be **\$74.26**. In addition, you are not eligible to receive any benefit, incentive, compensation in lieu of benefits, or other form of compensation in addition to the hourly pay rate.

By accepting this employment and signing below, you attest that: (1) you retired with CalPERS; and (2) you have not received unemployment insurance benefits in the last 12 months arising out of any other post-retirement employment with a CalPERS agency.

By accepting this employment, you acknowledge that the law strictly limits the employment of a CalPERS retired annuitant by a CalPERS employer. Such employment is governed by Government Code sections 7522.56, 21221 and 21224, among other laws and regulations. A violation of these laws may result in your retroactive reinstatement to active membership from the first date of unlawful employment, a repayment to CalPERS of your retirement allowances received during the unlawful employment, retroactive member contributions, and administrative fees. Before entering into employment with the District, you are advised to consult with your own legal counsel and/or CalPERS to ensure your employment will comply with the law. The District does not make any guarantees, warranties, or promises concerning the lawfulness of your employment.

By signing below, you waive, release and hold harmless the District, its Board of Directors, employees, officers, elected officials, agents, attorneys or representatives (“Releasees”) against any claim, complaint, cause of action, lawsuit, grievance, or damages arising out of any adverse consequences, fines, restitution, or damages assessed against you by CalPERS, a court of competent jurisdiction, or other regulatory or administrative agency because of your post-retirement employment with the District. You acknowledge that the District has not induced you to believe that your employment is legally compliant with the law.

Reviewed and Acknowledged:

Chris F. Galindo

Date

Tony J. Michel

Date

Rancho Santa Fe Fire Protection District

Rancho Santa Fe, California

Annual Financial Report

For the Year Ended June 30, 2017



Mission Statement

To protect life, property, and environment through prevention, preparedness, education and emergency response.

**Rancho Santa Fe Fire Protection District
Board of Directors as of June 30, 2017**

<u>Name</u>	<u>Position</u>	<u>Elected/Appointed</u>	<u>Current Term</u>
James H. Ashcraft	President	Elected	12/16 - 12/20
John C. Tanner	Vice President	Elected	12/14 - 12/18
Randall Malin	Director	Elected	12/16 - 12/20
Tucker Stine	Director	Elected	12/14 - 12/18
Nancy C. Hillgren	Director	Elected	12/16 - 12/20

**Rancho Santa Fe Fire Protection District
Tony Michel, Fire Chief
18027 Calle Ambiente
Rancho Santa Fe, CA 92067 (858)756-5971
www.rsf-fire.org**

**Rancho Santa Fe Fire Protection District
Annual Financial Report
For the Year Ended June 30, 2017**

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the Rancho Santa Fe Fire Protection District
Rancho Santa Fe, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Rancho Santa Fe Fire Protection (District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Rancho Santa Fe Fire Protection District as of June 30, 2017, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

To the Board of Directors
of the Rancho Santa Fe Fire District
Rancho Santa Fe, California

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 8, the Budgetary Comparison – General Fund, Budgetary Comparison – Special Revenue Fund, Schedule of the District's Proportionate Share of the Plan's Net Pension Liability, and the Schedule of the District's Contributions to the Pension Plan on pages 49 through 52, respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 30, 2017, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

San Diego, California
November 30, 2017

**REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Independent Auditors' Report

To the Board of Directors
of the Rancho Santa Fe Fire Protection District
Rancho Santa Fe, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Rancho Santa Fe Fire Protection District (District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprises the District's basic financial statements, and have issued our report thereon dated November 30, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Board of Directors
of the Rancho Santa Fe Fire Protection District
Rancho Santa Fe, California

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

San Diego, California
November 30, 2017

**Rancho Santa Fe Fire Protection District
Management’s Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017**

As management of the Rancho Santa Fe Fire Protection District (District), we offer readers of the District’s financial statements this narrative overview and analysis of the financial activities and performance of the District for the fiscal year ended June 30, 2017. Please read it in conjunction with additional information that we have furnished in the accompanying basic financial statements, which follow this section.

Financial Highlights

- The District’s net position increased 19.38%, or \$5,299,935 from the prior year’s net position of \$27,347,147 to \$32,647,082, primarily from the Elfin Forest/Harmony Grove reorganization.
- The District’s total revenues increased by 43.91% or \$6,346,074, to \$20,796,943 in fiscal year 2017 due primarily to primarily from the Elfin Forest/Harmony Grove reorganization.
- The District’s total expenses increased 24.57% or \$3,056,211, to \$15,497,008 in fiscal year 2017 due primarily to the expanded services for the Elfin Forest/Harmony Grove reorganization.

Using This Financial Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies. The Statement of Net Position includes all of the District’s investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year’s revenue and expenses are accounted for in the Statement of Activities. This statement measures the success of the District’s operations over the past year and can be used to determine the District’s profitability and credit worthiness.

Government-wide Financial Statements

Statement of Net Position and Statement of Activities

One of the most important questions asked about the District’s finances is, “Is the District better off or worse off as a result of this year’s activities?” The Statement of Net Position and the Statement of Activities report information about the District in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year’s revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District’s *net position* and changes in them. Think of the District’s net position – the difference between assets and liabilities – as one way to measure the District’s financial health, or *financial position*. Over time, *increases or decreases* in the District’s net position is one indicator of whether its *financial health* is improving or deteriorating.

Governmental Funds Financial Statements

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

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government’s near term financing requirements.

Rancho Santa Fe Fire Protection District
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2017

Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budgetary information and compliance.

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>Change</u>
Assets:			
Current assets	\$ 23,455,400	\$ 16,965,684	\$ 6,489,716
Capital assets, net	<u>18,681,793</u>	<u>18,370,695</u>	<u>311,098</u>
Total assets	<u>42,137,193</u>	<u>35,336,379</u>	<u>6,800,814</u>
Deferred outflows of resources	<u>7,280,941</u>	<u>4,576,758</u>	<u>2,704,183</u>
Liabilities:			
Current liabilities	889,375	1,255,374	(365,999)
Noncurrent liabilities	<u>13,592,886</u>	<u>8,883,393</u>	<u>4,709,493</u>
Total liabilities	<u>14,482,261</u>	<u>10,138,767</u>	<u>4,343,494</u>
Deferred inflows of resources	<u>2,288,791</u>	<u>2,427,223</u>	<u>(138,432)</u>
Net position:			
Investment in capital assets	18,681,793	18,370,695	311,098
Restricted for capital projects	1,639,027	1,276,857	362,170
Unrestricted	<u>12,326,262</u>	<u>7,699,595</u>	<u>4,626,667</u>
Total net position	<u>\$ 32,647,082</u>	<u>\$ 27,347,147</u>	<u>\$ 5,299,935</u>

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by \$32,647,082 as of June 30, 2017.

Rancho Santa Fe Fire Protection District
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2017

Government-wide Financial Analysis (Continued)

A portion of the District's net position 57% or \$18,681,793 reflects its investment in capital assets (net of accumulated depreciation). The District uses these capital assets to operate the District; consequently, these assets are *not* available for future spending. At the end of fiscal year 2017, the District shows a positive balance in its unrestricted net position of \$12,326,262 that may be utilized in future years.

