



**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

January 16, 2019
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. Special Presentation
 - a. Annual Fitness Profile – San Diego Sports Medicine
Katie Rusk, San Diego Sports Medicine will provide the Board information on the fitness level of District personnel and their comparison.
3. Motion waiving reading in full of all Resolutions/Ordinances
4. Public Comment

All items listed on the Consent Calendar are considered routine and will be enacted by one motion without discussion unless Board Members, Staff or the public requests removal of an item for separate discussion and action. The Board of Directors has the option of considering items removed from the Consent Calendar immediately or under Unfinished Business.

5. Consent Calendar
 - a. Board of Directors Minutes
 - Board of Directors minutes of December 12, 2018
ACTION REQUESTED: **Approve**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a meeting, please contact the Secretary at 858-756-5971. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to assure accessibility to the meeting.

b. Receive and File

• Monthly/Quarterly Reports

- | | |
|--|----------------------|
| (1) List of Demands Check 30884 thru 30965, Electronic File Transfers (EFT), and Wire Transfer(s) for the period December 1 – 31, 2018 totaling: | \$ 242,329.04 |
| (2) Wire Transfer(s) period December 1 – 31, 2018 | \$1,249,013.40 |
| (3) Payroll for the period December 1 – 31, 2018 | \$ <u>708,223.51</u> |
| TOTAL DISTRIBUTION | \$2,199,565.95 |
- (4) Activity Reports – December 2018
- (a) Operations
 - (b) Training
 - (c) Fire Prevention
 - (d) Correspondence - letters/cards were received from the following members of the public:
 - (i) None
- (5) Travel Reports
- (a) Ashcraft
 - (b) Malin

ACTION REQUESTED: [Information](#)

6. Old Business

a. None

7. Resolution/Ordinance

a. Resolution 2019-01

To discuss and/or adopt resolution 2019-01 *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

ACTION REQUESTED: **Adopt**

b. Resolution 2019-02

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**

8. New Business

a. Acceptance of Donation

To discuss and/or accept a grant for \$110,000 from the Rancho Santa Fe Fire District Foundation for RSF6 replacement of a septic system. [Staff Report 2019-01](#)

ACTION REQUESTED: **Accept grant**

b. Independent Auditor's Report FY 2017/2018

The Finance ad hoc committee will make a presentation on the financial status of the Fire District for FY18 and present any findings resulting from the year-end audit to the Board of Directors.

ACTION REQUESTED: **Accept**

1 Oral Report

a) Fire Chief

i) District Activities

- (1) RSF5 Construction
- (2) Badge Presentation – February 20, 2019

b) Operations – Deputy Chief

c) Volunteer Division – Volunteer Recruitment Retention Coordinator

- d) Training – Battalion Chief
- e) Fire Prevention – Fire Marshal
- f) Administrative/Human Resource Manager
- g) Administrative Manager/Board Clerk
 - i) Harassment Training – February 20, 2019
- h) Board of Directors
 - i) North County Dispatch JPA – Update
 - ii) County Service Area – 17 – Update
 - iii) Comments

2 Adjournment

The next regular meeting Board of Directors meeting to be February 20, 2019 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, January 16, 2019 1:00 pm PT

CERTIFICATION OF POSTING

I certify that on January 10, 2019 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 72 hours in advance of the meeting of the Board of Directors (Government Code Section 54954.2)

Executed at Rancho Santa Fe, California on January 10, 2019

A handwritten signature in black ink that reads "Karlene Rannals".

Karlene Rannals
Board Clerk



RANCHO SANTA FE FIRE PROTECTION DISTRICT
Regular Board of Directors Meeting
Minutes – December 12, 2018

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

SPECIAL AGENDA (10:00 AM – 12:00 PM)

Ethics Training (Workshop)

Pursuant to the requirements of AB 1234, the following local officials and staff (those who receive compensation for their service or are eligible to have their expenses reimbursed) attended the Ethics Training workshop presented by Stephen J. Fitch, Fitch Law Firm, APC:

Rancho Santa Fe Fire Protection District

Director:

James H. Ashcraft
Nancy C. Hillgren
Randall Malin
Tucker Stine
John C. Tanner

Staff:

Fred Cox, Fire Chief
Karlana Rannals, Board Clerk
Kim DeAvila

North County Dispatch Joint Powers Authority

Director:

James H. Ashcraft

Staff:

None

REGULAR AGENDA

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

Chief Cox led the assembly in the *Pledge of Allegiance*.

1. Oath of Allegiance – New Elected Board Members

Tucker Stine and John Tanner were sworn-in as members of the Rancho Santa Fe Fire Protection District for terms prescribed by law. Karlana Rannals, Notary Public, administered the *Oath of Allegiance*.

2. Election of Officers

Pursuant to Fire District Law 1987, Section 13853, the District Board shall elect a president, vice-president and a Secretary/Clerk.

MOTION BY DIRECTOR HILLGREN, SECOND BY DIRECTOR TANNER, and CARRIED 5-0 to nominate and elect the following officer:

President James Ashcraft

MOTION BY DIRECTOR HILLGREN, SECOND BY DIRECTOR MALIN, and CARRIED 5-0 to nominate and elect the following officer:

Vice President John Tanner

8. Resolution/Ordinance

a. Resolution No. 2018-20

Ms. Rannals reminded the board members of their conversation at the last meeting to move their regular meeting date from the second Wednesday to the third Wednesday of each month. This resolution is necessary to set the revised meeting date.

MOTION BY DIRECTOR MALIN, SECOND BY DIRECTOR STINE, and APPROVED Resolution No. 2018-20 *entitled* A Resolution of the Board of Directors of the Rancho Santa Fe Fire Protection District Establishing Time and Place of Regular Meetings, Holiday, and Emergencies on a roll call vote:

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

b. Resolution No. 2018-21

Chief Cox informed the board members that his employment contract was drafted by the District's legal counsel and must be ratified by the Board of Directors.

MOTION BY DIRECTOR MALIN, SECOND BY DIRECTOR TANNER, and APPROVED Resolution No. 2018-21 *entitled* A Resolution of the Board of Directors of the Rancho Santa Fe Fire Protection District Ratifying the Employment Agreement between the Rancho Santa Fe Fire Protection District and Fire Chief Fred Cox on a roll call vote:

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

9. New Business

a. *Call for Nominations – San Diego Local Agency Formation Commission (LAFCO)*

Chief Cox summarized the request from LAFCO and noted that only elected officials could submit their name for consideration to serve on the LAFCO Commission. At the conclusion of the discussion, no board member expressed an interest in submitting their name for consideration. No action was taken by the Board.

b. *Appoint Representative and Alternate to Public Agency Self Insurance System (PASIS) Board of Directors*

Ms. Rannals summarized the staff report provided. The PASIS Bylaws state that the Board of Directors must identify a representative and alternate. The staff report recommends Kimberly DeAvila, Administrative/Human Resource Manager as the representative, and Fred Cox, Fire Chief as the alternate to the Public Agency Self Insurance System (PASIS) Board of Directors. Staff responded to questions from the board.

MOTION BY DIRECTOR STINE, SECOND BY DIRECTOR HILLGREN, CARRIED 5 AYES; 0 NOES; 0 ABSENT; 0 ABSTAIN to accept the staff recommendation to appoint Kimberly DeAvila, Administrative/Human Resource

Manager as the representative, and Fred Cox, Fire Chief as the alternate to the Public Agency Self Insurance System (PASIS) Board of Directors.

c. Board of Directors Meeting Calendar

Ms. Rannals reviewed the staff report provided. She informed the board members that the schedule listed reflects the new meeting date for the third Wednesday of each month, and 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 – 2019	Rescheduled Special Meeting Date – 2019
September 18	September 25

MOTION BY DIRECTOR TANNER, SECOND BY DIRECTOR HILLGREN, CARRIED 5 AYES; 0 NOES; 0 ABSENT; 0 ABSTAIN to move and calendar the 2019-year meeting schedule as agreed.

d. District Representation and Ad Hoc Committee Assignments

Ms. Rannals summarized the staff report provided. The board members reviewed their committee assignment and agreed to continue to serve in the following assignments:

Board of Directors

- North County Dispatch JPA (Primary) – Jim Ashcraft
- North County Dispatch JPA (Alternate) – Nancy Hillgren

Advisory Board

- County Service Area (CSA) – 17 (Primary) – Nancy Hillgren
- County Service Area (CSA) – 17 (Alternate) – Tucker Stine

Ad Hoc Committee

- Finance Committee – Randy Malin, John Tanner
Staff Assigned: TBD
- Negotiations – Randy Malin, Jim Ashcraft
Staff Assigned: TBD

MOTION BY DIRECTOR MALIN, SECOND BY DIRECTOR STINE, CARRIED 5 AYES; 0 NOES; 0 ABSENT; 0 ABSTAIN to reappoint the board members to the agreed committees representing the Fire District.

10. Oral Report

a. Fire Chief – Cox

- District Activities
 - (1) NorthComm is seeking to rent additional space for its center. He has started conversations with the Association’s Patrol Chief on their possible relocation to other space within RSF1. He is exploring the costs associated with tenant improvements in the old board/community room at RSF1.
 - (2) District staff is participating in the final testing for the recruitment of a Battalion Chief.

Minutes

Rancho Santa Fe Fire Protection District Board of Directors

December 12, 2018

Page 5 of 6

(3) The District has received its conditions to apply for a provisional building permit for RSF5. He hopes that construction will begin in January 2019.

(4) The RSF6 septic system upgrade has started, however, they have hit a snag. They have hit solid rock and the electrical panel needs upgrading. He is working with legal counsel to determine who pays for the additional costs.

b. Operations – Deputy Chief

Chief McQuead summarized the previous month's activity, noting district personnel responded to 369 calls. He summarized the significant calls personnel responded to, including the Hill and Woolsey fires.

c. Elfin Forest Volunteer Division – Volunteer Recruitment/Retention Coordinator

VRRRC Twohy reported that the volunteers have given 1,532 hours in volunteer hours to the community. He also reported that eight volunteers have been accepted to paramedic school, which leaves many openings. However, the recent interviews conducted for new volunteer recruits, there are eleven applicants starting the background and physicals.

d. Training – Battalion Chief

Chief McQuead reported that personnel participated in training classes for confined space and blue card training.

e. Fire Prevention – Fire Marshal

Fire Marshal Donner reported that the bureau and inspectors remain busy, noting an increase in requests for inspections. Staff is working the local homeowners' associations and encouraging them to become a FireWise Community.

f. Administrative Manager

Ms. Rannals reported that the CalPERS UAL additional payment was sent on December 10. By sending the payments by December 31, the payment will be reflected in the valuation report issued in August 2019.

g. Administrative/Human Resource Manager

Ms. DeAvila continues to develop her new role in the District and has been learning the many facets of the District.

h. Board of Directors

- North County Dispatch JPA – Update: Ashcraft – he reported on the meeting held November 28, 2018 noting the approval of a \$30,000 expense to explore a centralized communications center.
- County Service Area – 17 – Update: Hillgren – no report. The next meeting is planned for February 5.
- Comments

(1) Malin – (a) he inquired on the status of the audit. Ms. Rannals reported that she has been trying to get a meeting scheduled; however, the report will be completed and on the January 2019 meeting agenda. (b) He reported that he presented the long-range financial plan at the Captain's meeting. Director Stine asked to be included in a future presentation with District personnel since he was not able to attend the board meeting in October.

(2) Hillgren – she offered her congratulations to both Ms. DeAvila and Chief Cox. She also informed the board that she would be absent at the January 2019 meeting due to her vacation out of country.

President Ashcraft recessed the meeting until 3:30 pm

President Ashcraft reconvened the regular meeting at 3:30 pm with all board and staff members listed.

11. Special Presentation

a. Badge Presentation – Fred W. Cox – Fire Chief

President Ashcraft summarized the hiring process for the replacement fire chief and the Board was pleased to announce the selection and promotion of Fred W. Cox to the position of Fire Chief. He gave a brief biography of Chief Cox’s credentials and service to the District. Karlana Rannals, Notary Public, administered the Oath of Office. President Ashcraft offered on behalf of the Board congratulations for his promotion and presented the Fire Chief badge to his family to pin on his uniform.

Chief Cox thanked all present for their attendance and spoke of his enthusiasm for the opportunity to lead the organization.

