

Ebbetts Pass Fire District



BOARD OF DIRECTORS NOTICE OF REGULAR MEETING

Via teleconference webinar

9:00 A.M. Tuesday, April 20, 2021
1037 Blagen Road, Arnold

In compliance with recently issued guidelines from the State of California and other governing agencies, and in order to aid in keeping the public safe, Ebbetts Pass Fire District (EPFD) will be conducting our Board Meeting via teleconference until further notice.

To access the meeting please visit zoom.us website and enter Meeting ID: 944 4970 8552 with passcode: 862524. If you need assistance in accessing this information, please email epfd@epfd.org or call the EPFD office at 209-795-1646, Monday through Friday, 8:00 am to 5:00 pm. You may also register in advance for this meeting: <https://zoom.us/j/94449708552?pwd=UXdYblgwazVZOVAsQSthVHRxWC9DZz09>

If you would like to comment on any item on our Agenda or an item not on the Agenda, please submit those in writing to our office at PO Box 66, 1037 Blagen Road, Arnold CA 95223 or via email at epfd@epfd.org at least 24 hours before the meeting. You may also submit comments via the "Chat" function available during the teleconference online.

MEMBERS OF THE BOARD

Denny Clemens, President Pete Neal, Secretary
Mike Barr Jon Dashner J. Scott McKinney

Concerning Public Comment

Please Note: The Board of Directors offers the opportunity for the public to speak to specific agenda items during the time that agenda item is discussed by the Board. The Board also allows an opportunity for the public to speak on non-agenda items during "public comments" prior to the conclusion of the meeting. The Board may not make any decision related to non-agendized items until the next Board meeting.

AGENDA

1. **Call to Order, Flag Salute, Roll Call**
2. **Public Appearances/Comment:** The Board will hear public comment on any agendized or non-agendized item. The Board may discuss public comment but may not take action.
3. **Consent Items:** Board action limited to discussion and approval of:
 - 3.1. Minutes: 3/16/21
 - 3.2. Acceptance of March 2021 Checks Listings and Authorize to File for Audit

NOTICE OF REGULAR MEETING – continued

April 20, 2021

4. **Committee Reports:** The Board will discuss the status of the following matters. The Board may take action on recommendations and/or give direction to staff or committee members related to follow-up on specific matters addressed by the committee.
 - 4.1. **Finance Committee** (Directors Dashner & Barr)
 - 4.2. **Personnel/Safety Committee** (Directors Dashner & McKinney)
 - 4.3. **Fire Prevention Committee** (Directors Neal & Clemens)
 - 4.4. **Apparatus/Equipment Committee** (Directors McKinney & Neal)

5. **Scheduled Items:** The Board will discuss and take action on the specific items listed below.
 - 5.1. **Ebbetts Pass Fire District:** Discussion / Action Regarding Refinancing of the District's Outstanding CalPERS Unfunded Accrued Liability and Appointing Financial Consultants
 - 5.1.1. **Resolution 2021-2:** A Resolution of the Board of Directors of the Ebbetts Pass Fire Protection District of preliminary intent to proceed with the refinancing of part or all of the District's outstanding unfunded accrued liability to the California Public Employees' Retirement System, and appointing the necessary consultants in connection therewith
 - 5.2. **Special District Risk Management Authority:** Workers Compensation rate 2021-22
 - 5.3. **Ebbetts Pass Fire District:** 2020 Consumer Price Index West Urban – Cost of Living Adjustment
 - 5.4. **Fire Agencies Insurance Risk Authority:** Notice of Nomination and Election Procedures for the 2021 Election of Members to the Authority's Governing Board
 - 5.5. **Calaveras Public Power Agency (CPPA):** Impact of Rate Increase (2.5 Cent Increase/kWh)
 - 5.6. **Calaveras County Fire Joint Powers Authority:** Request for a statement of support for outreach to educate the public about a possible 1-cent-per-dollar sales tax increase to support fire services in Calaveras County
 - 5.7. **Ebbetts Pass Fire District:** Policy Revision and Introduction – Begin 30-day review
 - 5.7.1. Revision – Policy 6540 Personnel Promotions
Policy 6550 Personnel Promotions: Procedures
 - 5.7.2.1 Introduction – Policy 1200 Debt: Debt Management
Policy 1210 Debt: Unfunded Accrued Liability Management