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>Change</u>
Revenues:			
Program revenues:			
Charges for services	\$ 272,516	\$ 1,098,787	\$ (826,271)
Operating grants and contributions	592,487	567,426	25,061
Capital grants and contributions	362,206	387,999	(25,793)
General revenues:			
Property taxes	11,417,690	10,744,797	672,893
Voter approved taxes	1,476,651	1,029,740	446,911
Developer payments in-lieu of property taxes	369,573	173,654	195,919
Reorganization revenue – Elfin Forest/Harmony Grove	5,817,856	-	5,817,856
Rental income	343,505	280,659	62,846
Investment earnings	115,724	82,566	33,158
Other	28,735	85,241	(56,506)
Total revenues	<u>20,796,943</u>	<u>14,450,869</u>	<u>6,346,074</u>
Expenses:			
Fire protection operations:			
Salaries and wages	8,377,842	7,259,676	1,118,166
Employee benefits	3,674,982	2,418,350	1,256,632
Contractual services	1,499,080	1,258,901	240,179
Materials and supplies	1,198,989	769,566	429,423
Depreciation	746,115	734,304	11,811
Total expenses	<u>15,497,008</u>	<u>12,440,797</u>	<u>3,056,211</u>
Change in net position	5,299,935	2,010,072	3,289,863
Net position:			
Beginning of year	<u>27,347,147</u>	<u>25,337,075</u>	<u>2,010,072</u>
End of year	<u>\$ 32,647,082</u>	<u>\$ 27,347,147</u>	<u>\$ 5,299,935</u>

The statement of activities shows how the government's net position changes during the fiscal year. In the case of the District, net position increased by \$5,299,935 for the fiscal year ended June 30, 2017.

On June 21, 2016, the San Diego County Board of Supervisors finalized the funding mechanism for the reorganization of the Elfin Forest/Harmony Grove Fire Department into the District. In 2017, the District recognized approximately \$5.8 million in revenues from the reorganization to offset the costs of personnel and services to service the new area of the District and to provide reserves for future capital purchases.

Rancho Santa Fe Fire Protection District
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2017

Governmental Funds Financial Analysis

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, the *unassigned fund balance* may serve as a useful measure of the government's net resources for spending at the end of the fiscal year.

As of June 30, 2017, the District's General Fund reported a fund balance of \$20,580,004. An amount of \$17,848,816 constitutes the District's *unassigned fund balance*, which is available for future use.

Capital Asset Administration

At the end of fiscal year 2017, the District's investment in capital assets amounted to \$18,681,793 (net of accumulated depreciation). This investment in capital assets includes structures and improvements and equipment. (See Note 3 for further information)

Capital assets balances are as follows:

	June 30, 2017	June 30, 2016
Non-depreciable assets	\$ 3,374,840	\$ 3,374,840
Depreciable assets	24,840,756	23,864,874
Accumulated depreciation and amortization	(9,533,803)	(8,869,019)
	\$ 18,681,793	\$ 18,370,695

Economic and Other Factors Effecting Next Year's Operations and Budget

Management is unaware of any conditions, which could have a significant impact on the District's current financial position, net position or operating results in terms of past, present and future.

Requests for Information

The District's basic financial statements are designed to present users with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about the report or need additional information, please contact the District's Administrative Manager, Karlena Rannals, at the Rancho Santa Fe Fire Protection District, P.O. Box 410, 18027 Calle Ambiente, Rancho Santa Fe, California, 92067 or (858) 756-5971.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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Rancho Santa Fe Fire Protection District
Statement of Net Position
June 30, 2017

ASSETS

Current assets:

Cash and investments (Note 2)	\$ 21,980,712
Accrued interest receivable	56,249
Accounts receivable	637,508
Property taxes receivable	36,465
Other receivable	195,900
Deposits with Public Agencies Self Insurance System (Note 9)	548,566
Total current assets	23,455,400

Noncurrent assets:

Capital assets – not being depreciated (Note 3)	3,374,840
Capital assets, net – being depreciated (Note 3)	15,306,953
Total noncurrent assets	18,681,793
Total assets	42,137,193

DEFERRED OUTFLOWS OF RESOURCES

Deferred amounts related to net pension liability (Note 6)	7,280,941
Total deferred outflows of resources	7,280,941

LIABILITIES

Current liabilities:

Accounts payable and accrued expenses	286,342
Accrued salaries and related payables	401,554
Long-term liabilities – due in one year:	
Compensated absences (Note 4)	201,479
Total current liabilities	889,375

Noncurrent liabilities:

Long-term liabilities – due in more than one year:	
Compensated absences (Note 4)	302,218
Unearned reorganization revenue	2,187,500
Workers' compensation claims payable (Note 9)	238,139
Net pension liability (Note 6)	10,865,029
Total noncurrent liabilities	13,592,886
Total liabilities	14,482,261

DEFERRED INFLOWS OF RESOURCES

Deferred amounts related to net pension liability (Note 6)	2,288,791
Total deferred inflows of resources	2,288,791

NET POSITION

Investment in capital assets	18,681,793
Restricted for capital projects	1,639,027
Unrestricted	12,326,262
Total net position	\$ 32,647,082

Rancho Santa Fe Fire Protection District
Statement of Activities
For the Year Ended June 30, 2017

	Governmental Activities
Expenses:	
Fire protection operations:	
Operations	\$ 14,750,893
Depreciation expense	746,115
Total expenses	15,497,008
Program revenues:	
Charges for services	272,516
Operating grants and contributions	592,487
Capital grants and contributions	362,206
Total program revenues	1,227,209
Net program expense	(14,269,799)
General revenues:	
Property taxes	11,417,690
Voter approved taxes	1,476,651
Developer payments in-leiu of proparty taxes	369,573
Reorganization revenue – Elfin Forest/Harmony Grove	5,817,856
Rental income	343,505
Investment earnings	115,724
Other	28,735
Total general revenues	19,569,734
Change in net position	5,299,935
Net position:	
Beginning of year	27,347,147
End of year	\$ 32,647,082

FUND FINANCIAL STATEMENTS

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Rancho Santa Fe Fire Protection District
Balance Sheet
Governmental Funds
June 30, 2017

<u>ASSETS</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and investments	\$ 20,532,727	\$ 1,447,985	\$ 21,980,712
Accrued interest receivable	51,927	4,322	56,249
Accounts receivable	637,508	-	637,508
Property taxes receivable	36,465	-	36,465
Other receivables	-	195,900	195,900
Due from other funds (note 10)	9,180	-	9,180
Deposits with Public Agencies Self Insurance System	548,566	-	548,566
Total assets	\$ 21,816,373	\$ 1,648,207	\$ 23,464,580
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts payable and accrued expenses	\$ 286,342	\$ -	\$ 286,342
Accrued salaries and related payables	401,554	-	401,554
Unearned reorganization revenue	2,187,500	-	2,187,500
Due to other funds (note 10)	-	9,180	9,180
Total liabilities	2,875,396	9,180	2,884,576
Fund balance: (note 5)			
Restricted	-	1,639,027	1,639,027
Committed	548,566	-	548,566
Assigned	543,595	-	543,595
Unassigned	17,848,816	-	17,848,816
Total fund balance	18,940,977	1,639,027	20,580,004
Total liabilities, deferred inflows of resources and fund balance	\$ 21,816,373	\$ 1,648,207	\$ 23,464,580

Rancho Santa Fe Fire Protection District
Reconciliation of the Balance Sheet of Governmental Funds to the
Government-Wide Statement of Net Position of Governmental Activities
June 30, 2017

Fund Balance – Governmental Funds	<u>\$ 20,580,004</u>
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those assets as capital assets.	18,681,793
Deferred outflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those deferred outflows of resources.	7,280,941
Long-term liabilities applicable to the District are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities' both current and long-term, are reported in the statement of net position as follows:	
Compensated absences	(503,697)
Workers' compensation claims payable	(238,139)
Net pension liability	(10,865,029)
Deferred inflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those deferred inflows of resources.	<u>(2,288,791)</u>
Total adjustments	<u>12,067,078</u>
Net Position of Governmental Activities	<u><u>\$ 32,647,082</u></u>