Adjournment

Meeting adjourned at 3:40 pm.

Karlana Rannals
Secretary

James H Ashcraft
President

Rancho Santa Fe Fire Protection District

List of Demands - Dec 2018

<i>Check No.</i>	<i>Amount</i>	<i>Vendor</i>	<i>Purpose</i>
30884	\$600.00	Accme Janitorial Service Inc	Building ADMIN
30885	\$252.00	Advanced Detection Systems	Alarm System Monitoring RSF6
30886	\$1,608.71	BW Printworks	Office Supplies
30886	\$1,608.71	BW Printworks	RSF Prof FF Assoc
30887	\$1,396.50	C.A.P.F.	Disability Ins Short & Long
30888	\$431.60	CDW Government Inc.	Computer Equipment/Parts
30890	\$2,370.00	Cielo Village Partners LP	Cielo HOA Fees
30891	\$3,236.00	County of SD/RCS	800 MHz Network Admin Fees, CAP Code Paging Service-
30892	\$2,200.00	D&W Consulting, Inc.	Programming - Computer & Software FP/PR
30893	\$332.44	EDCO Waste & Recycling Inc	Trash RSF
30894	\$106.57	Flyers Energy, LLC	Fuel: Gasoline & Diesel
30895	\$362.48	Geiger	Public Education Material
30897	\$21.55	Kamps Propane, Inc.	Elec/Gas/Propane RSF6
30899	\$583.75	MES California	Fire Hose, Nozzles & Supply
30900	\$156.65	Napa Auto Parts Inc	Apparatus: Parts & Supplies
30901	\$190.09	Rincon Del Diablo Municipal Water Di	Water RSF5
30902	\$2,843.65	SoCo Group Inc	Fuel: Gasoline & Diesel
30903	\$383.00	Terminix International	Building RSF, ADMIN
30904	\$544.99	Time Warner Cable	Telephone ADMIN
30905	\$15.45	U P S	Shipping Service
30906	\$20,918.39	U S Bank Corporate Payment System	Cal-Card./IMPAC program
30907	\$1,444.52	Vortex Industries, Inc.	Building RSF4
30908	\$2,481.37	Waste Management Inc	Trash RSF, RSF Assn - Patrol, NCDJPA Rebill
30909	\$19.98	Willis, Erwin L.	Computer Equipment/Parts
30910	\$6,760.00	WinTech Computer Services	Consulting Services
30911	\$132.35	Airgas Inc	Safety: Breathing Air
30912	\$1,560.00	APCD	Permit: County/City
30913	\$3,685.60	Armanino LLP	Consulting Services
30914	\$2,345.85	AT&T Calnet 2/3	Telephone RSF, ADMIN
30916	\$200.00	Canfield, Sean	CSA-17 Contract
30917	\$1,247.66	Catering by Barry Layne, Inc	Special Events
30919	\$36,448.00	COR Security Inc	Building RSF, ADMIN
30920	\$1,837.66	Direct Energy Business-Dallas	Elec/Gas/Propane RSF1

Rancho Santa Fe Fire Protection District

List of Demands - Dec 2018

30921	\$108.74	Dish	Cable RSF6
30922	\$450.00	Dynamic Communities Inc	Association Dues
30923	\$36.07	EDCO Waste & Recycling Inc	Trash RSF6
30924	\$589.11	Ferrellgas Inc	Elec/Gas/Propane RSF5
30925	\$147.34	Konica Minolta Business Inc	Copier Maintenance Contract
30926	\$2,306.64	Olivenhain Municipal Water District	Water RSF, Water Training Facility
30927	\$593.77	Santa Fe Irrigation District	Water RSF1, NCDJPA Rebill
30928	\$2,783.75	Scott Davis	Programming - Computer & Software FP/PR
30929	\$3,068.66	SDG&E	Elec/Gas/Propane RSF
30930	\$1,789.24	SoCo Group Inc	Fuel: Gasoline & Diesel
30931	\$66.00	Terminix International	Building RSF6
30932	\$600.75	ThyssenKrupp Elevator Inc	Elevator Service
30933	\$111.46	Time Warner Cable	Cable RSF4, ADMIN
30934	\$494.30	TPx	Telephone ADMIN
30935	\$15.45	U P S	Shipping Service
30936	\$1,871.02	United Site Services	Sewer RSF
30937	\$829.21	Waste Management Inc	Trash RSF2
30938	\$306.62	Willis, Erwin L.	Computer Equipment/Parts
30939	\$252.00	AAA Live Scan	Background Investigation
30940	\$245.85	AT&T	Telephone RSF5, Cable RSF5
30941	\$375.00	Bennett, Luke D.	Education/Training Reimbursement
30942	\$762.06	Blend	Outside Printing & Binding
30943	\$99.99	Callback Staffing Solutions	Scheduling (Crewsense) Maintenance
30944	\$332.21	Complete Office of California Inc	Office Supplies
30945	\$266.66	CoreLogic Information Solutions Inc	Computer - License/Software
30946	\$2,130.00	Fitch Law Firm Inc	Legal Services
30947	\$145.02	Flyers Energy, LLC	Fuel: Gasoline & Diesel
30948	\$1,667.00	Garrett Electric Inc	Building RSF
30949	\$450.16	Griffin Hardware Co.	Station Maintenance - RSF2
30950	\$4,327.33	Guardian Life Insurance Co	Medical Insurance
			Fuel: Propane (Cooking), Station Maintenance,
30951	\$482.37	Home Depot, Inc	Lumber/Screws/Nails, etc., Hydrant Maintenance
30952	\$9,863.31	Johnson Equipment Co	2019 Chevy Silverado 1500
30953	\$913.99	Mosby, Dale	Permit: Class B License

Rancho Santa Fe Fire Protection District

List of Demands - Dec 2018

30954	\$4,342.08	North County EVS Inc
30955	\$730.00	Power Plus!
30956	\$325.00	Schieber, Michael
30957	\$60.00	SDCFCA - Admin Section
30958	\$7,502.87	SDG&E
30959	\$2,338.90	SoCo Group Inc
30960	\$40.00	State Fire Training
30961	\$15.45	U P S
30962	\$31.83	Verizon Wireless
30963	\$64,000.00	Wayne C. Officer
30964	\$1,500.00	Wayne C. Officer
30965	\$980.98	Wood, Tim
EFT000000000458	\$675.00	Reyes, Sandra N.
EFT000000000464	\$1,043.31	Rannals, Karlana
EFT000000000464	\$1,043.31	Rannals, Karlana
MISC	\$20,893.71	Various
Subtotal	<u>\$242,329.04</u>	

ACH Transfer	\$2,276.56	CalPERS
ACH Transfer	\$961,651.00	CalPERS
ACH Transfer	\$69,328.33	CalPERS
ACH Transfer	\$215,757.51	CalPERS
Subtotal	<u>\$1,249,013.40</u>	

12/15/2018	446,493.67	RSFFPD
12/31/2018	261,729.84	RSFFPD
Subtotal	<u>\$708,223.51</u>	

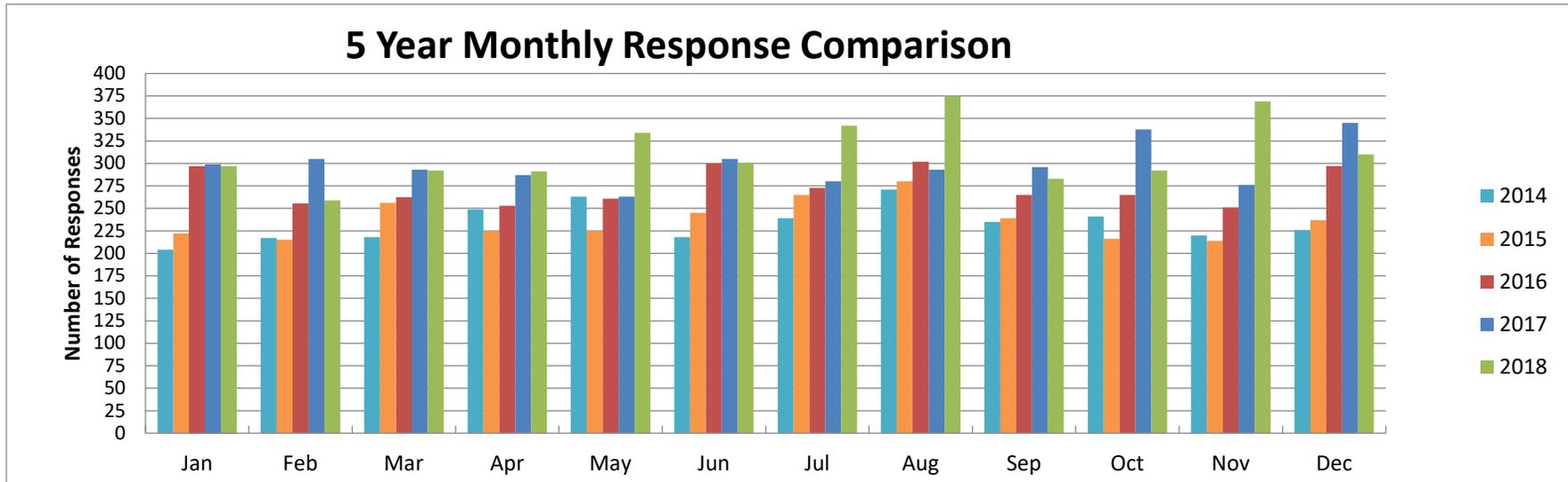
Total \$2,199,565.95

Repair - ID 0311, 0261, 0262 + Scheduled 0312
 Elec/Gas/Propane RSF5
 Education/Training Reimbursement
 Admin - Local Conf/Seminars
 Elec/Gas/Propane RSF, ADMIN
 Fuel: Gasoline & Diesel
 Permit: Certification
 Shipping Service
 Cellular - Telephone
 RSF6 Bunkhouse - Design/Build-Sewer
 RSF6 Bunkhouse - Design/Build-Sewer
 Suppression - Local Conf/Seminars
 Education/Training Reimbursement
 Meetings/Meal Expenses
 Special Events
 Medical Reimbursment

Dec 2018 Health Bal
 RSF UAL 12/2018
 Jan 2019 Health
 Nov 2018 Ret

Payroll
 Payroll

December Incident Count Stations 1 - 6

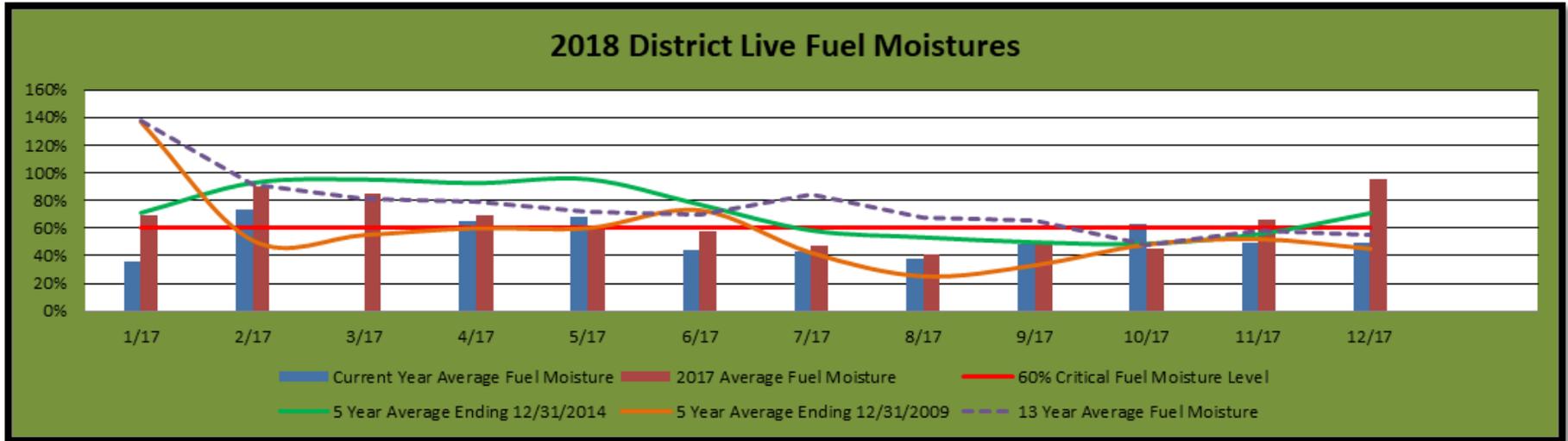


2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Responses
Responses	297	259	292	291	334	301	342	375	283	292	369	312	3,745
YTD	297	556	848	1,139	1,473	1,774	2,116	2,491	2,774	3,066	3,435	3,745	4.6%
2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Responses
Responses	299	305	293	287	263	305	280	293	296	338	276	345	3,580
YTD	299	604	897	1,184	1,447	1,752	2,032	2,325	2,621	2,959	3,235	3,580	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%