6. **Reports:** The Board will hear reports on the following matters. The Board may discuss information contained in these reports.
 - 6.1. Administrative Report
 - 6.2. Legislative Report
 - 6.3. Administrative – EMS

7. **Comments, Questions, and Consideration:** The Board will entertain comments and questions from the following individuals or representatives. The Board may discuss these comments or questions on these items but may not take action.
 - 7.1. Board Members
 - 7.2. Firefighters' Association
 - 7.3. Employees' Group
 - 7.4. Public Comments

8. **Adjournment of Regular Meeting**

ADMINISTRATIVE STAFF:

NOTICE OF REGULAR MEETING – continued

April 20, 2021

**Michael Johnson, Fire Chief
Cheryl Howard, Secretary**

Ebbetts Pass Fire District



MINUTES
Board of Directors
March 16, 2021

SUBJECT TO APPROVAL

1. The meeting was called to order with proper social distancing among everyone and with accommodation for the public through the use of Zoom Meetings at 9:02 A.M. Board President Denny Clemens called the meeting to order and the Pledge of Allegiance was recited.

Directors present: Michael Barr
Denny Clemens
Jon Dashner
Scott McKinney
Pete Neal (arrived late due to icy road conditions, approx. 9:20)

District personnel present: Fire Chief Mike Johnson
District Secretary Cheryl Howard
Battalion Chief Aaron Downing, Captain Shea Buhler
Firefighter-Paramedic Kody Simons
Various District personnel that stayed through badge pinning.

Others: Family of Kody Simons
Others present via Zoom Meeting: None
Media present: None

4.2.1. **KODY SIMONS: TRANSITION TO PERMANENT STATUS AS FIREFIGHTER-PARAMEDIC**

Chief Mike Johnson expressed his appreciation of the excellent job that Firefighter-Paramedic Kody Simons has done over the previous. He noted that Kody had proven to be a good fit with the District organization and wished him well in the coming years. He then presented the badge to Kody's wife, Jordyn, and daughter, Kinsley, for pinning onto to Firefighter-Paramedic Kody Simons.

After having received his pin, Firefighter-Paramedic Kody Simons said that he appreciated the opportunity to be here in the District.

Kody Simons and his family left the meeting along with many of the District personnel.

2. **PUBLIC APPEARANCES/COMMENT - None**

3. **CONSENT ITEMS**

Mr. Barr made a motion to approve Consent Items 3.1 and 3.2 as presented. Mr. Dashner seconded; motion passed 4-0 (AYES: Barr, Clemens, Dashner, McKinney; ABSENT: Neal).

4. **COMMITTEE REPORTS**

4.1. Finance Committee (Directors Barr & Dashner)

Chief Johnson noted that the District Balance Sheet showed the District to be \$1.9 million to the good and that it was only one month until the next allotment of Teeter property tax funds. He reported that the ambulance transport revenue seemed to be trending close to the budgeted amount.

4.2. Personnel Committee (Directors Dashner & McKinney)

Chief Johnson reported there were no new injuries and that the staff was doing a great job staying safe. He also noted there a lot of training has done at the building that was slated to be demolished.

4.3. Fire Prevention Committee (Directors Clemens & Neal)

No report.

4.4. Apparatus/Equipment Committee (Directors McKinney & Neal)

Battalion Chief Downing reported on various pieces of apparatus and equipment repairs and plans. He also reported that he had been working to get a fuel filter installed at the tank at Station 1.

5. Scheduled Items

5.1. Sonora Volunteer Fire Museum

Chief Johnson reported that staff had determined a deck gun that was not in use might be better served on display so BC Downing had arranged to deliver it to the Sonora Fire Museum.

5.2. Pension Liability Fiduciary: Selection of District Unfunded Accrued Liability (UAL) Restructuring Strategy Advisor: CalMuni Advisors or NHA Advisors

Chief Johnson reported that the Board's packet included the presentations printed from each provider. He noted that he was not sure if the Board was ready to make a decision and offered that the Finance Committee members might like to speak to their preference.

[Mr. Neal arrived.]

Mr. Dashner reported that his personal preference had been CalMuni because of the verbal interaction with their personnel. There was some discussion among the members of the Board. Mr. Barr made a motion to go with CalMuni Advisors.