Rancho Santa Fe Fire Protection District
Statement of Revenues, Expenditures, and Change in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Revenues:			
Property taxes	\$ 11,417,690	\$ -	\$ 11,417,690
Voter approved taxes	1,476,651	-	1,476,651
Developer payments in-leiu of proprty taxes	369,573	-	369,573
Reorganization revenue – Elfin Forest/Harmony Grove	5,817,856	-	5,817,856
Charges for services	272,516	-	272,516
Operating grants and contributions	592,487	-	592,487
Capital grants and contributions	-	362,206	362,206
Rental income	343,505	-	343,505
Investment earnings	106,580	9,144	115,724
Other	28,735	-	28,735
Total revenues	<u>20,425,593</u>	<u>371,350</u>	<u>20,796,943</u>
Expenditures:			
Current:			
Salaries and wages	8,414,044	-	8,414,044
Employee benefits	4,453,679	-	4,453,679
Contractual services	1,499,080	-	1,499,080
Materials and supplies	1,198,989	-	1,198,989
Capital outlay	1,057,213	-	1,057,213
Total expenditures	<u>16,623,005</u>	<u>-</u>	<u>16,623,005</u>
Excess of revenues over expenditures	<u>3,802,588</u>	<u>371,350</u>	<u>4,173,938</u>
Other financing sources/(uses) of funds:			
Transfers in/(out) (note 10)	9,180	(9,180)	-
Net change in fund balance	<u>3,811,768</u>	<u>362,170</u>	<u>4,173,938</u>
Fund Balance:			
Beginning of year	<u>15,129,209</u>	<u>1,276,857</u>	<u>16,406,066</u>
End of year	<u>\$ 18,940,977</u>	<u>\$ 1,639,027</u>	<u>\$ 20,580,004</u>

Rancho Santa Fe Fire Protection District
Reconciliation of the Statement of Revenues, Expenditures, and Change in
Fund Balances of Governmental Funds to the Government-Wide Statement of Activities
For the Year Ended June 30, 2017

Net Change in Fund Balance – Governmental Funds	<u>\$ 4,173,938</u>
Amount reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those capitalized assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlay	1,057,213
Depreciation expense	(746,115)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenses in governmental funds as follows:	
Net change in compensated absences	36,202
Net change in workers' compensation claims payable	(82,282)
Net change in net pension liability and related deferred resources	<u>860,979</u>
Total adjustments	<u>1,125,997</u>
Change in net position of governmental activities	<u><u>\$ 5,299,935</u></u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

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Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 1 – Reporting Entity and Summary of Significant Accounting Policies

Organization and Operations of the Reporting Entity

The Rancho Santa Fe Fire Protection District was formed on October 14, 1946 under an order adopted by the County Board of Supervisors. The District spans approximately 49-square miles and protects over 35,152 citizens. The District is governed by a five-person elected Board of Directors. The Board is responsible for establishing policies, guidelines and providing direction for Fire District staff.

Basis of Accounting and Measurement Focus

Government-wide Financial Statements

These statements are presented on an *economic resources* measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The types of transactions reported as program revenues for the District are to be reported in three categories, if applicable: 1) charges for services, 2) operating grants and contributions, and, 3) capital grants and contributions. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Grant and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Governmental Fund Financial Statements

These statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. Incorporated into these statements is a schedule to reconcile and explain the differences in net position as presented in these statements to the net position presented in the Government-wide Financial Statements. The District has presented its General Fund, as its major fund, in this statement to meet the qualifications of GASB Statement No. 34.

Governmental funds are accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60-days after year-end) are recognized when due. The primary sources susceptible to accrual for the District are property taxes and assessments, interest earnings, investment revenue and operating and capital grant revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, exceptions to this rule include principal and interest on debt, which are recognized when due.

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Basis of Accounting and Measurement Focus

The District' financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States.

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflow of Resources, and Net Position*, the Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, will not be recognized as a revenue until that time.

The District reports the following major governmental funds:

General Fund – is a government's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund when necessary.

Special Revenue Fund – is used for fees collected that can only be used to purchase capital assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in District net position during the reporting period. Actual results could differ from those estimates.

Investments

Changes in fair value that occur during a fiscal year are recognized as unrealized gains or losses and reported for that fiscal year. Investment income comprises interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

Level 1 – Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1 that are observable for the assets or liabilities through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Property Taxes

Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations. Secured property taxes are levied on July 1 and become delinquent on December 10 and April 10, for the first and second installments, respectively. Unsecured personal property taxes are collected in one installment and become delinquent August 31.

Property taxes are allocated on the County of San Diego’s annual tax bills to property owners who receive fire protection service by the District. The County of San Diego Tax Collector’s Office collects the property taxes payments from the property owners and transfers the collections to the District’s operating fund held with the County Treasurer’s Office. The District has adopted the Teeter Plan as defined under the California Revenue and Taxation Code. Under the Teeter Plan, the District receives from the County 99.6% of the annual assessed secured and unsecured property taxes, with the County responsible for the collection of any delinquent property taxes.

Therefore, the County receives the benefits of collecting all penalty and interest charges on the delinquent property taxes; hence, no accrual for uncollected property taxes is recorded at year-end.

Prepaid Items

Certain payments to vendors reflects costs or deposits applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Capital Assets

Capital assets are recorded in the government-wide financial statements. Included in capital assets are land, building, building improvements, equipment and furniture and fixtures. District policy has set the capitalization threshold for reporting capital assets at \$10,000. Donated assets are recorded at estimated acquisition value at the date of donation. Capital outlay is recorded as expenditures of the General Fund and as assets in the government-wide financial statements to the extent the District’s capitalization threshold is met. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Structures and improvements	20 to 40 years
Equipment and vehicles	5 to 12 years

Compensated Absences

The District’s policy is to permit full time employees to accumulate earned vacation leave. Safety employees with more than one year but less than 4 years may accumulate 144 hours of vacation per year; 168 hours for the fifth through ninth year of employment; 192 hours for the tenth through fourteenth year of employment; 240 hours for the fifteenth through nineteenth; and 288 hours thereafter. Safety management positions accrue vacation leave from 15 to 25 days per year depending on their position. Administrative employees in their first through fifth year may accumulate 80 hours of vacation per year; 120 hours for the sixth through tenth year; 136 hours for the eleventh through fifteenth year; 160 hours for the sixteenth through twentieth; and 200 hours after 21 years. Vacations may accumulate beyond the end of the calendar year.

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net pension of the District's pension plans and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the plans (Note 9). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

<u>CalPERS</u>	
Valuation date	June 30, 2015
Measurement date	June 30, 2016
Measurement period	July 1, 2015 to June 30, 2016

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retirees) as of the beginning of the measurement period.

Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation.

Restricted – This component of net position consists of constraints placed on assets reduced by liabilities and deferred inflows of resources use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted component of net position.

Fund Balance

The financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the District is bound to honor constraints on how specific amounts can be spent.

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

Nonspendable – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.

Restricted – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions enabling legislation.

Committed – amounts that can only be used for specific purposes determined by formal action of the District’s highest level of decision-making authority (the Board of Directors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

Assigned – amounts that are constrained by the District’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose. This is also the classification for residual funds in the District’s special revenue funds.

Unassigned – the residual classification for the District’s general fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The Board of Directors established, modifies or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, followed by the unrestricted, committed, assigned and unassigned resources as they are needed.