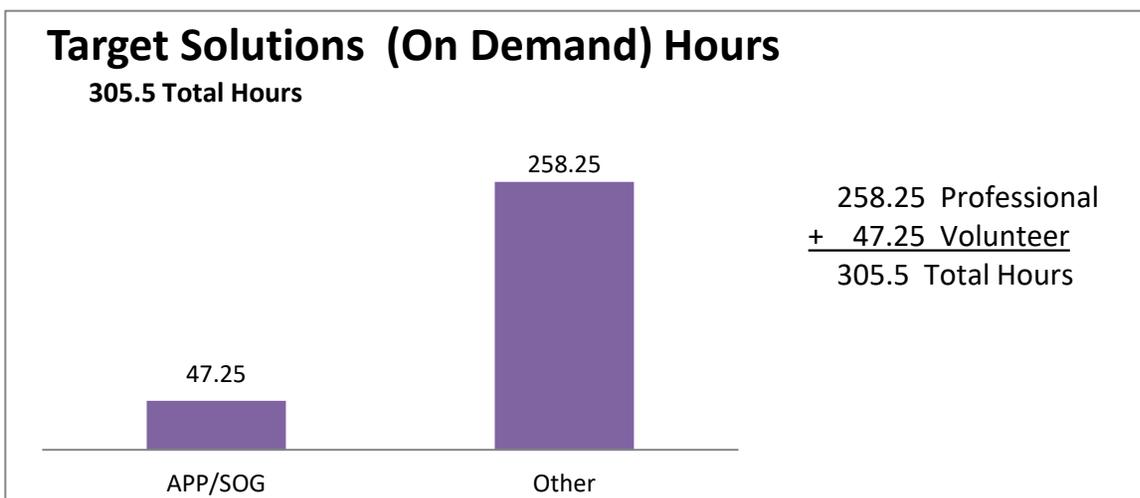
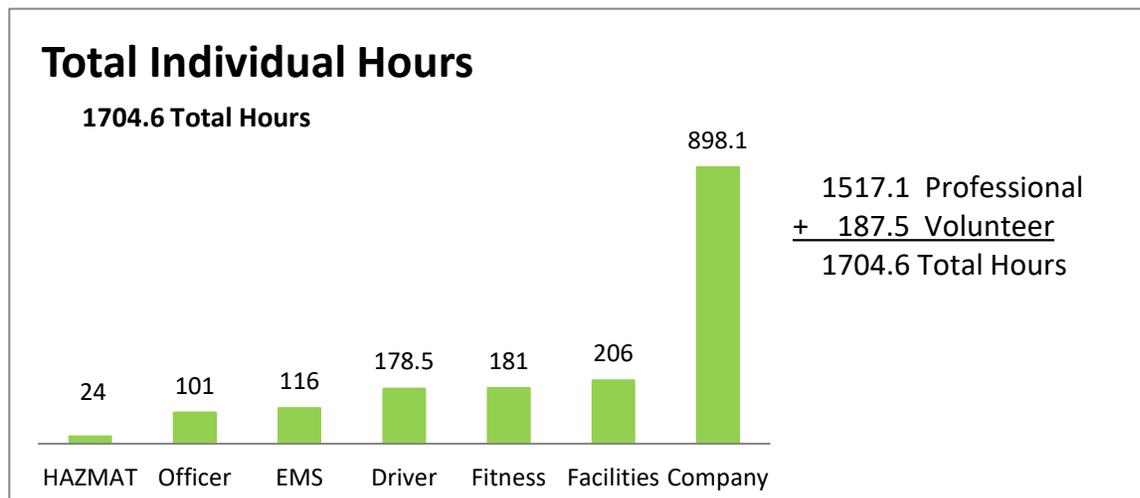
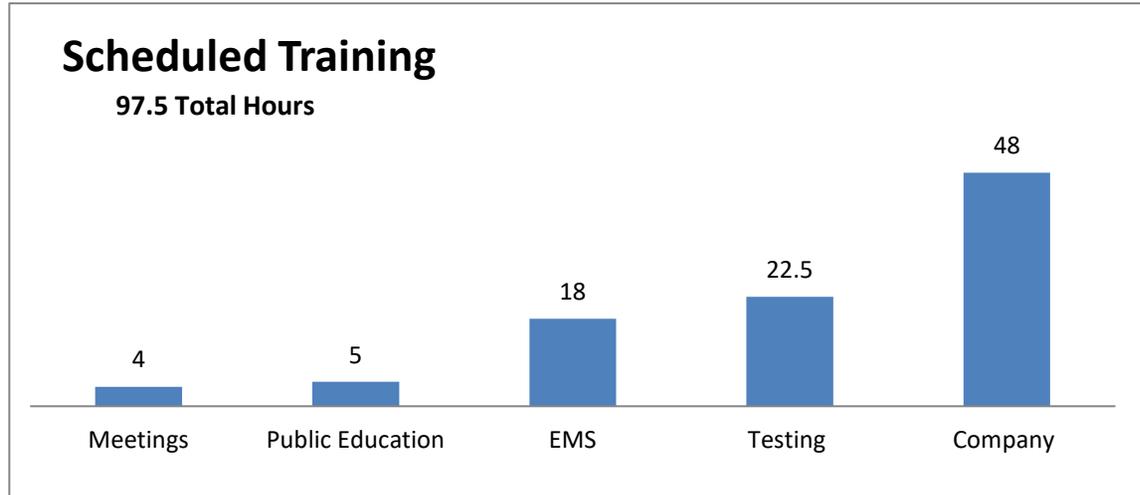
Incident Response Summary by Station Date Range: From 12/01/2018 To 12/31/2018	
Station: RSF 1	87
Station: RSF 2	114
Station: RSF 3	44
Station: RSF 4	29
Station: RSF 5	22
Station: RSF 6	16
Total Incident Count:	312

Incident Summary by Incident Type Date Range: From 12/1/2018 To 12/31/2018	
Incident Type	Incident Count
Fire	14
Rupture/Explosion	1
EMS/Rescue	169
Hazardous Conditions	7
Service Call	21
Good Intent Calls	68
False Calls	30
Other	2
Total Incident Count:	312

SIGNIFICANT INCIDENTS/OVERHEAD ASSIGNMENTS				
DATE	INCIDENT/ LOCATION	TYPE	UNIT/STRIKE TEAM	MISC.



Training Division December 2018



See next page for description

Training Division - Descriptions

Scheduled Training		
<p>Training hours are planned annually. This is to maintain a well organized year and to help the firefighters be successful with the hours required by Federal, State, Local.</p>		
Total Individual Hours - 6 Subjects		
Subject	Definition	Examples
Company	Documentation of all Company Training that is not Driver, Officer, Haz-Mat, or Facility Training.	Aerial Ladder, Hose, Ladders, Physical Fitness, SCBA, Technical Rescue, Ventilation, etc.
Driver	This is for documenting Driver Training hours. Per ISO standards employees considered a "Driver" will be required to complete 12 hours of Driver Training annually. You can use this same form to record Driver Training hours for Non-Drivers and it will be counted towards Company Training.	Apparatus Inspections & Maintenance, Basic Hydraulics, Defensive Driving, Maps, Driving Heavy Vehicles, Etc.
Facility	This is live training conducted at an approved site. For the location to be approved it must have at least two acres on the property, a three story tower, and a burn facility. It is also important to note that the training must not just occur on the approved site, but the facility itself must be used. If your users are just sitting in a classroom at an approved site, this cannot count towards facility hours and the completion would need to be applied elsewhere. However, if the classroom portion was followed by utilization of the facility, the entire time could count towards Facility Training.	Company Evolutions, NFPA 1410 Driver/Operator, NFPA 1002 Fire Officer, NFPA 1021 Firefighter Skills, NFPA 1001 Hazardous Materials, NFPA 472 Live Fire, NFPA 1403 Other NFPA Fire Based Training
HazMat	This is for documenting Hazardous Materials Training hours. Per ISO standards all firefighters are required to complete 6 hours of Hazardous Materials Training annually.	DOT Guidebook Review, Decontamination Procedures, First Responder Operations, Etc.
Officer	Per ISO standards employees considered a "Officer" will be required to complete 12 hours of Officer Training annually. You can use this same form to record Officer Training hours for Non-Officers and it will be counted towards Company Training.	Dispatch, General Education, Meetings, Orientation, Exam, Management Principles, Personnel, Promotional, Public Relations, Etc.
EMS	EMS is not tracked or required by Insurance service Organization for Rating. EMS Continuing Education is tracked for recertification of Paramedics (48/2yrs) and EMT (24/2yrs). Through Emergency Service Medical Administration (EMSA).	Continuing Education and SIMS
Mandated Hours		
<p>Hours completed through an assignment on an online database (Target Solutions). Mandated assignments are required by either Federal, State, Local.</p>		

Rancho Santa Fe Fire Protection District
Fire Prevention Bureau Monthly Activity Summary
December 2018

PLAN REVIEW

RESIDENTIAL PLAN REVIEWS		Number of Structures	Sq Footage
Fire Marshal		73	2,231,533
Fire Inspector		17	45,216
Fire Inspector/Forester		0	0
TOTAL		90	2,276,749
RESIDENTIAL ADDITIONS		Original Sq Footage	Added Sq Footage
Fire Marshal		0	0
Fire Inspector		24,925	4,240
Fire Inspector/Forester		0	811
TOTAL		24,925	5,051
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	2,281,800
FIRE SPRINKLER REVIEWS		Commercial	Residential
Fire Marshal		5	4
Fire Inspector		0	1
Fire Inspector/Forester		0	2
TOTAL		5	7
TENANT IMPROVEMENTS		Number of Structures	Sq Footage
Fire Marshal		12	48,710
Fire Inspector		0	0
Fire Inspector/Forester		0	0
TOTAL		12	48,710
LANDSCAPE REVIEWS		Number of Reviews	Staff Hours
Fire Marshal		1	5.00
Fire Inspector		14	14.00
Fire Inspector/Forester		19	11.00
TOTAL		34	30.00

Rancho Santa Fe Fire Protection District
Fire Prevention Bureau Monthly Activity Summary
December 2018

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	0	0.00
Habit Plans	0	0.00
Approval Letters	0	0.00
CWPP/FPP	0	0.00
TOTAL	0	0.00
INSPECTION SERVICES- All Staff		
	Number of Inspections	Staff Hours
Undergrounds	2	1.00
Hydros (Fire Sprinklers)	36	26.00
Finals (Structures)	32	33.00
Landscape	4	2.00
Reinspections	9	0.50
Tents/Canopy	2	6.00
Burn Permits	0	0.00
Department of Social Service Licensing	0	0.00
Knox/Strobe	5	6.00
Code Enforcement	7	6.25
Engine Company Follow Up	4	11.00
Misc.	0	0.00
TOTAL	101	91.75
HAZARD INSPECTIONS - All Staff		
	Number of Inspections	Staff Hours
Weed Abatement Inspection	61	4.88
Weed Abatement Reinspection	147	25.90
1st Notice	29	8.25
2nd Notice	61	16.75
Final Notice	30	11.30
Forced Abatement	2	2.00
Postings	6	6.00
Annual Mailers	0	0.00
Homeowner Meeting	19	18.50
WUI	0	0.00
TOTAL	355	93.58
GRADING -All Staff		
	Number of Reviews	Staff Hours
Plan Review	5	5.00
TOTAL	5	5.00