Mr. Dashner seconded; motion passed 5-0 (AYES: Barr, Clemens, Dashner, McKinney, Neal).

5.3. 5-Year Capital Outlay

Chief Johnson reported that the Finance Committee had lined through the items that the District had been able to obtain during the current fiscal year. He reported that the extrication set that had been scheduled for FY 21-22 had been achieved through a grant award this fiscal year and the squad replacement had been achieved with the purchase of a used unit from Murphys Fire Protection District.

Chief Johnson reported that the underlined items were items added by the Finance Committee in the various fiscal years. He noted that this proposed 5-Year Capital Outlay was a snapshot of planning for the District. After some discussion, Mr. Neal made a motion to approve the 5-Year Capital Outlay as presented. Mr. Barr seconded; motion passed (YES: Barr, Clemens, Dashner, McKinney, Neal).

5.4. Setting of Cost-of-Living Adjustment for 2021-22 – 2020 CPI West Urban

Chief Johnson reported that staff had determined the 2020 CPI at year end was 1.7%. Mr. Dasher made a motion to approve the 1.7% increase to the 2021-22 salary schedule but later withdrew his motion when Mr. Neal questioned staff whether the CPI-W for Size Class B/C might be a different percentage. Staff was directed to look for that particular percentage and return with information at the next regular meeting.

6. **REPORTS**

6.1. Administrative Report

Chief Johnson reported that CDC has stated that persons that have been vaccinated for COVID-19 did not need to wear masks among small groups but did recommend masks still be worn in public. He reported the Calaveras Fire JPA was exploring the possibility of a sales tax initiative. He also would be meeting with the Deputy County CAO regarding the Transit Occupancy Tax allocations to fire districts.

6.2. Legislative Report

Chief Johnson reported that the District had been included on the list of entities being granted PSPS reimbursement. He also noted that work on the PG&E micro grid was supposed to be done at the end of March.

6.3. Administrative - EMS

Chief Johnson reported the IGT funds were to be sent in April and should be returned with the matching IGT funds in approximately 60 days from then.

7. **COMMENTS, QUESTIONS, CONSIDERATIONS**

7.1. Board Members

Mr. Barr congratulated District personnel for doing a good job with their work and continuing to have no more worker's compensation injuries.

Mr. Dashner noted that, if at all possible, he would like to have the District check into acquiring land for moving Station 3.

Mr. Clemens noted his appreciation for crews continuing to do various trainings on the building as opportunities like that are not common.

7.2. Firefighters Association – None.

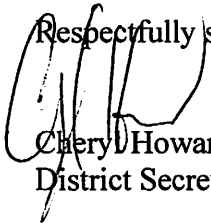
7.3. Employees' Group – None.

7.4. Public Comments
None

8. **ADJOURNMENT**

Mr. Dashner made a motion to adjourn. Mr. Barr seconded; motion passed unanimously.
10:12 A.M.

Respectfully submitted,



Cheryl Howard
District Secretary

**County of Calaveras
General Ledger Summary
Balance Sheet Accounts
As of 3/31/2021**

Fund 2290 Ebbetts Pass Fire

<u>Object Code</u>	<u>Object Description</u>	<u>Balance</u>
Assets		
1006	Cash in Treasury 22900000	1,659,134.76
1007	Outstanding Checks 22900000	(10,902.31)
1016	Imprest Cash 22900000	40,000.00
Total Assets		\$1,688,232.45
Liabilities		
2002	Accounts Payable 22900000	1,163.60
2002	Accounts Payable 22900010	(1,163.60)
2009	Sales Tax Payable 22900010	28.80
2091	Accts Payable - Staledated Cks 22900010	4,929.08
Total Liabilities		\$4,957.88
Fund Balance		
3002	Fund Bal Unreserv/Undesign 22900000	1,841,126.02
3043	Reserve for Imprest Cash 22900000	40,000.00
Total Fund Balance		\$1,881,126.02
Year-to-Date Revenues		\$4,091,274.14
Year-to-Date Expenditures		\$4,289,125.59
Year-to-Date Transfers In		\$0.00
Year-to-Date Transfers Out		\$0.00
Year-to-Date Clearing Accounts		\$0.00
Total Fund Equity		\$1,683,274.57
Total Liabilities and Fund Equity		\$1,688,232.45