Fund Balance Policy

The District believes that sound financial management principles require that sufficient funds be retained by the District to provide a stable financial base at all times. To retain this stable financial base, the District needs to maintain an unrestricted fund balance in its funds sufficient to fund cash flows of the District and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed, assigned and unassigned fund balances are considered unrestricted.

The purpose of the District’s fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Accounting Changes

During the year ended June 30, 2017, the District implemented the following new GASB pronouncements of which none had a material impact on the basic financial statements:

Statement No. 73, ***Accounting and Financial Reporting for Pension and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68***. This Statement establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria (those not covered by GASB Statements 67 and 68). The requirements of this Statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68 are effective for financial statements for fiscal years beginning after June 15, 2016.

Statement No. 74, ***Financial Reporting for Postemployment Benefit Plans Other than Pension Plans***. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016.

Statement No. 77, ***Tax Abatement Disclosures***. This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. Governments should organize those disclosures by major tax abatement programs and may disclose information for individual tax abatement agreements within those programs. This Statement is effective for financial statements for fiscal years beginning after December 15, 2015.

Statement No. 78, ***Pension Provided Through Certain Multiple-Employer Defined Benefit Pension Plans***. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, ***Accounting and Financial Reporting for Pensions***. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement is effective for financial statements for fiscal years beginning after December 15, 2015.

Statement No. 79, ***Certain External Investment Pools and Pool Participants***. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. The specific requirements of this Statement that are effective for certain provisions on portfolio quality, custodial credit risk, and shadow pricing are effective for reporting periods beginning after December 15, 2015.

Statement No. 80, ***Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14***. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, ***The Financial Reporting Entity, as amended***. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016.

Statement No. 82, ***Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73***. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 2 – Cash and Investments

Cash and investments as of June 30, 2017 consisted of the following:

Description	Balance
Demand deposits with financial institutions	\$ 318,769
Investments	21,661,943
Total cash and investments	\$ 21,980,712

Demand Deposits

At June 30, 2017 the carrying amount of the District’s demand deposits was \$318,769 and the financial institution balance was \$380,415. The \$61,646 net difference as of June 30, 2017 represents outstanding checks, deposits-in-transit and/or other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure an entity's deposits by pledging government securities with a value of 110% of an entity's deposits. California law also allows financial institutions to secure entity deposits by pledging first trust deed mortgage notes having a value of 150% of an entity's total deposits. The entity's Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC.

The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized agent of depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an agent of depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an agent of depositor has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California agents of depository are considered to be held for, and in the name of, the local government.

Custodial Credit Risk

The custodial credit risk for *deposits* is the risk that in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District’s investment policy requires that collateral be held by an independent third party with whom the District has a current custodial agreement.

The custodial credit risk for *investments* is the risk that in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The District’s investment policy requires that all security transactions are conducted on a delivery-versus-payment (DVP) method and that all securities are held by a qualified, third-party custodian, as evidenced by safekeeping receipts. The trust department of the District’s bank may act as third-party custodian, provided that the custodian agreement is separate from the banking agreement. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government’s indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

As of June 30, 2017 none of the District’s deposits and investments was exposed to disclosable custodial credit risk.

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 2 – Cash and Investments (Continued)

Investments

Investments as of June 30, 2017 consisted of the following:

<u>Investments</u>	<u>Measurement Input</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Maturity 12 Months or Less</u>
External Investment Pools:				
California Local Agency Investment Fund (LAIF)	Level 2	N/A	\$ 2,528,646	\$ 2,528,646
CalTRUST Medium Term Fund	Level 2	A+f	4,539,615	4,539,615
San Diego County Pooled Investment Fund	Level 2	AAAf/S1	14,593,682	14,593,682
Total investments			<u>\$ 21,661,943</u>	<u>\$ 21,661,943</u>

Authorized Investments and Investment Policy

The District has adopted an investment policy directing the Fiscal Officer to deposit funds in financial institutions. Investments are to be made in the following areas:

External Investment Pools:

- California Local Agency Investment Fund (LAIF)
- Investment Trust of California – CalTRUST
- San Diego County Pooled Investment Fund (SDCPIF)
- Non-negotiable certificates-of-deposit
- Governmental agency securities

Investment in California – Local Agency Investment Fund (LAIF)

The District is a voluntary participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District’s investment in this pool is reported in the accompanying financial statements at amounts based upon the entity’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Further information about LAIF is available on the California State Controller’s website: www.treasurer.ca.gov/pmia-laif/

LAIF has indicated to the District that as of June 30, 2017 the value of LAIF’s portfolio approximated \$20.678 billion and the portfolio holds no derivative products. The District had \$2,528,646 invested in LAIF as of June 30, 2017. The LAIF fair value factor of 0.998940671 was used to calculate the fair value of the investments in LAIF as of June 30, 2017.

Investment Trust of California – CalTRUST

The Investment Trust of California, doing business as CalTrust, is a California joint powers agency which provides California public agencies with investment management services for surplus funds to consolidate investment activities of its participants and thereby reduces duplication, achieves economies of scale and carries out coherent and consolidated investment strategies through the issuance of shares of beneficial interest in investments purchased by CalTrust. CalTrust currently offers three accounts or series as a means for Public Agencies to invest their funds. The District participates in the CalTrust Medium-Term Fund Series. The District had \$4,539,615 invested in CalTRUST.

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 2 – Cash and Investments (Continued)

San Diego County Pooled Investment Fund (SDCPIF)

The SDCPIF is a local government investment pool managed by the County Treasurer's Office on behalf of Investment Pool participants. Depositors in the Investment Pool include both mandatory participants, those agencies required by law to deposit their funds with the County Treasurer's Office, and voluntary participants, agencies that place their funds in the Investment Pool as an investment option. Voluntary participants, including cities, fire districts, and various special districts accounted for approximately 5.16% of the Investment Pool as of June 30, 2017.

Pursuant to Section 27130-27137 of the California Government Code, the County Board of Supervisors has established the Treasurer's Oversight Committee (TOC) that monitors and reviews the Investment Policy. The TOC consists of members appointed from the districts or offices that they represent, and up to five members of the public having expertise in, or an academic background in public finance.

To mitigate credit risk, the Investment Pool's Investment Policy, which is more restrictive than the Government Code, places a minimum standard on the ratings of investments held in the Investment Pool. Investments in securities other than those guaranteed by the U.S. Treasury or Government Sponsored Enterprises must have a credit rating of no less than "A" for long-term or "A1" for short-term. Non-rated securities include sweep accounts, collateralized certificates of deposit and repurchase agreements. Sweep accounts and collateralized certificates of deposit must be FDIC insured and collateralized with securities held by a named agent of the depository. Repurchase agreements are collateralized by securities, authorized by the California Government Code Section 53601, having fair market value of 102% or greater than the amount of the repurchase agreement. The Investment Pool does not hold any investments in structured notes.

The District's investments with the County Treasurer's Office include a portion of the pool funds invested in asset-backed securities. As of June 30, 2017, the District had \$14,593,682 invested with the SDCPIF, which had invested 2.03% of the pool investment funds in asset-backed securities.

SDPIF has indicated to the District that as of June 30, 2017 the value of its portfolio approximated \$8.950 billion and the portfolio holds some derivative products. The SDPIF fair value factor of 0.99605 was used to calculate the fair value of the investments in SDPIF as of June 30, 2017.