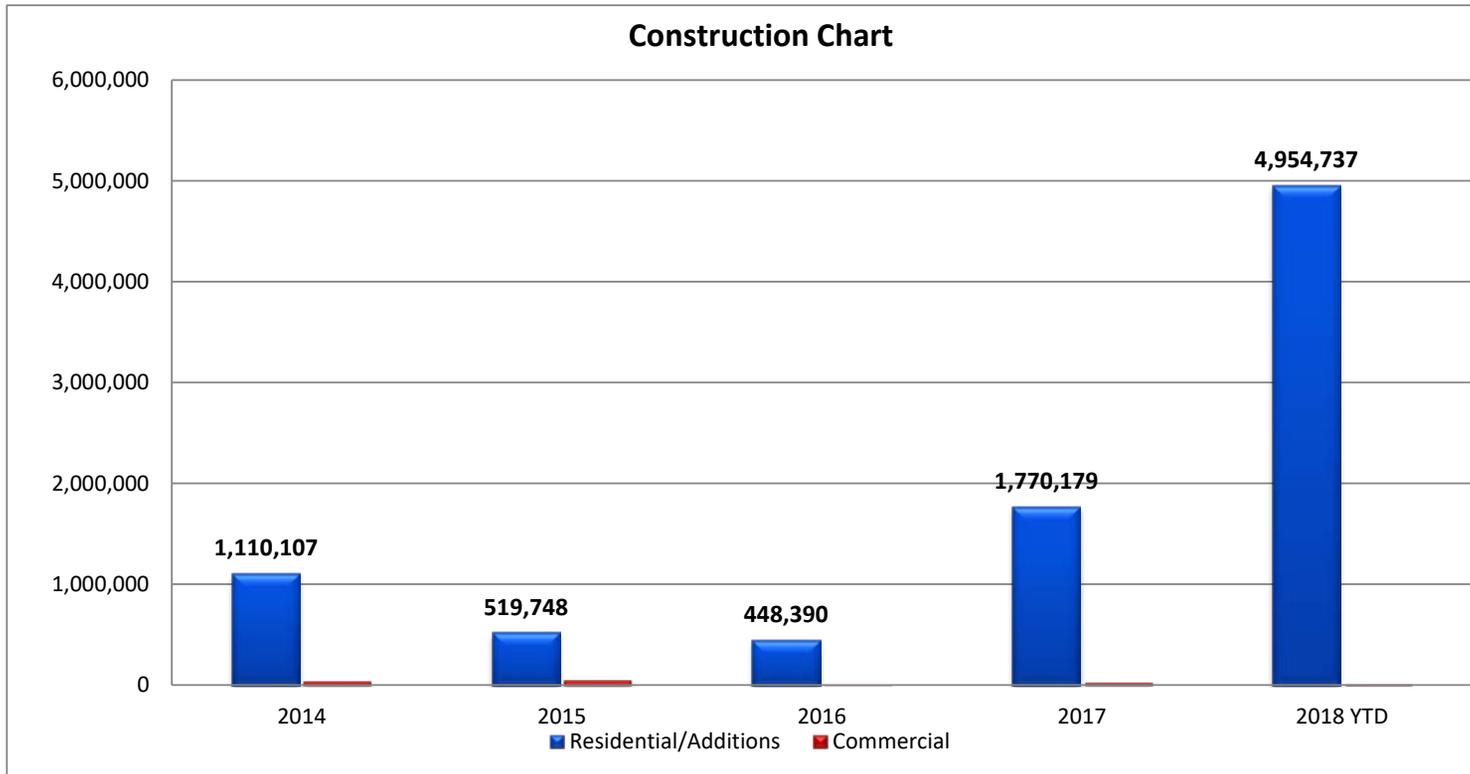
Rancho Santa Fe Fire Protection District
Fire Prevention Bureau Monthly Activity Summary
December 2018

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	3	6.00
Training Classes	0	0.00
Conferences	0	24.00
Meetings	20	25.5
Other	0	0.00
Supervision	0	0.00
Fuels Reduction	0	0.00
TOTAL	23	55.50

FIRE PREVENTION -All Staff	Number	Staff Hours
Incoming Phone Calls	274	66.50
Correspondence	755	188.75
Consultations	22	22.00
Plan Review	123	117.00
Scanning	300	75.00
General Office	100	100.00
TOTAL	1,574	569.25

ADMINISTRATIVE SERVICES- OFFICE SUPPORT		
OFFICE COORDINATOR-PREVENTION	Number	Staff Hours
Phone Calls (All Administrative Staff) Internal & External	467	23.35
Correspondence	382	95.50
Walk in/Counter (All Administrative Staff)	344	28.67
Knox Application Request	9	2.25
Burn Permits	0	1.00
UPS Outgoing Shipments	3	0.25
Plan Accepted/Routed	123	117.00
Special Projects	5	5.00
Scanning Documents/Electronic Files	500	125.00
Meetings: Admin/Prevention/Admin Shift	10	5.00
Post Office Runs	0	0.00
Deposit runs and preparations	25	12.50
TOTAL	1,868	415.52

**Rancho Santa Fe Fire Protection District
Fire Prevention Bureau Monthly Activity Summary
December 2018**

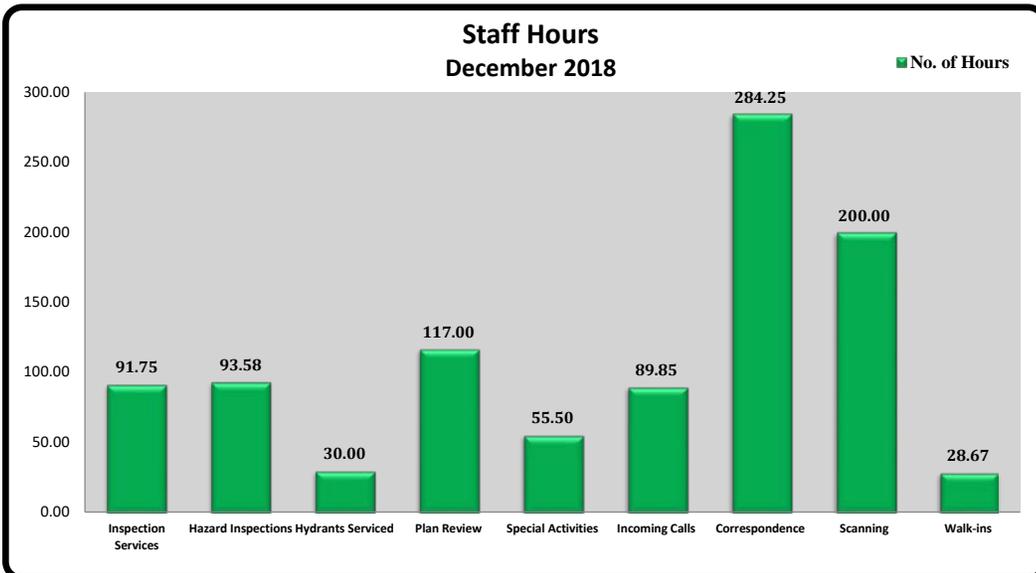
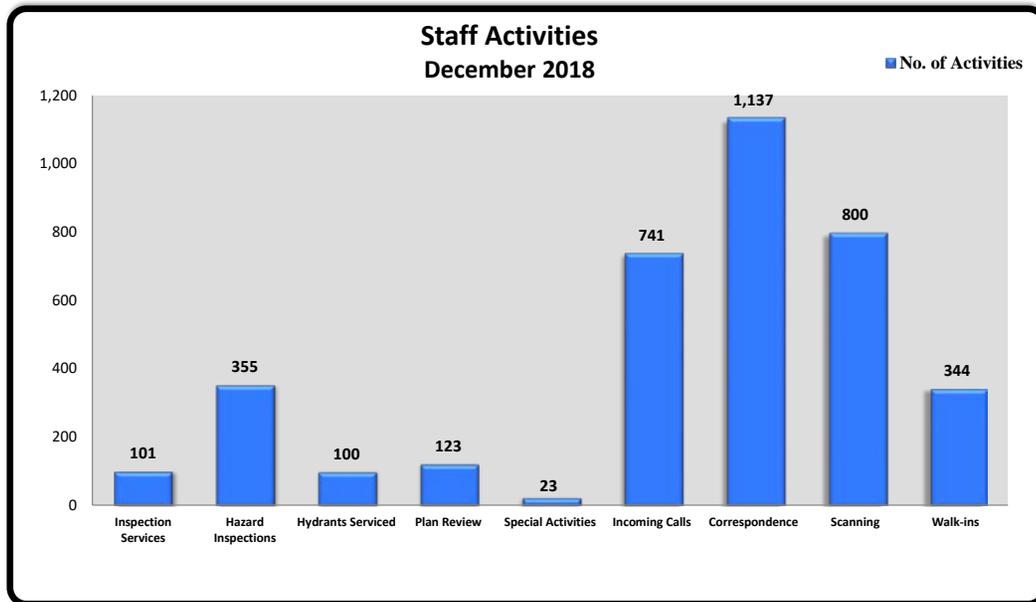


Year	Res/Add	Comm	Total
2014	1,110,107	36,156	1,146,263
2015	519,748	43,042	562,790
2016	448,390	2,047	450,437
2017	1,770,179	23,757	1,793,936
2017 YTD	1,770,179	23,757	1,793,936
2018 YTD	4,954,737	10,227	4,964,964

Comparison 2017/2018 Total Square Footage

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	48,435	40,807	23,518	61,889	78,701	220,963	585,112	58,173	43,534	69,405	313,889	249,484
2018	186,961	62,170	46,643	37,448	69,972	1,361,554	344,679	50,736	212,489	181,371	129,141	2,281,800

**Rancho Santa Fe Fire Protection District
Fire Prevention Bureau Monthly Activity Summary
December 2018**



Comparison 2016/2017 Total Monthly Hours/Activities

2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Activities	2187	2019	2614	2384	3137	3617	3300	3938	3537	3897	3462	3169
Hours	482.62	494.10	578.82	567.50	676.43	745.76	713.5	844.47	850.08	795.81	781.95	696.27

2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Activities	2714	2970	2985	3331	4091	4349	4222	5906	4210	4128	3365	3724
Hours	600.70	723.62	736.32	858.15	955.05	997.91	980.59	1352.6	1087.07	1075.2	793.93	990.60

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

Note: Finished remaining hydrants totaling around 100 and tallied end of year maintenance numbers, reached a 100% completion of all hydrants in the district two weeks ahead of schedule through the cooperative efforts of the engine companies and Colton.

Rancho Santa Fe Fire Protection District
Public Education Coordinator Monthly Activity Summary
December 2018

WEBSITE/INTERNET		Staff Hours
Update existing info & documents:		7.0
<i>Updated home page, news, photos, etc</i>		3.0
Compile & write new information:		2.0
		2.0
Social Media		7.0
<i>Facebook "Followers" - 1,324</i>		2.0
<i>Instagram "Followers" - 1,173</i>		2.0
<i>Twitter "Followers" - 3,529</i>		3.0
TOTAL		16.0
PUBLICATIONS		Staff Hours
Design/write brochures, flyers, etc:		1.0
<i>Holiday Safety handouts</i>		1.0
Prevention Videos		
TOTAL		1.0

Rancho Santa Fe Fire Protection District
Public Education Coordinator Monthly Activity Summary
December 2018

MEDIA RELATIONS	Staff Hours
On-scene Public Information Officer:	0.0
Press Releases:	10.0
<i>Toys for Tots</i>	1.0
<i>RSF Fire Foundation</i>	6.0
<i>Chief Cox Sworn In</i>	3.0
Other Articles/Stories/Interviews:	1.0
<i>Van Alan/New Yorker Documentary</i>	1.0
TOTAL	11.0

EDUCATIONAL PROGRAMS/PRESENTATIONS	Staff Hours
Children's Programs	3.0
<i>Station Tours</i>	3.0
Adult Programs:	20.0
<i>Firewise/home-hardening research</i>	16.0
<i>Evacuation routes/shelters</i>	4.0
TOTAL	23.0

Rancho Santa Fe Fire Protection District
Public Education Coordinator Monthly Activity Summary
December 2018

EVENTS		Staff Hours
External/Community Events:		4.0
<i>Deliver Toys, Farms Christmas Party</i>		1.0
<i>Pick Up Toys, RSF Women's Golf Club</i>		3.0
Internal Events:		3.0
<i>Chief Cox Reception</i>		3.0
TOTAL		7.0
CONTINUING EDUCATION		Staff Hours
Training Classes:		0.0
Conferences:		0.0
Meetings:		3.0
<i>Staff meetings</i>		3.0
<i>Shift Meetings</i>		0.0
<i>CSA17 Meeting</i>		0.0
<i>San Diego County PIOs</i>		0.0
<i>So Cal Pub Ed</i>		0.0
TOTAL		3.0
CLERICAL		Staff Hours
Prevention-related:		34.0
<i>Mailbox, email inbox, phone calls, news clips, etc.</i>		32.0
<i>Phone Calls</i>		2.0
Non-prevention/non-minute related:		23.0
TOTAL		57.0
TOTAL HOURS		118.0

Eureka!
74985 U.S. HWY 111
Indian Wells, CA 92210

Server: Martin 8386 10/22/2018
Table 51/3 8:03 PM
Guests: 2 30087

American Cheeseburger 10.50
French Fries 12.50
Jalapeno Egg Burger 2.00
\$Side Salad
Subtotal 25.00
Tax 1.94
Total 26.94

Balance Due 26.94

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VISA 26.94
Auth:088523
Balance Due 0.00

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Andy, Jim, Tony

Eureka!
74985 U.S. HWY 111
Indian Wells, CA 92210

Server: Martin 8386 DOB: 10/22/2018
08:12 PM 10/22/2018
Table 51/3 3/30087

SALE
VISA 3145797
Card #XXXXXXXXXXXX6206
Magnetic card present: MICHEL TONY J
Card Entry Method: S

Approval: 088523
Amount: \$26.94
+ Tip: _____
= Total: _____

I agree to pay the above
total amount according to the
card issuer agreement.