REVENUE ACCOUNT SUMMARY SHEET - March 2021

Fire Operations:	F		RECEIVED		% Received
ACCOUNT	No.	BUDGETED	Month	Year-To-Date	Year-To-Date
Property Tax - Current Secured	4010	2,181,293	0.00	1,226,659.52	56%
Administrative Fee (SB2557)	4013	(39,444)	0.00	(21,349.61)	54%
Unitary Tax	4015	46,197	0.00	23,785.22	51%
Supplemental Tax - Current Secured	4017	14,382	0.00	27,594.53	192%
Property Tax - Current Unsecured	4020	31,294	0.00	30,445.70	97%
Supplemental Tax - Current Unsecured	4027	902	0.00	1,054.40	117%
Prior Unsecured Taxes	4040	2,153	0.00	432.30	20%
Transient Occupancy Taxes	4072	18,691	0.00	20,768.11	111%
Interest	4300	-	0.00	7,386.62	
Rents and Leases	4301	-	0.00	4,200.00	
HOPTR	4463	24,188	0.00	10,413.99	43%
State Grant - OTS & VFA	4455	94,000	0.00	0.00	0%
Timber Tax	4465	-	0.00	3,433.78	
State Aid for Public Safety	4472	14,250	0.00	11,804.45	
Federal Grant - AFG	4505	75,000	0.00	0.00	0%
Reimbursement - Personnel	4542	30,000	107,769.80	335,022.01	1117%
Reimbursement - Equipment	4543	5,000	10,000.00	10,000.00	200%
HazMat Release Response Plan	4592	-	0.00	0.00	
Report Fees	4593	-	0.00	0.00	
PG&E - Station Grounds Usage	4642	-	0.00	19,100.00	
Charges for Current Service (hydrants)	4679	10,500	0.00	0.00	0%
Other Refund - Prior Year Taxes	4684	-	0.00	0.00	
Training Fees	4689	-	500.00	5,650.00	
Gifts/Donations	4707	-	0.00	325.00	
Refund - Misc.	4708	-	116.80	11,701.64	
Other Revenue	4712	20,835	1,918.89	13,613.40	65%
Other Revenue - PG&E Butte Fire	4712	-	0.00	19,274.27	
Miscellaneous Revenue	4713	500	0.00	0.00	0%
Other Misc Rev: PG&E Rate Credit 2020	4724	-	1,273.00	1,273.00	
Refunds - Insurance	4743	-	0.00	0.00	
Sale of Surplus Property	4800	-	0.00	1,500.00	
Total		2,529,741	121,578.49	1,764,088.33	70%

EMS/Paramedic Program			RECEIVED		% Received
ACCOUNT	No.	BUDGETED	Month	Year-To-Date	Year-To-Date
Special Tax	4077	362,185	0.00	199,163.53	55%
Special Tax - Sustain ALS	4077 S	228,854	0.00	67,623.57	30%
Refunds - Insurance	4743	-	0.00	0.00	
Total		591,039	0.00	266787.10	45%

Station 3 AMBULANCE A			RECEIVED		% Received
ACCOUNT	No.	BUDGETED	Month	Year-To-Date	Year-To-Date
Special Tax	4077	828,955	0.00	455,837.53	55%
Special Tax - Sustain ALS	4077 S	1,089,749	0.00	657,466.08	60%
State Grant - COVID-19	4455	5,000	0.00	0.00	0%
Other Programs - State (GEMT)	4479	9,000	0.00	0.00	
State Other Aid (IGT)	4580	120,000	0.00	0.00	0%
EMS Transport Revenue	4660	750,000	152,158.36	717,939.67	96%
Collections	4679	-	0.00	1,467.85	
Calaveras Co. >PG&E Butte Fire	4799	206,000	0.00	204,075.41	99%
Refunds - Insurance	4743	-	3,652.28	22,696.31	
Total		3,008,704	155,810.64	2,059,482.85	68%