Fair Value Measurement Input

The District categorizes its fair value measurement inputs within the fair value hierarchy established by generally accepted accounting principles. The District has presented its measurement inputs as noted in the table above.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of June 30, 2017, the District's investment in the LAIF, CalTRUST and SDPIF is noted in the table above.

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 2 – Cash and Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with longer maturities have greater sensitivity to changes in market interest rates. The District’s investment policy follows the Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The District has elected to use the segmented time distribution method of disclosure for the maturities of its investments as related to interest rate risk as noted in the table above.

Concentration of Credit Risk

The District’s investment policy contains no limitations on the amount that can be invested in any one governmental agency or non-governmental issuer beyond that stipulated by the California Government Code. There were no investments in any one governmental or non-governmental issuer that represented 5% or more of the District’s total investments except for those in LAIF, CalTRUST and SDPIF.

Note 3 – Capital Assets

At June 30, 2017, the capital assets balances for the District are as follows:

<u>Description</u>	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance June 30, 2017</u>
Non-depreciable assets:				
Land	\$ 3,374,840	\$ -	\$ -	\$ 3,374,840
Total non-depreciable assets	<u>3,374,840</u>	<u>-</u>	<u>-</u>	<u>3,374,840</u>
Depreciable assets:				
Structures and improvements	19,068,227	362,476	-	19,430,703
Equipment and vehicles	4,796,647	694,737	(81,331)	5,410,053
Total depreciable assets	<u>23,864,874</u>	<u>1,057,213</u>	<u>(81,331)</u>	<u>24,840,756</u>
Accumulated depreciation:				
Structures and improvements	(5,235,161)	(512,688)	-	(5,747,849)
Equipment and vehicles	(3,633,858)	(233,427)	81,331	(3,785,954)
Total accumulated depreciation	<u>(8,869,019)</u>	<u>(746,115)</u>	<u>81,331</u>	<u>(9,533,803)</u>
Total depreciable assets, net	<u>14,995,855</u>	<u>311,098</u>	<u>-</u>	<u>15,306,953</u>
Total capital assets, net	<u>\$ 18,370,695</u>	<u>\$ 311,098</u>	<u>\$ -</u>	<u>\$ 18,681,793</u>

Note 4 – Compensated Absences

At June 30, 2017, the compensated absences balance is as follows:

<u>Balance July 1, 2016</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance June 30, 2017</u>	<u>Current</u>	<u>Non-current</u>
\$ 539,899	\$ 445,896	\$ (482,098)	\$ 503,697	\$ 201,479	\$ 302,218

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 5 – Fund Balance

Fund balance classifications as of June 30, 2017 are as follows:

<u>Description</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Restricted:			
Capital projects	\$ -	\$ 1,639,027	\$ 1,639,027
Committed:			
Public Agency Self Insurance System	548,566	-	548,566
Assigned:			
Advanced life support equipment	39,898	-	39,898
Compensated absences	503,697	-	503,697
Total assigned	<u>543,595</u>	<u>-</u>	<u>543,595</u>
Unassigned:	<u>17,848,816</u>	<u>-</u>	<u>17,848,816</u>
Total fund balance	<u>\$ 18,940,977</u>	<u>\$ 1,639,027</u>	<u>\$ 20,580,004</u>

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 6 – Net Pension Liability and Defined Benefit Pension Plan

Type of Account	Balance as of July 1, 2016	Additions	Deletions	Balance as of June 30, 2017
Deferred Outflows of Resources:				
Pension contributions made after the measurement date:				
CalPERS – Miscellaneous Plan	\$ 75,841	\$ 79,911	\$ (75,841)	\$ 79,911
CalPERS – Safety Plan	2,717,381	2,945,791	(2,717,381)	2,945,791
Sub-total	<u>2,793,222</u>	<u>3,025,702</u>	<u>(2,793,222)</u>	<u>3,025,702</u>
Difference between actual and proportionate share of employer contributions:				
CalPERS – Miscellaneous Plan	439,980	-	(157,136)	282,844
CalPERS – Safety Plan	1,331,343	1,280,086	(827,656)	1,783,773
Sub-total	<u>1,771,323</u>	<u>1,280,086</u>	<u>(984,792)</u>	<u>2,066,617</u>
Adjustment due to differences in proportions:				
CalPERS – Miscellaneous Plan	5,026	12,465	(6,161)	11,330
Differences between projected and actual earnings on pension plan investments:				
CalPERS – Miscellaneous Plan	-	134,514	-	134,514
CalPERS – Safety Plan	-	2,040,672	-	2,040,672
Sub-total	<u>-</u>	<u>2,175,186</u>	<u>-</u>	<u>2,175,186</u>
Differences between expected and actual experience:				
CalPERS – Miscellaneous Plan	7,187	-	(5,081)	2,106
Total deferred outflows of resources	<u>\$ 4,576,758</u>	<u>\$ 6,493,439</u>	<u>\$ (3,789,256)</u>	<u>\$ 7,280,941</u>
Net Pension Liability:				
CalPERS – Miscellaneous Plan	\$ 429,526	\$ 361,132	\$ (75,841)	\$ 714,817
CalPERS – Safety Plan	8,453,867	4,413,726	(2,717,381)	10,150,212
Total aggregate net pension liability	<u>\$ 8,883,393</u>	<u>\$ 4,774,858</u>	<u>\$ (2,793,222)</u>	<u>\$ 10,865,029</u>
Deferred Inflows of Resources:				
Differences between projected and actual earnings on pension plan investments:				
CalPERS – Miscellaneous Plan	\$ 34,089	\$ -	\$ (34,089)	\$ -
CalPERS – Safety Plan	391,328	-	(391,328)	-
Sub-total	<u>425,417</u>	<u>-</u>	<u>(425,417)</u>	<u>-</u>
Difference between actual and proportionate share of employer contributions:				
CalPERS – Miscellaneous Plan	6,008	70,072	(22,276)	53,804
Adjustment due to differences in proportions:				
CalPERS – Miscellaneous Plan	345,330	-	(123,332)	221,998
CalPERS – Safety Plan	642,440	1,476,712	(642,640)	1,476,512
Sub-total	<u>987,770</u>	<u>1,476,712</u>	<u>(765,972)</u>	<u>1,698,510</u>
Differences between expected and actual experience:				
CalPERS – Safety Plan	167,881	-	(72,615)	95,266
Changes in assumptions:				
CalPERS – Miscellaneous Plan	67,999	-	(42,154)	25,845
CalPERS – Safety Plan	772,148	-	(356,782)	415,366
Sub-total	<u>840,147</u>	<u>-</u>	<u>(398,936)</u>	<u>441,211</u>
Total deferred inflows of resources	<u>\$ 2,427,223</u>	<u>\$ 1,546,784</u>	<u>\$ (1,685,216)</u>	<u>\$ 2,288,791</u>

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 6 – Net Pension Liability and Defined Benefit Pension Plan (Continued)

General Information about the Pension Plans

The Plans Description Schedule

The District has engaged with CalPERS to administer the following pension plans for its employees (members):

Miscellaneous Plans

	Miscellaneous Plans		
	Classic Tier 1	Classic Tier 2	PEPRA Tier 3
Hire date	Prior to April 30, 2012	On or after May 1, 2012	On or after January 1, 2013
Benefit formula	2.7% @ 55	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5-years or service	5-years or service	5-years or service
Benefits payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 67 & up	50 - 67 & up	52 - 67 & up
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	2.0% to 2.5%	1.0% to 2.0%
Required member contribution rates	8.000%	8.000%	6.250%
Required employer contribution rates	11.643%	9.498%	6.555%