X _____

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From: [CalPERS Educational Forum](#)
To: [Karlana Rannals](#)
Subject: Registration Confirmed - CalPERS Educational Forum 2018
Date: Friday, June 22, 2018 9:35:02 AM

Dear Karlana:

Please save this email for future reference.

Event: CalPERS Educational Forum 2018
Number in Party: 1
Time: 7:30 AM
Date: Monday, October 22, 2018
Location: Renaissance Indian Wells
Address: 44400 Indian Wells Ln, Indian Wells, California 92210, USA

Group Confirmation Number: HPNJPDJNNN5
Primary Registrant (James Ashcraft)
Confirmation Number: MPNV969M3LH

James Ashcraft						
Order Date	Order Type	Item	Item Type	Amt Ordered	Amt Paid	Amt Due
22-Jun-2018 9:29 AM PT	Online Charge	Event Registration	Admission Item	\$349.00	\$349.00	\$0.00
				Amt Ordered	Amt Paid	Amt Due
Total				\$349.00	\$349.00	\$0.00

To view or modify the online registration for anyone in your group, [Click here](#). You will be asked to enter your name and the group confirmation number shown above.

If you no longer want to receive emails from CalPERS Educational Forum, [Opt-Out](#)



From: [Thanks for staying!](#)
To: KRANNALS@PACBELL.NET
Subject: Your Oct 21, 2018 - Oct 23, 2018 stay at the Renaissance Indian Wells Resort & Spa
Date: Monday, December 3, 2018 4:22:39 PM

Thank you for choosing the Renaissance Indian Wells Resort & Spa for your recent stay.

As requested, below is a billing summary or adjustment for your stay. **If you have questions about your bill**, please contact us at (760) 773-4444 or EsmeraldaBilling@renaissancehotels.com.

[Make another reservation on RenaissanceHotels.com >>](#)



Marriott Rewards members may receive this email automatically after every stay.

[Modify your email preferences >>](#)

Summary of Your Stay

Hotel: Renaissance Indian Wells Resort & Spa
 44400 Indian Wells Lane
 Indian Wells, California 92210
 USA
 (760) 773-4444

Guest: ASHCRAFT/JAMES
 RANCHO SANTA FE FIRE PROT
 PO BOX 410
 101
 RANCHO SANTA FE, CA 92067
 USA

Dates of stay: Oct 21, 2018 - Oct 23, 2018

Room number: 3061

Guest number: 13860

Group number: 5926

The Ritz-Carlton Rewards number: XXXXX1522

Date	Description	Reference	Charges	Credits
10/21/18	GRSRTCHG	RESRTCHG	5.00	
10/21/18	ROOM TX	RESRTCHG	0.71	
10/21/18	ROOM GR	3061, 1	185.00	
10/21/18	CITY TAX	3061, 1	20.81	
10/21/18	BIDTAX3%	3061, 1	5.55	
10/21/18	CA FEE	3061, 1	0.90	
10/22/18	GRSRTCHG	RESRTCHG	5.00	
10/22/18	ROOM TX	RESRTCHG	0.71	
10/22/18	ROOM GR	3061, 1	185.00	
10/22/18	CITY TAX	3061, 1	20.81	
10/22/18	BIDTAX3%	3061, 1	5.55	
10/22/18	CA FEE	3061, 1	0.90	
10/23/18	Payment - Visa XXXXXXXXXXXX4698			435.94
Total balance				0.00 USD

Was that the best night's sleep you've ever had? [How about a repeat performance at your place!](#)

From: [CalPERS Educational Forum](#)
To: [Karlana Rannals](#)
Subject: Registration Confirmed - CalPERS Educational Forum 2018
Date: Friday, June 22, 2018 9:30:03 AM

Dear Karlana:

Please save this email for future reference.

Event: CalPERS Educational Forum 2018
Number in Party: 1
Time: 7:30 AM
Date: Monday, October 22, 2018
Location: Renaissance Indian Wells
Address: 44400 Indian Wells Ln, Indian Wells, California 92210, USA

Group Confirmation Number: DZNQFS69F4Q
Primary Registrant (Randy Malin)
Confirmation Number: Z5NTC5FCJVC

Randy Malin						
Order Date	Order Type	Item	Item Type	Amt Ordered	Amt Paid	Amt Due
22-Jun-2018 9:22 AM PT	Online Charge	Event Registration	Admission Item	\$349.00	\$349.00	\$0.00
				Amt Ordered	Amt Paid	Amt Due
				Total	\$349.00	\$349.00 \$0.00

To view or modify the online registration for anyone in your group, [Click here](#). You will be asked to enter your name and the group confirmation number shown above.

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Total 26.94

Balance Due 26.94

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--- Check Closed ---

Andy, Jim, Tony

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Table 51/3 3/30087

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Card #XXXXXXXXXXXX6206
Magnetic card present: MICHEL TONY J
Card Entry Method: S

Approval: 088523
Amount: \$26.94
+ Tip: _____
= Total: _____

I agree to pay the above
total amount according to the
card issuer agreement.

X _____

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RESOLUTION No. 2019-01

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

WHEREAS the Board of Directors at their meeting held September 7, 2017 accepted the Staffing for Adequate Fire & Emergency Response (SAFER) Grant which provides for the salary and benefits for a limited term full-time volunteer recruitment and retention coordinator for a period of four (4) years; and

WHEREAS the District has recruited for person(s) with specialized skills to perform the work needed, and

WHEREAS the District must employ person(s) in the SAFER position no later than November 28, 2017; and

WHEREAS the Board of Directors must establish compensation and benefits for the Volunteer Recruitment Retention Coordinator position.

WHEREAS the Board of Directors may adjust from time to time compensation and benefits for the Volunteer Recruitment Retention Coordinator position.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Rancho Santa Fe Fire Protection District does hereby authorize the following compensation and benefits for the Volunteer Recruitment Retention Coordinator (VRR) position effective ~~November 27, 2017~~ January 1, 2019 for the ~~remaining limited~~ duration ~~of four years~~ of the SAFER Grant funding, not to exceed November 16, 2021.

I. SALARY

1.01 The following compensation range for the position identified is as follows:

<i>Position</i>	Hourly	<i>Annual Compensation</i> <i>FTE Equivalent</i>
Volunteer Recruitment & Retention Coordinator	\$40.00	\$83,200
	<u>\$40.80</u>	<u>\$84,864</u>

1.02 The VRR is an "at-will," non-safety, non-exempt position. This position, employed by the Rancho Santa Fe Fire Protection District, will work under the direction of the Training Battalion Chief supporting the District's Elfin Forest Volunteer Division.

II. RETIREMENT

2.01 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.

2.02 All employees enrolled in the PERS 2.5% @ 55 plan, will contribute 100% of the employee's contribution for all reportable wages. The employee will also contribute \$2 per month towards the cost of the 1959 Survivor Benefit - Fourth Level.

2.03 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.

III. SICK LEAVE

3.01 Accrual: VRRRC employee shall accrue sick leave monthly, 4.0 hours per month at the rate of 48 hours per year.

3.02 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.

3.03 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.

IV. INSURANCE

4.01 The District shall contract with a provider(s) for medical and dental benefits for the purpose of 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 an 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.

4.02 Life: The District shall provide a \$25,000 life insurance policy for the employee, and \$1,000 life insurance policy for employee's dependents. The policy shall include accidental death and dismemberment coverage.

4.03 Long-Term Disability: The District shall provide a Long-Term Disability plan.

4.04 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.

V. HOLIDAYS

5.01 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)

VI. VACATION ACCRUAL

6.01 Vacation hours shall be accrued monthly, 6.67 hours per month, or 80 hours annually.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Rancho Santa Fe Fire Protection District on ~~November 8, 2017~~ January 16, 2019 by the following vote:

- AYES:
- NOES:
- NONE:
- ABSTAIN:

James H Ashcraft
President

ATTEST:

Karlana Rannals
Secretary

RESOLUTION No. 2019-02

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 January 1, 2019 and adopted.
- 2) 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 January 16, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JAMES H ASHCRAFT
President

ATTEST:

Karlana Rannals
Secretary

**Rancho Santa Fe Fire Protection District
Resolution 2019-02
Attachment B**

Effective Date - January 1, 2019

		Steps or Range				
Position		Step A	Step B	Step C	Step D	Step E
Fire Prevention Specialist	Hourly	34.091	35.795	37.585	39.464	41.437
	OT Rate	51.14	53.69	56.38	59.20	62.16
	Semi Monthly	2,955	3,102	3,257	3,420	3,591
	Monthly	5,909	6,204	6,515	6,840	7,182
	Annual	70,908	74,454	78,177	82,085	86,190
Public Education Coordinator	Hourly	34.951	36.699	38.534	40.460	42.483
	OT Rate	52.43	55.05	57.80	60.69	63.73
	Semi Monthly	3,029	3,181	3,340	3,507	3,682
	Monthly	6,058	6,361	6,679	7,013	7,364
	Annual	72,698	76,333	80,150	84,157	88,365
Office Support Coordinator	Hourly	24.638	25.870	27.163	28.521	29.947
	OT Rate	36.96	38.80	40.74	42.78	44.92
	Semi Monthly	2,135	2,242	2,354	2,472	2,595
	Monthly	4,271	4,484	4,708	4,944	5,191
	Annual	51,246	53,809	56,499	59,324	62,290
Accounting Specialist	Hourly	30.093	31.597	33.177	34.836	36.578
	OT Rate	45.14	47.40	49.77	52.25	54.87
	Semi Monthly	2,608	2,738	2,875	3,019	3,170
	Monthly	5,216	5,477	5,751	6,038	6,340
	Annual	62,592	65,722	69,008	72,459	76,081
Accounting Technician	Hourly	26.557	27.884	29.279	30.743	32.280
	OT Rate	39.83	41.83	43.92	46.11	48.42
	Semi Monthly	2,302	2,417	2,537	2,664	2,798
	Monthly	4,603	4,833	5,075	5,329	5,595
	Annual	55,238	58,000	60,900	63,945	67,142
Fire Prevention Specialist II/Forester	Hourly	37.501	39.376	41.344	43.412	45.582
	OT Rate	56.25	59.06	62.02	65.12	68.37
	Semi Monthly	3,250	3,413	3,583	3,762	3,950
	Monthly	6,500	6,825	7,166	7,525	7,901
	Annual	78,001	81,901	85,996	90,296	94,811
Deputy Fire Marshal	Hourly	44.899	47.144	49.501	51.976	54.575
	OT Rate	67.35	70.72	74.25	77.96	81.86
	Semi Monthly	3,891	4,086	4,290	4,505	4,730
	Monthly	7,782	8,172	8,580	9,009	9,460
	Annual	93,389	98,059	102,962	108,110	113,515
<hr/>						
Position		Step A	Step B	Step C	Step D	Step E
Firefighter/Paramedic	Hourly	26.158	27.465	28.839	30.281	31.795
	OT Rate	39.236	41.198	43.258	45.421	47.692
	Semi Monthly	3,259	3,422	3,593	3,772	3,961
	Monthly <i>(Includes FLSA)</i>	6,518	6,843	7,186	7,545	7,922
	Annual <i>(Includes FLSA)</i>	78,211	82,122	86,228	90,539	95,066
Engineer	Hourly	27.454	28.827	30.269	31.782	33.371
	OT Rate	41.182	43.241	45.403	47.673	50.057
	Semi Monthly	3,420	3,591	3,771	3,959	4,157
	Monthly <i>(Includes FLSA)</i>	6,841	7,183	7,542	7,919	8,315
	Annual <i>(Includes FLSA)</i>	82,089	86,193	90,503	95,028	99,779
Engineer/Paramedic	Hourly	28.192	29.601	31.081	32.635	34.267
	OT Rate	42.287	44.402	46.622	48.953	51.401
	Semi Monthly	3,512	3,688	3,872	4,066	4,269
	Monthly <i>(Includes FLSA)</i>	7,024	7,376	7,744	8,132	8,538
	Annual <i>(Includes FLSA)</i>	84,293	88,508	92,933	97,580	102,459
Captain	Hourly	32.522	34.149	35.856	37.649	39.531
	OT Rate	48.784	51.223	53.784	56.473	59.297
	Semi Monthly	4,052	4,254	4,467	4,690	4,925
	Monthly <i>(Includes FLSA)</i>	8,104	8,509	8,934	9,381	9,850
	Annual <i>(Includes FLSA)</i>	97,242	102,104	107,209	112,570	118,198