FIRE OPERATIONS ACCOUNT SUMMARY SHEET - MAR 2021

ACCOUNT	No.	BUDGET	Month	Year-To-Date	ACCOUNT BALANCE	% Disbursed Year-To-Date
SALARIES & BENEFITS	5001.1-					
Salaries/Wages	-001	1,094,488	76,409.16	758,212.03	336,275.97	69%
Extra Hire	-002	10,000	0.00	0.00	10,000.00	0%
Extra Hire - Intern	-003	40,306	2,523.10	38,206.28	2,099.72	95%
ST/TF FF Payments	-004	30,000	0.00	67,421.83	(37,421.83)	225%
Volunteer FF Relief	-005	40,000	0.00	3,831.46	36,168.54	10%
Retirement	-050	238,123	20,408.51	184,004.26	54,118.74	77%
Group Insurance	-055	232,240	18,947.71	186,637.26	45,602.74	80%
Uniform Allowance	-062	3,600	0.00	2,800.00	800.00	78%
SERVICES & SUPPLIES	5111.1-					
Safety Clothing	-111	10,000	87.00	1,052.95	8,947.05	11%
Safety Equipment	-115	6,000	0.00	2,197.32	3,802.68	37%
Communications-Radios	-121	27,000	307.12	8,322.87	18,677.13	31%
Communications-Phone	-124	12,000	321.13	9,340.19	2,659.81	78%
Food - Fire Line Meals	-131	1,200	324.97	400.58	799.42	33%
Housekeeping	-141	8,000	414.58	7,587.94	412.06	95%
Insurance-Prop/Liability	-151	15,009	0.00	15,009.00	-	100%
Insurance-Workers Comp	-153	62,966	0.00	62,205.95	760.05	99%
Maintenance-Apparatus	-181	45,000	10,197.75	60,447.42	(15,447.42)	134%
Maintenance-Utilities	-182	10,000	6,051.97	11,053.48	(1,053.48)	111%
Building Maintenance	-201	21,700	4,447.86	26,334.89	(4,634.89)	121%
Emergency Care/Rescue	-211	1,275	0.00	0.00	1,275.00	0%
Memberships	-221	7,755	210.00	7,888.00	(133.00)	102%
Office Expense	-241	12,050	300.38	6,723.93	5,326.07	56%
Office Expense-Postage	-243	1,000	25.20	603.53	396.47	60%
Office Expense-Copies	-245	1,500	234.06	1,326.27	173.73	88%
Professional Services	-271	33,000	0.00	7,904.20	25,095.80	24%
Small Tools/FF Equipment	-401	88,000	1,878.00	78,331.43	9,668.57	89%
Small Tools-Hose/SCBA	-402	15,700	0.00	12,122.65	3,577.35	77%
Special District Expense	-411	17,000	1,357.56	9,372.46	7,627.54	55%
SDE--Health Maintenance	-412	4,200	0.00	1,804.91	2,395.09	43%
Training	-422	12,500	125.00	4,131.52	8,368.48	33%
Travel/Education	-478	9,000	0.00	71.29	8,928.71	1%
Transportation Fuel	-480	20,000	454.19	9,062.34	10,937.66	45%
Utilities - Water/Sewer	-501	10,280	1,585.38	8,178.42	2,101.58	80%
Utilities - Electrical	-504	11,500	826.31	7,446.86	4,053.14	65%
Utilities - Propane	-505	20,000	3,498.12	12,068.65	7,931.35	60%
LAFCO Fee	5627	3,242	0.00	3,241.49	0.51	100%
FIXED ASSETS						
Building Fund: Structures	5640	211,698	0.00	105,848.61	105,849.39	50%
Equipment	5701	815,601	0.00	74,871.26	740,729.74	
Fire Operation Fund Totals		3,202,933	150,935.06	1,796,063.53	1,406,869.47	56%