Safety Plans

	Safety Plans		
	Classic Tier 1	Classic Tier 2	PEPRA Tier 3
Hire date	Prior to April 30, 2012	Prior to May 1, 2012	On or after January 1, 2013
Benefit formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5-years or service	5-years or service	5-years or service
Benefits payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 67 & up	50 - 67 & up	52 - 67 & up
Monthly benefits, as a % of eligible compensation	3.00%	2.4% to 3.0%	1.0% to 2.7%
Required member contribution rates	9.000%	9.000%	11.500%
Required employer contribution rates	19.536%	16.656%	12.082%

Plan Description

The District contributes to the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A full description of the pension plan, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2016 Annual Actuarial Valuation Report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 6 – Net Pension Liability and Defined Benefit Pension Plan (Continued)

General Information about the Pension Plans (Continued)

Members Covered by Benefit Terms

At June 30, 2016 (Valuation Date), the following members were covered by the benefit terms:

Plan Members	Miscellaneous Plans			Total
	Classic Tier 1	Classic Tier 2	PEPRA Tier 3	
Active members	4	1	5	10
Transferred and terminated members	19	2	1	22
Retired members and beneficiaries	5	-	-	5
Total plan members	28	3	6	37

Plan Members	Safety Plans			Total
	Classic Tier 1	Classic Tier 2	PEPRA Tier 3	
Active members	36	9	8	53
Transferred and terminated members	22	-	5	27
Retired members and beneficiaries	52	-	-	52
Total plan members	110	9	13	132

Benefits Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A Classic CalPERS Miscellaneous member becomes eligible for service retirement upon attainment of age 55 with at least 5 years of credited service. Public Employees' Pension Reform Act (PEPRA) Miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 full-time equivalent monthly pay. Retirement benefits for Classic Miscellaneous and Safety members are calculated as a percentage of their plan based the average final 36 months compensation. Retirement benefits for PEPRA Miscellaneous members are calculated as a percentage of their plan based the average final 36 months compensation.

Participant members are eligible for non-industrial disability retirement if they become disabled and have at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by service. Industrial disability benefits are not offered to miscellaneous employees.

A member's beneficiary may receive the basic death benefit if the member dies while actively employed. The member must be actively employed with the District to be eligible for this benefit. A member's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the members' accumulated contributions, where interest is currently credited at 7.65 percent per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 6 – Net Pension Liability and Defined Benefit Pension Plan (Continued)

General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each member's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 3%.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers will be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The public agency cost-sharing plans covered by the Miscellaneous risk pool, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of members. For the measurement period ended June 30, 2016 (Measurement Date), the active member contribution rate for the Classic Miscellaneous Plan and the PEPRA Miscellaneous Plan are based above in the Plans Description schedule.

For the year ended June 30, 2017, the contributions made to the Plan were as follows:

<u>Contribution Type</u>	<u>Miscellaneous Plans</u>			<u>Total</u>
	<u>Classic Tier 1</u>	<u>Classic Tier 2</u>	<u>PEPRA Tier 3</u>	
Contributions – employer	\$ 48,244	\$ 11,758	\$ 19,909	\$ 79,911
Contributions – members	24,597	9,902	18,965	53,464
Total contributions	\$ 72,841	\$ 21,660	\$ 38,874	\$ 133,375

<u>Contribution Type</u>	<u>Safety Plans</u>			<u>Total</u>
	<u>Classic Tier 1</u>	<u>Classic Tier 2</u>	<u>PEPRA Tier 3</u>	
Contributions – employer	\$ 2,719,118	\$ 144,066	\$ 82,607	\$ 2,945,791
Contributions – members	380,742	77,846	78,612	537,200
Total contributions	\$ 3,099,860	\$ 221,912	\$ 161,219	\$ 3,482,991

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 6 – Net Pension Liability and Defined Benefit Pension Plan (Continued)

Net Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans

Actuarial Methods and Assumptions Used to Determine the Total Pension Liability

For the measurement period ended June 30, 2016 (Measurement Date), the total pension liability was determined by rolling forward the June 30, 2015 total pension liability. The June 30, 2016 total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

All other actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. The long-term expected rate of return on the pension plan investments was determined in which best-estimate ranges of expected future real rates are developed for each major asset class. In determining the long-term expected rate of return, both short-term and long-term market return expectations as well as the expected pension fund cash flows were considered. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major *asset class*.

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 6 – Net Pension Liability and Defined Benefit Pension Plan (Continued)

Net Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans (Continued)

Discount Rate

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<u>Investment Type</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10¹</u>	<u>Real Return Years 11+²</u>
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	20.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	1.00%	-0.55%	-1.05%
	<u>100.00%</u>		

¹ An expected inflation rate-of-return of 2.5% is used for years 1 – 10.

² An expected inflation rate-of-return of 3.0% is used for years 11+.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.65%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65%) or 1 percentage-point higher (8.65%) than the current rate:

<u>Plan Type</u>	<u>Plan's Net Pension Liability/(Asset)</u>		
	<u>Discount Rate - 1% 6.65%</u>	<u>Current Discount Rate 7.650%</u>	<u>Discount Rate + 1% 8.65%</u>
CalPERS – Pension Plan	\$ 18,513,141	\$ 10,865,029	\$ 4,583,251

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 6 – Net Pension Liability and Defined Benefit Pension Plan (Continued)

Net Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans (Continued)

Pension Plan Fiduciary Net Position

Detail information about the plan’s fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS’ website under Forms and Publications.

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the plan’s proportionate share of the risk pool collective net pension liability over the measurement period for the CalPERS Miscellaneous and Safety Plans as follows:

<u>Plan Type and Balance Descriptions</u>	<u>Plan Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Change in Plan Net Pension Liability</u>
CalPERS – Miscellaneous Plan:			
Balance as of June 30, 2015 (Measurement Date)	\$ 4,986,466	\$ 4,556,940	\$ 429,526
Balance as of June 30, 2016 (Measurement Date)	\$ 4,633,068	\$ 3,918,251	\$ 714,817
Change in Plan Net Pension Liability	<u>\$ (353,398)</u>	<u>\$ (638,689)</u>	<u>\$ 285,291</u>
CalPERS – Safety Plan:			
Balance as of June 30, 2015 (Measurement Date)	\$ 48,747,477	\$ 40,293,610	\$ 8,453,867
Balance as of June 30, 2016 (Measurement Date)	\$ 51,747,213	\$ 41,597,001	\$ 10,150,212
Change in Plan Net Pension Liability	<u>\$ 2,999,736</u>	<u>\$ 1,303,391</u>	<u>\$ 1,696,345</u>

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 6 – Net Pension Liability and Defined Benefit Pension Plan (Continued)

Net Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

- (1) In determining a cost-sharing plan's proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2015). The risk pool's fiduciary net position ("FNP") subtracted from its total pension liability (TPL) determines the net pension liability (NPL) at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2016). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2015 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2015-16 fiscal year).
- (3) The individual plan's TPL, FNP and NPL are also calculated at the valuation date.
- (4) Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool's total TPL and FNP, respectively.
- (5) The plan's TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan's FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan's NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 6 – Net Pension Liability and Defined Benefit Pension Plan (Continued)

Net Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans (Continued)

The District's proportionate share of the net pension liability was as follows:

	Percentage Share of Risk Pool		Change Increase/ (Decrease)
	Fiscal Year Ending June 30, 2017	Fiscal Year Ending June 30, 2016	
CalPERS – Miscellaneous Plan			
Measurement Date	June 30, 2016	June 30, 2015	
Percentage of Risk Pool Net Pension Liability	0.020577%	0.015656%	0.004921%
Percentage of Plan (PERF C) Net Pension Liability	0.008261%	0.006257%	0.002004%

	Percentage Share of Risk Pool		Change Increase/ (Decrease)
	Fiscal Year Ending June 30, 2017	Fiscal Year Ending June 30, 2016	
CalPERS – Safety Plan			
Measurement Date	June 30, 2016	June 30, 2015	
Percentage of Risk Pool Net Pension Liability	0.195980%	0.205169%	-0.009189%
Percentage of Plan (PERF C) Net Pension Liability	0.117302%	0.123164%	-0.005862%

For the year ended June 30, 2017, the District recognized pension expense/(credit) in the amount of \$2,164,720 for the CalPERS Miscellaneous and Safety Plans.