**Rancho Santa Fe Fire Protection District
Resolution 2019-02
Attachment B**

Position		Range		
Fire Chief	Semi Monthly	7,419	→	9,300
	Monthly	14,838		18,599.70
	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
Admin-Human Resource Manager	Semi Monthly	4,042	→	5,083
	Monthly	8,083		10,167
	Annual	97,000		122,000
Finance Manager	Semi Monthly	4,042	→	5,083
	Monthly	8,083		10,167
	Annual	97,000		122,000

Position - Volunteer Division		Range		
Recruitment-Retention Volunteer Coordinator	Hourly	34.00	→	40.80
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	→	74.26

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

STAFF REPORT

19-01

TO: BOARD OF DIRECTORS
FROM: FRED COX, FIRE CHIEF
SUBJECT: ACCEPTANCE OF RANCHO SANTA FE FIRE DISTRICT FOUNDATION
GRANT - RSF6 SEPTIC SYSTEM REPLACEMENT
DATE: JANUARY 10, 2019



RECOMMENDATION:

Staff recommends accepting a grant award for \$110,000 from the Rancho Santa Fe Fire District Foundation while maintaining a \$33,800 commitment in District matching funds. Staff also recommends the approximate \$7,677 in excess funding be authorized for landscape/parking lot improvements for Fire Station 6.

BACKGROUND:

In August of 2018, the District advertised RFP #002-2018 Septic System Replacement for RSF6 and awarded the contract to Septic Solutions for at a cost of \$128,000 plus \$5,800 in various fees (re-engineering, permits, and a two-year service agreement). Once the project was underway, there were additional costs (unanticipated) such as the need to add a 100-amp service panel at cost of \$1,499; and \$824 for the rental of Hydraulic Rock Breaker.

Staff report 18-25 estimated the project cost would be \$133,800. The project's funding source would be \$100,000 in a grant and \$33,800 from the District's general fund. In anticipation of cost overruns, the Rancho Santa Fe Fire District Foundation approved \$110,000 grant for this project.

Staff recommends the District accept the \$110,000 grant from the Rancho Santa Fe Fire District Foundation, and commit \$33,800 of general funds for the project.

The extra funding from The Foundation, (approximately \$7,677) will be used to re-gravel RSF6's parking lot and repair/enhance the landscape, which both suffered collateral damage normally expected during excavation projects of this type. Some minor spoils and debris hauling may also be required, which was not part of the RFP.

Rancho Santa Fe Fire Protection District

Rancho Santa Fe, California

Annual Financial Report

For the Year Ended June 30, 2018

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, 2018

<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, 2018

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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 (the "District") as of and for the year ended June 30, 2018, 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, 2018, 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.

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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 47 through 50, 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 January 2, 2019, 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.

The Pw Group, LLP

San Diego, California
January 2, 2019



**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, 2018, and the related notes to the financial statements, which collectively comprises the District's basic financial statements, and have issued our report thereon dated January 2, 2019.

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*.

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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.

The PwC Group, LLP

San Diego, California
January 2, 2019

**Rancho Santa Fe Fire Protection District
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2018**

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, 2018. 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 2.07%, or \$675,118 from the prior year's net position of \$32,647,082 to \$33,322,200.
- The District's total revenues decreased by 17.04% or \$3,543,547, to \$17,253,396 in fiscal year 2018.
- The District's total expenses increased 6.98% or \$1,081,270, to \$16,578,278 in fiscal year 2018.

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, 2018

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, 2018</u>	<u>June 30, 2017</u>	<u>Change</u>
Assets:			
Current assets	\$ 23,773,293	\$ 23,455,400	\$ 317,893
Capital assets, net	18,850,393	18,681,793	168,600
Total assets	<u>42,623,686</u>	<u>42,137,193</u>	<u>486,493</u>
Deferred outflows of resources	<u>7,612,245</u>	<u>7,280,941</u>	<u>331,304</u>
Liabilities:			
Current liabilities	733,242	889,375	(156,133)
Noncurrent liabilities	13,741,525	13,592,886	148,639
Total liabilities	<u>14,474,767</u>	<u>14,482,261</u>	<u>(7,494)</u>
Deferred inflows of resources	<u>2,438,964</u>	<u>2,288,791</u>	<u>150,173</u>
Net position:			
Investment in capital assets	18,850,393	18,681,793	168,600
Restricted for capital projects	1,769,372	1,639,027	130,345
Unrestricted	12,702,435	12,326,262	376,173
Total net position	<u>\$ 33,322,200</u>	<u>\$ 32,647,082</u>	<u>\$ 675,118</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 \$33,322,200 as of June 30, 2018.

Rancho Santa Fe Fire Protection District
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2018

Government-wide Financial Analysis (Continued)

A portion of the District's net position 57% or \$18,850,393 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 2018, the District shows a positive balance in its unrestricted net position of \$12,702,435 that may be utilized in future years.

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Change</u>
Revenues:			
Program revenues:			
Charges for services	\$ 484,923	\$ 272,516	\$ 212,407
Operating grants and contributions	1,162,333	592,487	569,846
Capital grants and contributions	987,480	362,206	625,274
General revenues:			
Property taxes	12,015,742	11,417,690	598,052
Voter approved taxes	1,496,722	1,476,651	20,071
Developer payments in-lieu of property taxes	139,090	369,573	(230,483)
Reorganization revenue – Elfin Forest/Harmony Grove	328,211	5,817,856	(5,489,645)
Rental income	360,337	343,505	16,832
Investment earnings	240,914	115,724	125,190
Other	37,644	28,735	8,909
Total revenues	<u>17,253,396</u>	<u>20,796,943</u>	<u>(3,543,547)</u>
Expenses:			
Fire protection operations:			
Salaries and wages	8,979,191	8,377,842	601,349
Employee benefits	4,463,517	3,674,982	788,535
Contractual services	1,677,433	1,499,080	178,353
Materials and supplies	625,013	1,198,989	(573,976)
Other Expenses	49,147	-	49,147
Depreciation	783,977	746,115	37,862
Total expenses	<u>16,578,278</u>	<u>15,497,008</u>	<u>1,081,270</u>
Change in net position	675,118	5,299,935	(4,624,817)
Net position:			
Beginning of year	32,647,082	27,347,147	5,299,935
End of year	<u>\$ 33,322,200</u>	<u>\$ 32,647,082</u>	<u>\$ 675,118</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 \$675,118 for the fiscal year ended June 30, 2018. On June 21, 2016 the Rancho Santa Fe Fire Protection District reorganized with the Elfin Forest/Harmony Grove Fire Department. The District recognized in FY17 approximately \$5.8 million in one-time revenue from the reorganization. During the FY18, the District received two Staffing for Adequate Fire & Emergency Response (SAFER) Grants awarded thru FEMA. The net result is that revenue dropped by nearly \$3.5 million.

Rancho Santa Fe Fire Protection District
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2018

Government-wide Financial Analysis (Continued)

The District added four (4) full-time employees to staff the Elfin Forest Fire Station with paid firefighting professionals and a dedicated Volunteer Recruitment and Retention Coordinator. The increase in the number of personnel and negotiated salary adjustments account for much of the increase of expenses by nearly \$1 million. The revenue generated from the SAFER grants covered the majority of the increased personnel expense.

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, 2018, the District's General Fund reported a fund balance of \$19,597,158. An amount of \$18,417,091 constitutes the District's *unassigned fund balance*, which is available for future use.

Capital Asset Administration

At the end of fiscal year 2018, the District's investment in capital assets amounted to \$18,850,393 (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, 2018	June 30, 2017	Change
Non-depreciable assets	\$ 3,755,778	\$ 3,374,840	\$ 380,938
Depreciable assets	25,377,514	24,840,756	536,758
Accumulated depreciation and amortization	(10,282,899)	(9,533,803)	(749,096)
	\$ 18,850,393	\$ 18,681,793	\$ 168,600

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, Karlana 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, 2018

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	\$ 22,239,933
Accounts receivable	679,971
Property taxes receivable	45,747
Accrued interest receivable	86,294
Deposits with Public Agencies Self Insurance System	721,348
Total current assets	23,773,293
Noncurrent assets:	
Capital assets – not being depreciated	3,755,778
Capital assets, net – being depreciated	15,094,615
Total noncurrent assets	18,850,393
Total assets	42,623,686
DEFERRED OUTFLOWS OF RESOURCES	
Pensions related deferred outflows of resources	7,612,245
Total deferred outflows of resources	7,612,245
LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	172,309
Accrued salaries and related payables	359,454
Long-term liabilities – due in one year:	
Compensated absences	201,479
Total current liabilities	733,242
Noncurrent liabilities:	
Long-term liabilities – due in more than one year:	
Compensated absences	257,240
Unearned reorganization revenue	1,875,000
Workers' compensation claims payable	423,458
Net pension liability	11,185,827
Total noncurrent liabilities	13,741,525
Total liabilities	14,474,767
DEFERRED INFLOWS OF RESOURCES	
Pensions related deferred inflows of resources	2,438,964
Total deferred inflows of resources	2,438,964
NET POSITION	
Investment in capital assets	18,850,393
Restricted	1,769,372
Unrestricted	12,702,435
Total net position	\$ 33,322,200

Rancho Santa Fe Fire Protection District
Statement of Activities
For the Year Ended June 30, 2018

	Governmental Activities
Expenses:	
Fire protection operations:	
Operations	\$ 15,794,301
Depreciation expense	783,977
Total expenses	16,578,278
Program revenues:	
Charges for services	484,923
Operating grants and contributions	1,162,333
Capital grants and contributions	987,480
Total program revenues	2,634,736
Net program expense	(13,943,542)
General revenues:	
Property taxes	12,015,742
Voter approved taxes	1,496,722
Developer payments in-leiu of property taxes	139,090
Reorganization revenue – Elfin Forest/Harmony Grove	328,211
Rental income	360,337
Investment earnings	240,914
Other	37,644
Total general revenues	14,618,660
Change in net position	675,118
Net position:	
Beginning of year	32,647,082
End of year	\$ 33,322,200

FUND FINANCIAL STATEMENTS

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Rancho Santa Fe Fire Protection District
Balance Sheet
Governmental Funds
June 30, 2018

<u>ASSETS</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and investments	\$ 20,842,631	\$ 1,397,302	\$ 22,239,933
Accounts receivable	318,127	361,844	679,971
Property taxes receivable	45,747	-	45,747
Accrued interest receivable	76,068	10,226	86,294
Deposits with Public Agencies Self Insurance System	721,348	-	721,348
Total assets	<u>\$ 22,003,921</u>	<u>\$ 1,769,372</u>	<u>\$ 23,773,293</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable and accrued expenses	\$ 172,309	\$ -	\$ 172,309
Accrued salaries and related payables	359,454	-	359,454
Unearned reorganization revenue	1,875,000	-	1,875,000
Total liabilities	<u>2,406,763</u>	<u>-</u>	<u>2,406,763</u>
Fund balance:			
Restricted	-	1,769,372	1,769,372
Committed	721,348	-	721,348
Assigned	458,719	-	458,719
Unassigned	18,417,091	-	18,417,091
Total fund balance	<u>19,597,158</u>	<u>1,769,372</u>	<u>21,366,530</u>
Total liabilities and fund balance	<u>\$ 22,003,921</u>	<u>\$ 1,769,372</u>	<u>\$ 23,773,293</u>

Rancho Santa Fe Fire Protection District
Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Position of Governmental Activities
June 30, 2018

Fund Balance – Governmental Funds	<u>\$ 21,366,530</u>
Amounts reported for governmental activities in the statement of net position are different because:	
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.	18,850,393
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.	7,612,245
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	(458,719)
Workers' compensation claims payable	(423,458)
Net pension liability	(11,185,827)
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>(2,438,964)</u>
Total adjustments	<u>11,955,670</u>
Net Position of Governmental Activities	<u><u>\$ 33,322,200</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, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Revenues:			
Property taxes	\$ 12,015,742	\$ -	\$ 12,015,742
Voter approved taxes	1,496,722	-	1,496,722
Developer payments in-leiu of proprty taxes	139,090	-	139,090
Reorganization revenue – Elfin Forest/Harmony Grove	328,211	-	328,211
Charges for services	484,923	-	484,923
Operating grants and contributions	1,162,333	-	1,162,333
Capital grants and contributions	-	987,480	987,480
Rental income	360,337	-	360,337
Investment earnings	212,884	28,030	240,914
Other	37,644	-	37,644
Total revenues	<u>16,237,886</u>	<u>1,015,510</u>	<u>17,253,396</u>
Expenditures:			
Current:			
Salaries and wages	8,979,191	-	8,979,191
Employee benefits	4,183,509	-	4,183,509
Contractual services	1,677,433	-	1,677,433
Materials and supplies	625,013	-	625,013
Other expenditures	49,147	-	49,147
Capital outlay	952,577	-	952,577
Total expenditures	<u>16,466,870</u>	<u>-</u>	<u>16,466,870</u>
Excess of revenues over expenditures	<u>(228,984)</u>	<u>1,015,510</u>	<u>786,526</u>
Other financing sources/(uses) of funds:			
Transfers in/(out)	885,165	(885,165)	-
Total other financing sources (uses)	<u>885,165</u>	<u>(885,165)</u>	<u>-</u>
Net change in fund balance	656,181	130,345	786,526
Fund Balance:			
Beginning of year	<u>18,940,977</u>	<u>1,639,027</u>	<u>20,580,004</u>
End of year	<u>\$ 19,597,158</u>	<u>\$ 1,769,372</u>	<u>\$ 21,366,530</u>

Rancho Santa Fe Fire Protection District
Reconciliation of the Statement of Revenues, Expenditures, and Change in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2018

Net Change in Fund Balance – Governmental Funds	<u>\$ 786,526</u>
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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	952,577
Depreciation expense	(783,977)

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	44,978
Net change in workers' compensation claims payable	(185,319)
Net change in net pension liability and related deferred resources	<u>(139,667)</u>
Total adjustments	<u>(111,408)</u>

Change in net position of governmental activities	<u><u>\$ 675,118</u></u>
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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, 2018

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.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of U.S. GAAP. The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable for a component that has substantively the same governing body as the District's governing body, and additionally (1) the primary government and the component unit have a financial benefit or burden relationship or (2) management (below the level of the elected officials) of the primary government have operational responsibility for the activities of the component unit.

Basis of Accounting and Measurement Focus

The District's financial statements are prepared in conformity with U.S. GAAP. 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.

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.

In accordance with U.S. GAAP 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, are not recognized as a revenue until that time.

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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

Basis of Accounting and Measurement Focus (Continued)

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 U.S. GAAP.

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.

The District reports the following major 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.

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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

Investments (Continued)

U.S. GAAP, 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.

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

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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

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.

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 6). 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>CaIPERS</u>	
Valuation date	June 30, 2016
Measurement date	June 30, 2017
Measurement period	July 1, 2016 to June 30, 2017

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.

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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

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.

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, 2018

Note 2 – Cash and Investments

Cash and investments as of June 30, 2018 consisted of the following:

Description	Balance
Demand deposits with financial institutions	\$ 397,004
Investments	21,842,929
Total cash and investments	\$ 22,239,933

Demand Deposits

At June 30, 2018 the carrying amount of the District's demand deposits was \$397,004 and the financial institution balance was \$725,197. The \$328,193 net difference as of June 30, 2018 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.

Investments

Investments as of June 30, 2018 consisted of the following:

Investments	Measurement Input	Credit Rating	Fair Value	Maturity 12 Months or Less
External Investment Pools:				
California Local Agency Investment Fund (LAIF)	Uncategorized	N/A	\$ 2,556,421	\$ 2,556,421
CalTRUST Medium Term Fund	Level 2	A+f	4,555,774	4,555,774
San Diego County Pooled Investment Fund	Level 2	AAAf/S1	14,730,734	14,730,734
Total investments			\$ 21,842,929	\$ 21,842,929

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.

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 2 – Cash and Investments (Continued)

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 District'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.

The District's investments with LAIF at June 30, 2018, included a portion of the pool funds invested in structured notes and asset-backed securities:

Structured Notes: debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities: generally mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2018, the District had \$2,556,421 invested in LAIF, which had invested 2.67% of the pool investment funds in structured notes and medium-term asset-backed securities. The LAIF fair value factor of 0.998126869 was used to calculate the fair value of the investments in LAIF.

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 \$4,555,774 invested in CalTRUST.

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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 7.88% of the Investment Pool as of June 30, 2018.

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, 2018, the District had \$14,730,734 invested with the SDCPIF, which had invested 2.11% of the pool investment funds in asset-backed securities.

SDPIF has indicated to the District that as of June 30, 2018 the value of its portfolio approximated \$9.950 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, 2018.

Disclosures related to 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).

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 2 – Cash and Investments (Continued)

Disclosures related to 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, 2018, the District's investment in the LAIF, CalTRUST and SDPIF is noted in the table above.

Disclosures related to 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.

Disclosures related to 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, 2018, the capital assets balances for the District are as follows:

Description	Balance July 1, 2017	Additions	Deletions/ Transfers	Balance June 30, 2018
Non-depreciable assets:				
Land	\$ 3,374,840	\$ -	\$ -	\$ 3,374,840
Construction in process	-	380,938	-	380,938
Total non-depreciable assets	3,374,840	380,938	-	3,755,778
Depreciable assets:				
Structures and improvements	19,430,703	-	-	19,430,703
Equipment and vehicles	5,410,053	571,639	(34,881)	5,946,811
Total depreciable assets	24,840,756	571,639	(34,881)	25,377,514
Accumulated depreciation:				
Structures and improvements	(5,747,849)	(514,873)	-	(6,262,722)
Equipment and vehicles	(3,785,954)	(269,104)	34,881	(4,020,177)
Total accumulated depreciation	(9,533,803)	(783,977)	34,881	(10,282,899)
Total depreciable assets, net	15,306,953	(212,338)	-	15,094,615
Total capital assets, net	\$ 18,681,793	\$ 168,600	\$ -	\$ 18,850,393

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 4 – Compensated Absences

Summary of changes in compensated absences for the year ended June 30, 2018 is as follows:

<u>Balance July 1, 2017</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance June 30, 2018</u>	<u>Current</u>	<u>Non-current</u>
\$ 503,697	\$ 484,423	\$ (529,401)	\$ 458,719	\$ 201,479	\$ 257,240

Note 5 – Fund Balance

Fund balance classifications as of June 30, 2018 are as follows:

<u>Description</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Restricted:			
Capital projects	\$ -	\$ 1,769,372	\$ 1,769,372
Committed:			
Public Agency Self Insurance System	721,348	-	721,348
Assigned:			
Compensated absences	458,719	-	458,719
Unassigned	18,417,091	-	18,417,091
Total fund balance	<u>\$ 19,597,158</u>	<u>\$ 1,769,372</u>	<u>\$ 21,366,530</u>

Note 6 – Net Pension Liability and Defined Benefit Pension Plan

Summary of changes of net pension liability is as follows:

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
Net pension liabilities:				
CalPERS Miscellaneous	\$ 714,817	\$ 266,379	\$ (79,911)	\$ 901,285
CalPERS Safety	10,150,212	3,080,121	(2,945,791)	10,284,542
Total net pension liabilities	<u>\$ 10,865,029</u>	<u>\$ 3,346,500</u>	<u>\$ (3,025,702)</u>	<u>\$ 11,185,827</u>

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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

Summary of changes of pensions related deferred outflows of resources is as follows:

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
Deferred outflows of resources:				
Pension contribution made after measurement date:				
CalPERS Miscellaneous	\$ 79,911	\$ 113,550	\$ (79,911)	\$ 113,550
CalPERS Safety	2,945,791	1,997,376	(2,945,791)	1,997,376
Total pension contribution made after measurement date	<u>3,025,702</u>	<u>2,110,926</u>	<u>(3,025,702)</u>	<u>2,110,926</u>
Difference between actual and proportionate share of employer contributions:				
CalPERS Miscellaneous	282,844	-	(157,136)	125,708
CalPERS Safety	1,783,773	127,852	-	1,911,625
Total difference between actual and proportionate share of employer contributions	<u>2,066,617</u>	<u>127,852</u>	<u>(157,136)</u>	<u>2,037,333</u>
Projected earnings on pension plan investments in excess of actual earnings:				
CalPERS Miscellaneous	134,514	-	(84,771)	49,743
CalPERS Safety	2,040,672	-	(1,503,168)	537,504
Total projected earnings on pension plan investments in excess of actual earnings	<u>2,175,186</u>	<u>-</u>	<u>(1,587,939)</u>	<u>587,247</u>
Adjustment due to difference in proportions				
CalPERS Miscellaneous	11,330	8,530	-	19,860
Change in assumption				
CalPERS Miscellaneous	-	219,949	-	219,949
CalPERS Safety	-	2,465,174	-	2,465,174
Total change in assumption	<u>-</u>	<u>2,685,123</u>	<u>-</u>	<u>2,685,123</u>
Differences between expected and actual experience:				
CalPERS Miscellaneous	2,106	-	(333)	1,773
CalPERS Safety	-	169,983	-	169,983
Total differences between expected and actual experience	<u>2,106</u>	<u>169,983</u>	<u>(333)</u>	<u>171,756</u>
Total deferred outflows of resources	<u><u>\$ 7,280,941</u></u>	<u><u>\$ 5,102,414</u></u>	<u><u>\$ (4,771,110)</u></u>	<u><u>\$ 7,612,245</u></u>

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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

Summary of changes of pensions related deferred inflows of resources is as follows:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
Deferred inflows of Resources:				
Change in assumption				
CalPERS Miscellaneous	\$ 25,845	\$ -	\$ (9,074)	\$ 16,771
CalPERS Safety	415,366	-	(226,231)	189,135
Total change in assumption	<u>441,211</u>	<u>-</u>	<u>(235,305)</u>	<u>205,906</u>
Adjustment due to difference in proportions				
CalPERS Miscellaneous	221,998	-	(123,332)	98,666
CalPERS Safety	1,476,512	493,024	-	1,969,536
Total adjustment due to difference in proportions	<u>1,698,510</u>	<u>493,024</u>	<u>(123,332)</u>	<u>2,068,202</u>
Employer contributions in excess of proportionate share of contribution				
CalPERS Miscellaneous	53,804	41,336	-	95,140
Difference between expected and actual experience				
CalPERS Miscellaneous	-	25,397	-	25,397
CalPERS Safety	95,266	-	(50,947)	44,319
Total difference between expected and actual experience	<u>95,266</u>	<u>25,397</u>	<u>(50,947)</u>	<u>69,716</u>
Total deferred inflows of resources	<u>\$ 2,288,791</u>	<u>\$ 559,757</u>	<u>\$ (409,584)</u>	<u>\$ 2,438,964</u>

General Information about the Pension Plans

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, 2017 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. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office – 400 P Street, Sacramento, CA 95814.