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over 5-years straight line. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period.

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 6 – Net Pension Liability and Defined Benefit Pension Plan (Continued)

Net Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

The expected average remaining service lifetime (EARSL) for PERF C for the measurement date ending June 30, 2016 is 3.7 years, which was obtained by dividing the total service years of 475,689 (the sum of remaining service lifetimes of the active employees) by 127,009 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Account Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made after the measurement date	\$ 3,025,702	\$ -
Difference between actual and proportionate share of employer contributions	2,066,617	53,804
Adjustment due to differences in proportions	11,330	1,698,510
Differences between expected and actual experience	2,106	95,266
Differences between projected and actual earnings on pension plan investments	2,175,186	-
Changes in assumptions	-	441,211
Total Deferred Outflows/(Inflows) of Resources	<u><u>\$ 7,280,941</u></u>	<u><u>\$ 2,288,791</u></u>

The District will recognize \$2,793,222 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date as a reduction of the net pension liability in the fiscal year ended June 30, 2017, as noted above.

Amortization of Deferred Outflows of Resources and Deferred Inflows of Resources

Other remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized to pension expense in future periods as follows:

<u>Amortization Period Fiscal Year Ended June 30</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2017	\$ 219,022
2018	237,057
2019	944,281
2020	566,088
Total	<u><u>\$ 1,966,448</u></u>

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 7 – Deferred Compensation Savings Plan

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program (Program). The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors. Market value of the plan assets held in trust at June 30, 2017 was \$7,312,273 with Voya Financial and \$636,522 with Nationwide.

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net position.

Note 8 – Health Retirement Savings Account

For the benefit of its employees, the District established, with the consent of a Trustee, a trust that is known as RSFFPD VEBA Health Savings Trust (Trust). The effective date of the Trust was January 1, 2006. The purposes of the Trust are (1) to provide a source of funds to pay benefits and administrative expenses under the District's Medical Retirement Savings Plan (Plan), and (2) to permit Trust assets to be invested and such earnings thereon to be not taxable under the Internal Revenue Code (Code).

All assets of the Plan are held in the Trust by the Trustee. The Trust is intended to qualify as a tax exempt trust under the Section 501(c)(9) of the Code. The assets held in the trust are for the exclusive benefit of the participants. Therefore, these assets are not the legal property of the District and are not subject to claims of the District's general creditors. Market value of the plan assets held in trust by Voya Financial at June 30, 2017 was \$2,680,582.

Note 9 – Joint Ventures

The District is a member of the North County Dispatch Joint Powers Authority (Authority). The Authority was formed on June 11, 1984, and other member agencies include the North County Fire Protection District, and the cities of Vista, San Marcos, Solana Beach, Oceanside, Encinitas, and Carlsbad. The purpose of the Authority is to provide dispatching and emergency communication services for fire protection, security, and medical services. Each member provides an annually determined contribution towards the ongoing operation of the Authority. In the event of dissolution of the Authority, available assets shall be distributed to the member agencies in proportion to the aggregate contribution made by each member agency during the entire term of the agreement.

The activities of the Authority are supervised by a board of directors consisting of eight directors who are appointed by each member's governing body. The District's share of the Authority's assets, liabilities, net position and changes therein are not available and not material to the District's financial statements. Separate financial statements of the Authority are available at 16936 El Fuego Drive (P.O. Box 1206), Rancho Santa Fe, CA 92067.

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 10 – Risk Management

The District is exposed to various risks of loss and has effectively managed risk through a combination of insurance, with deductibles, self-insurance, and employee education and prevention programs. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. In addition, there were no settlements or claims in the past three years that exceeded insurance coverage.

The District is self-insured for workers’ compensation benefits. The District is one of nine participants in the Public Agency Self-Insurance System (PASIS). PASIS is a joint-powers authority which was established in 1977 for the purpose of operating and maintaining a cooperative program of self-insurance and risk management for workers’ compensation. There is no pooling of workers’ compensation liability between the participants, and each participant self-insures their liability up to \$300,000 per occurrence. As of June 30, 2017, the District had \$548,566 on deposit with PASIS.

All members are responsible for paying their own claims and related expenses. PASIS may advance funds to members who have incurred large losses; however, these advances must be repaid.

Excess insurance is purchased above the self-insured retention. As of June 30, 2017, the liability for workers’ compensation claims payable was estimated at \$238,139.

Changes in workers’ compensation claims payable for the year ended June 30, 2017, were as follows:

Description	Amount
Estimated claims – beginning of year	\$ 155,857
Revised claims estimate	1,154,613
Claim payments	(1,072,331)
Estimated claims – end of year	\$ 238,139

The District is insured for a variety of potential exposures. The following is a summary of the insurance policies carried by the District as of June 30, 2017:

- General liability: \$1,000,000 per occurrence and \$3,000,000 aggregate. The District purchased additional excess coverage layers: \$10 million per occurrence and \$20 million aggregate for general and auto liability, which increases the limits on the insurance coverage noted above.
- Auto liability: \$1,000,000 liability limits and deductibles applied to specific vehicles with a \$1,000 deductible on Comprehensive and Collision, and other vehicles have a \$1,000 deductible on Comprehensive and on Collision.

Note 11 – Contingencies

Litigation

In the ordinary course of operations, the District is subject to other claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, other than the matter discussed above, will not materially affect its financial condition.

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REQUIRED SUPPLEMENTARY INFORMATION

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Rancho Santa Fe Fire Protection District
Budgetary Comparison Schedule – General Fund
For the Year Ended June 30, 2017

	<u>Adopted Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:				
Property taxes	\$ 11,039,212	\$ 11,039,212	\$ 11,417,690	\$ 378,478
Voter approved taxes	1,031,000	1,031,000	1,476,651	445,651
Developer payments in-leiu of proprty taxes	156,722	156,722	369,573	212,851
Reorganization revenue – EFHG	21,501	21,501	5,817,856	5,796,355
Charges for services	149,393	149,393	272,516	123,123
Operating grants and contributions	451,451	451,451	592,487	141,036
Rental income	340,476	340,476	343,505	3,029
Interest earnings	67,365	67,365	106,580	39,215
Other	5,352	5,352	28,735	23,383
Total revenues	<u>13,262,472</u>	<u>13,262,472</u>	<u>20,425,593</u>	<u>7,163,121</u>
Expenditures:				
Fire protection operations:				
Salaries and wages	8,280,749	8,280,749	8,414,044	(133,295)
Employee benefits	4,046,190	4,046,190	4,453,679	(407,489)
Contractual services	1,213,804	1,213,804	1,499,080	(285,276)
Materials and supplies	994,803	994,803	1,198,989	(204,186)
Capital outlay	809,000	809,000	1,057,213	(248,213)
Total expenditures	<u>15,344,546</u>	<u>15,344,546</u>	<u>16,623,005</u>	<u>(1,278,459)</u>
Excess of revenues over expenditures	<u>(2,082,074)</u>	<u>(2,082,074)</u>	<u>3,802,588</u>	<u>\$ 8,441,580</u>
Other financing sources/(uses) of funds:				
Transfers in(out)	-	-	9,180	
Change in find balance	<u>\$ (2,082,074)</u>	<u>\$ (2,082,074)</u>	<u>3,811,768</u>	
Fund balance:				
Beginning of year			<u>15,129,209</u>	
End of year			<u>\$ 18,940,977</u>	