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.

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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

General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

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.

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%.

The Plan's provisions and benefits in effect as of June 30, 2018 are summarized as follows:

Miscellaneous Plans

	Miscellaneous Plan		
	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%

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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

General Information about the Pension Plans (Continued)

Safety Plans

	Safety Plan		
	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	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%

Members Covered by Benefit Terms

At June 30, 2018 (measurement date of June 30, 2017), the following employees were covered by the benefit terms for each Plan:

Plan Members	Miscellaneous Plan			Total
	Classic Tier 1	Classic Tier 2	PEPRA Tier 3	
Active members	3	2	6	11
Transferred and terminated members	20	2	1	23
Retired members and beneficiaries	5	-	-	5
Total plan members	28	4	7	39

Plan Members	Safety Plan			Total
	Classic Tier 1	Classic Tier 2	PEPRA Tier 3	
Active members	35	10	13	58
Transferred and terminated members	22	-	8	30
Retired members and beneficiaries	53	-	-	53
Total plan members	110	10	21	141

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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

General Information about the Pension Plans (Continued)

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, 2017 (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, 2018, the contributions made to the Plan were as follows:

Plan Members	Miscellaneous Plan			Total
	Classic Tier 1	Classic Tier 2	PEPRA Tier 3	
Contributions – employer	\$ 66,386	\$ 20,892	\$ 26,272	\$ 113,550
Contributions – members	21,102	17,522	24,513	63,137
Total contributions	<u>\$ 87,488</u>	<u>\$ 38,414</u>	<u>\$ 50,785</u>	<u>\$ 176,687</u>

Plan Members	Safety Plan			Total
	Classic Tier 1	Classic Tier 2	PEPRA Tier 3	
Contributions – employer	\$ 1,703,103	\$ 164,720	\$ 129,553	\$ 1,997,376
Contributions – members	366,091	87,926	123,277	577,294
Total contributions	<u>\$ 2,069,194</u>	<u>\$ 252,646</u>	<u>\$ 252,830</u>	<u>\$ 2,574,670</u>

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, 2017 (Measurement Date), the total pension liability was determined by rolling forward the June 30, 2016 total pension liability. The June 30, 2017 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	7.15%
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

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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)

Actuarial Methods and Assumptions Used to Determine the Total Pension Liability (Continued)

All other actuarial assumptions used in the June 30, 2016 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.

Change in Assumptions

GASB 68, paragraph 30 states that the long-term expected rate of return should be determined net of pension plan investment expense, but without reduction for pension plan administrative expense. In the current year, the discount rate was reduced from 7.65 percent to 7.15 percent. All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period 1997 to 2011, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 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*.

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.

Investment Type	New Strategic Allocation	Real Return Years 1 - 10 ¹	Real Return Years 11+ ¹
Global Equity	47.00%	4.90%	5.38%
Fixed Income	19.00%	0.80%	2.27%
Inflation Assets	6.00%	0.60%	1.39%
Private Equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Infrastructure and Forestland	3.00%	3.90%	5.36%
Liquidity	2.00%	-0.40%	-0.90%
	100.00%		

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+.

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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)

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 7.15%, 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 (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

Plan Type	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% 6.15%	Current Discount 7.15%	Discount Rate + 1% 8.15%
CalPERS – Miscellaneous Plan	\$ 1,626,301	\$ 901,285	\$ 300,813
CalPERS – Safety Plan	\$ 18,428,455	\$ 10,284,542	\$ 3,627,298

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:

Plan Type and Balance Descriptions	Plan Total Pension Liability	Plan Fiduciary Net Position	Change in Plan Pension Liability
CalPERS – Miscellaneous Plan:			
Balance as of June 30, 2016 (Measurement Date)	\$ 4,633,068	\$ 3,918,251	\$ 714,817
Balance as of June 30, 2017 (Measurement Date)	\$ 5,271,046	\$ 4,369,761	\$ 901,285
Change in Plan Net Pension Liability	\$ 637,978	\$ 451,510	\$ 186,468

Plan Type and Balance Descriptions	Plan Total Pension Liability	Plan Fiduciary Net Position	Change in Plan Pension Liability
CalPERS – Safety Plan:			
Balance as of June 30, 2016 (Measurement Date)	\$ 51,747,213	\$ 41,597,001	\$ 10,150,212
Balance as of June 30, 2017 (Measurement Date)	\$ 58,205,294	\$ 47,920,752	\$ 10,284,542
Change in Plan Net Pension Liability	\$ 6,458,081	\$ 6,323,751	\$ 134,330

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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, 2016). 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, 2017). 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, 2016 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).

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, 2018	Fiscal Year Ending June 30, 2017	
CalPERS – Miscellaneous Plan			
Measurement Date	June 30, 2017	June 30, 2016	
Percentage of Risk Pool Net Pension Liability	0.032910%	0.020577%	0.012333%
Percentage of Plan (PERF C) Net Pension Liability	0.112792%	0.125562%	-0.012770%

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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)

	Percentage Share of Risk Pool		Change Increase/ (Decrease)
	Fiscal Year Ending June 30, 2018	Fiscal Year Ending June 30, 2017	
CalPERS – Safety Plan			
Measurement Date	June 30, 2017	June 30, 2016	
Percentage of Risk Pool Net Pension Liability	0.275270%	0.195980%	0.079290%
Percentage of Plan (PERF C) Net Pension Liability	0.125562%	0.117302%	0.008260%

For the year ended June 30, 2018, the District recognized pension expense (credit) in the amount of \$2,250,594 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.

The expected average remaining service lifetime (EARSL) for PERF C for the measurement date ending June 30, 2017 is 3.8 years, which was obtained by dividing the total service years of 490,088 (the sum of remaining service lifetimes of the active employees) by 130,595 (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, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Account Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made after the measurement date	\$ 2,110,926	\$ -
Difference between actual and proportionate share of employer contributions	1,942,193	-
Adjustment due to differences in proportions	-	2,048,342
Differences between expected and actual experience	145,161	43,121
Differences between projected and actual earnings on pension plan investments	587,247	-
Changes in assumptions	2,685,123	205,906
Total Deferred Outflows/(Inflows) of Resources	<u>\$ 7,470,650</u>	<u>\$ 2,297,369</u>

The District will recognize \$2,110,926 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, 2018, as noted above.

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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)

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:

Amortization Period Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2019	\$ 829,293
2020	1,581,517
2021	995,592
2022	(344,047)
2023	-
Thereafter	-
	\$ 3,062,355

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, 2018 was \$8,499,233 with Voya Financial and \$891,860 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).

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 8 – Health Retirement Savings Account (Continued)

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, 2018 was \$3,297,330.

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.

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, 2018, the District had \$555,027 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, 2018, the liability for workers' compensation claims payable was estimated at \$423,458.

Rancho Santa Fe Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 10 – Risk Management (Continued)

Changes in workers' compensation claims payable for the year ended June 30, 2018, were as follows:

<u>Description</u>	<u>Amount</u>
Estimated claims – beginning of year	\$ 238,139
Revised claims estimate	535,689
Claim payments	<u>(350,370)</u>
Estimated claims – end of year	<u>\$ 423,458</u>

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, 2018:

- 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.

REQUIRED SUPPLEMENTARY INFORMATION

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Rancho Santa Fe Fire Protection District
Budgetary Comparison Schedule – General Fund
For the Year Ended June 30, 2018

	Adopted Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property taxes	\$ 11,604,000	\$ 11,604,000	\$ 12,015,742	\$ 411,742
Voter approved taxes	1,498,100	1,498,100	1,496,722	(1,378)
Developer payments in-leiu of property taxes	141,000	141,000	139,090	(1,910)
Reorganization revenue – Elfin Forest/Harmony Grove	170,200	170,200	328,211	158,011
Charges for services	195,500	44,200	484,923	440,723
Operating grants and contributions	1,005,900	1,005,900	1,162,333	156,433
Rental income	344,500	344,500	360,337	15,837
Investment earnings	85,100	85,100	212,884	127,784
Other	33,600	33,600	37,644	4,044
Total revenues	<u>15,077,900</u>	<u>14,926,600</u>	<u>16,237,886</u>	<u>1,311,286</u>
Expenditures:				
Fire protection operations:				
Salaries and wages	8,925,000	8,925,000	8,979,191	(54,191)
Employee benefits	3,411,000	3,411,000	4,183,509	371,208
Contractual services	1,777,000	1,777,000	1,677,433	(285,276)
Materials and supplies	645,000	645,000	625,013	(204,186)
Other expenditures	-	-	49,147	
Capital outlay	950,300	950,300	952,577	809,000
Total expenditures	<u>15,708,300</u>	<u>15,708,300</u>	<u>16,466,870</u>	<u>636,555</u>
Excess of revenues over expenditures	<u>(630,400)</u>	<u>(781,700)</u>	<u>(228,984)</u>	<u>674,731</u>
Other financing sources (uses):				
Transfers in	778,000	778,000	885,165	
Total other financing sources (uses)	<u>778,000</u>	<u>778,000</u>	<u>885,165</u>	<u>-</u>
Change in fund balance	<u>\$ 147,600</u>	<u>\$ (3,700)</u>	656,181	<u>\$ 674,731</u>
Fund balance:				
Beginning of year			<u>18,940,977</u>	
End of year			<u>\$ 19,597,158</u>	

Rancho Santa Fe Fire Protection District
Budgetary Comparison Schedule – Special Revenue Fund
For the Year Ended June 30, 2018

	<u>Adopted Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:				
Capital grants and contributions	\$ 224,700	\$ 224,700	\$ 987,480	\$ 762,780
Interest earnings	-	-	28,030	28,030
Total revenues	<u>224,700</u>	<u>224,700</u>	<u>1,015,510</u>	<u>790,810</u>
Other financing sources (uses):				
Transfers (out)	<u>(778,000)</u>	<u>(778,000)</u>	<u>(885,165)</u>	<u>(107,165)</u>
Total other financing sources (uses)	<u>(778,000)</u>	<u>(778,000)</u>	<u>(885,165)</u>	<u>(107,165)</u>
Change in fund balance	<u>\$ (553,300)</u>	<u>\$ (553,300)</u>	130,345	<u>\$ 683,645</u>
Fund balance:				
Beginning of year			<u>1,639,027</u>	
End of year			<u>\$ 1,769,372</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, 2018

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS)

Measurement Date:	<u>June 30, 2017¹</u>	<u>June 30, 2016¹</u>	<u>June 30, 2015¹</u>	<u>June 30, 2014¹</u>
District's Proportion of the Net Pension Liability	0.112792%	0.125562%	0.129422%	0.152943%
District's Proportionate Share of the Net Pension Liability	\$ 11,185,827	\$ 10,865,029	\$ 8,883,393	\$ 9,516,816
District's Covered-Employee Payroll	\$ 6,270,128	\$ 5,925,389	\$ 5,473,782	\$ 5,039,982
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	<u>178.40%</u>	<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>73.31%</u>	<u>74.06%</u>	<u>83.47%</u>	<u>81.57%</u>

¹ Historical information is presented 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, 2018

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS)

Fiscal Year:	<u>2017-18¹</u>	<u>2016-17¹</u>	<u>2015-16¹</u>	<u>2014-15¹</u>	<u>2013-14¹</u>
Actuarially Determined Contribution ²	\$ 1,172,632	\$ 1,398,414	\$ 1,293,222	\$ 1,388,366	\$ 1,240,671
Contribution in Relation to the Actuarially Determined Contribution ²	<u>(2,110,926)</u>	<u>(3,025,702)</u>	<u>(2,793,222)</u>	<u>(3,889,970)</u>	<u>(1,240,671)</u>
Contribution Deficiency (Excess)	<u>\$ (938,294)</u>	<u>\$ (1,627,288)</u>	<u>\$ (1,500,000)</u>	<u>\$ (2,501,604)</u>	<u>\$ -</u>
District's Covered-Employee Payroll ³	<u>\$ 6,967,247</u>	<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>30.30%</u>	<u>48.26%</u>	<u>47.14%</u>	<u>71.07%</u>	<u>24.62%</u>

¹ Historical information is presented 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).