Rancho Santa Fe Fire Protection District
Budgetary Comparison Schedule – Special Revenue Fund
For the Year Ended June 30, 2017

	<u>Adopted Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:				
Capital grants and contributions	\$ 350,000	\$ 350,000	\$ 362,206	\$ 12,206
Interest earnings	7,000	7,000	9,144	2,144
Total revenues	<u>357,000</u>	<u>357,000</u>	<u>371,350</u>	<u>14,350</u>
Expenditures:				
Fire protection operations:				
Capital outlay	150,000	150,000	-	150,000
Total expenditures	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>
Excess of revenues over expenditures	<u>207,000</u>	<u>207,000</u>	<u>371,350</u>	<u>\$ (135,650)</u>
Other financing sources/(uses) of funds:				
Transfers in(out)	-	-	(9,180)	
Change in fund balance	<u>\$ 207,000</u>	<u>\$ 207,000</u>	<u>362,170</u>	
Fund balance:				
Beginning of year			<u>1,276,857</u>	
End of year			<u>\$ 1,639,027</u>	

Rancho Santa Fe Fire Protection District
Required Supplementary Information (Unaudited)
Schedule of the District's Proportionate Share of the Plan's Net Pension Liability
For the Year Ended June 30, 2017

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS)

Measurement Date:	June 30, 2016¹	June 30, 2015¹	June 30, 2014¹
District's Proportion of the Net Pension Liability	<u>0.125562%</u>	<u>0.129422%</u>	<u>0.152943%</u>
District's Proportionate Share of the Net Pension Liability	<u>\$ 10,865,029</u>	<u>\$ 8,883,393</u>	<u>\$ 9,516,816</u>
District's Covered-Employee Payroll	<u>\$ 5,925,389</u>	<u>\$ 5,473,782</u>	<u>\$ 5,039,982</u>
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	<u>183.36%</u>	<u>162.29%</u>	<u>188.83%</u>
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	<u>74.06%</u>	<u>83.47%</u>	<u>81.57%</u>

¹ Historical information is required only for measurement periods for which GASB No. 68 is applicable.

Rancho Santa Fe Fire Protection District
Required Supplementary Information (Unaudited)
Schedule of the District's Contributions to the Pension Plan
For the Year Ended June 30, 2017

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS)

Fiscal Year:	<u>2016-17¹</u>	<u>2015-16¹</u>	<u>2014-15¹</u>	<u>2013-14¹</u>
Actuarially Determined Contribution ²	\$ 1,398,414	\$ 1,293,222	\$ 1,388,366	\$ 1,240,671
Contribution in Relation to the Actuarially Determined Contribution ²	<u>(3,025,702)</u>	<u>(2,793,222)</u>	<u>(3,889,970)</u>	<u>(1,240,671)</u>
Contribution Deficiency (Excess)	<u>\$ (1,627,288)</u>	<u>\$ (1,500,000)</u>	<u>\$ (2,501,604)</u>	<u>\$ -</u>
District's Covered-Employee Payroll ³	<u>\$ 6,270,128</u>	<u>\$ 5,925,389</u>	<u>\$ 5,473,782</u>	<u>\$ 5,039,982</u>
Contributions as a Percentage of Covered- Employee Payroll	<u>48.26%</u>	<u>47.14%</u>	<u>71.07%</u>	<u>24.62%</u>

¹ Historical information is required only for measurement periods for which GASB No. 68 is applicable.

² Employers are assumed to make contributions equal to the actuarially determined contributions (which is the actuarially determined contribution). However, some employers may choose to make additional contributions towards their side-fund or their unfunded liability. Employer contributions for such plan exceed the actuarial determined contributions. CalPERS has determined that employer obligations referred to as *side-funds* are not considered separately financed specific liabilities.

³ Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB No. 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

Notes to the Schedule:

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

STAFF REPORT

17-18

TO: BOARD OF DIRECTORS
TONY MICHEL, CHIEF MICHEL

FROM: DAVE MCQUEAD, BATTALION CHIEF

SUBJECT: ADDITIONAL REPAIRS TO THE TRAINING TOWER

DATE: NOVEMBER 16, 2017



The following budget action is requested for approval and/or modification:

Description	Budget	Funding Request	Funding Source	Action Requested
Repair and replace damage materials in the Class A burn rooms in the training tower	FY17/18 \$18,527.00	\$46,201.00	\$18,527 - Budget \$27,674 - Undesignated Reserves	Authorize Additional Repairs

RECOMMENDATION

Staff recommends the Board of Directors authorize the expense of \$46,201, which includes the cost for the additional repairs to the Class A burn rooms in the training tower. In addition, the Board of Directors authorizes the Fire Chief to execute an agreement with *Fire Facilities*, the selected vendor to perform the repairs.

BACKGROUND

In September 2004, the training tower was dedicated and placed into service at the District's Training Facility located at Fire Station 2. All fire district (suppression) personnel, including cooperative efforts agencies, use this tower heavily for fire and rescue related training activities. The training tower contains two "burn" rooms which are used for the purpose of conducting simulated live fire training utilizing both "Class A" (*ordinary combustibles*) and "Class B" (*flammable gas*) generated fires.

CURRENT SITUATION

In 2017, it was determined that two of the three training tower burn rooms which are used primarily for "Class A" training fires are no longer in a safe useable condition. The district used budgeted funds from FY16/17 and FY17/18 for a total of \$36,198.00 towards materials and labor to repair damaged materials in the two (2) burn rooms. The continuous use of simulated fires in the burn rooms for training has contributed to the heat damage and degradation of the burn rooms underlying structural components and insulation that could not be seen until the contractor began the originally budgeted and planned repairs. The proposal submitted by Fire Facilities, Inc. for the additional amount of \$27,674.00, will provide the necessary repairs that are required to place the two lower burn rooms in a safe and serviceable condition and will allow "Class A" training fires to resume for training.

STAFF REPORT

NO. 17-19

TO: BOARD OF DIRECTORS
TONY MICHEL, FIRE CHIEF

FROM: DAVID LIVINGSTONE, BATTALION CHIEF

SUBJECT: SALE OF SURPLUS PROPERTY

DATE: DECEMBER 8, 2017



RECOMMENDATION

Staff recommends that vehicle # 0383 is deemed surplus and be sold to Fire Etc. for store credit based on their offer of \$1,500.

BACKGROUND

The vehicle, purchased in 2003, has been used as a staff vehicle for several positions and most recently assigned to Division Chief Mike Calhoun. With the change in staffing at RSF6 and the elimination of the volunteer division chief positions, this vehicle is surplus and no longer needed in the fleet inventory.

CURRENT SITUATION

The Division Chief positions will be eliminated due to the reorganization at RSF6. Staff vehicle 0383 is assigned to this position. This staff vehicle is now 14 years old with 139,840 miles, and is no longer viable as a fleet vehicle due to age, mileage, and mechanical problems. The Kelly Blue Book trade in value is \$1,400.

The District no longer needs this vehicle and staff is prepared to send this vehicle to Fire Etc. for store credit.