CHECKS ISSUED LISTING - MAR 2021 FIRE OPERATIONS

Check No.	PAID TO	PURPOSE	AMOUNT
5001.1.001: SALARIES			
	19431, 19537 Payroll / Statutory Elective Withholding		68,402.02
	19431, 19537 Paychex Fee	employer cost	200.28
1097145, 1097827	PARS	EE withholding	96.48
	19434, 19542 EPFF Local #3581	dues and meals withholding	900.00
	19599 CalPERS	EE portion; ER paid EE portion	6,810.38
5001.1.002: EXTRA HIRE			<i>none issued</i>
5001.1.003: EXTRA HIRE - SPECIAL			
	19431, 19537 Payroll / Statutory Elective Withholding		2,005.60
1097145, 1097827	PARS	EE withholding	153.00
	1097763 Employment Dev Dept	unemployment	364.50
5001.1.004: Expenditure: ST/TF Firefighter Payment			<i>none issued</i>
5001.1.005: Expenditure: Volunteer Firefighter Payment			<i>none issued</i>
5001.1.050: RETIREMENT (PERS)			
	19599 CalPERS	Employer Portion	12,068.72
	19599 CalPERS	Employer Unfunded Liab. - Mar	8,339.79
5001.1.055: GROUP INSURANCE			
	19431, 19537 Supplemental Life Premium Withholding		-121.28
	1097764 FDAC-EBA	vision/dental/life premium	1,337.85
	1097771 SDRMA-Employee Benefit Service - medical premium		16,828.14
	1097897 LV FF Health & Welfare Trust	medical premium	1,806.00
5001.1.062: UNIFORM ALLOWANCE			<i>none issued</i>
5111.1.111: SAFETY CLOTHING			
	1097770 Scott's PPE Recon	repair turnouts	87.00
5111.1.115: SAFETY EQUIPMENT			<i>none issued</i>
5111.1.121: COMMUNICATIONS: RADIOS			
	1097773 UPS	shipping for item to repair	11.14
	1097901 Power works	repair portable	295.98

CHECKS ISSUED LISTING - MAR 2021 FIRE OPERATIONS

5111.1.124: COMMUNICATIONS: TELEPHONE

1097893 AT&T Local	Sta. 2 & 4 monthly charges	201.13
1097765 Fox Security	Sta.1&2 alarm monitoring	120.00

5111.1.131: FOOD/FIRE LINE MEALS

1097775 US Bank	Food during storm event	324.97
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5111.1.141: HOUSEHOLD EXPENSE

1097754 AmeriPride Service	towel service	88.76
1097758 CA Waste Recovery Systems	trash removal	201.78
1097761 Ebbetts Pass Lumber Co	household supplies	124.04

5111.1.151: INSURANCE: PROPERTY/LIABILITY

none issued

5111.1.153: INSURANCE: WORKER'S COMPENSATION

none issued

5111.1.181: MAINTENANCE: APPARATUS

1097761 Ebbetts Pass Lumber Co	quick links	21.40
19537 EPFD: JSMcKinney	reimb repair of U1008 seat cush	225.00
1097772 TireHub LLC	Tires: U1003 6, U1005 4, U1008	9,098.28
1097900 Chains Required	U6001: chains	853.07

5111.1.182: MAINTENANCE: UTILITIES

1097774 Arnold Automotive	U3020: repair tranny leak, altern.	934.58
1097772 TireHub LLC	U3018: tires	890.70
1097775 US Bank	U3020: R&R turbocharger, fuel i	3,957.37
1097900 Chains Required	U3020: chains	269.32

5111.1.201: BUILDING & GROUNDS MAINTENANCE

1097760 Cummins	Annual Service & repair - Sta. 1	1,630.56
1097760 Cummins	Annual Service & repair - Sta. 2	2,767.13
1097775 US Bank	fill valve, faucet	50.17

5111.1.211: EMERGENCY CARE

none issued

5111.1.221: MEMBERSHIPS/SUBSCRIPTIONS

1097769 Mother Lode Training Officers	membership	35.00
1097775 US Bank	NFPA membership	175.00

CHECKS ISSUED LISTING - MAR 2021 FIRE OPERATIONS

5111.1.241: OFFICE EXPENSE

1097761 Ebbetts Pass Lumber Co	tape, finance charge	16.35
1097775 US Bank	pens, idrive sub, Toner cart	242.03
1097894 Calaveras Enterprise	1-yr subscription	42.00

5111.1.243: OFFICE EXPENSE: POSTAGE

JE Calaveras Co.	checks postage	25.20
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5111.1.245: OFFICE EXPENSE: COPIES

1097896 Zoom Imaging Solutions	copier maintenance	130.85
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5111.1.271: PROFESSIONAL SERVICES

none issued

5111.1.401: SMALL TOOLS/FF EQUIPMENT

1097755 Arnold Auto Supply	chains, bunjis, straps, shacikles	470.17
1097761 Ebbetts Pass Lumber Co	small tools, ext cord	254.28
1097775 US Bank	winch rope, gear bag, ear plugs	709.59
JE CA Tax Dept	accrued CSST	3.63
1097775 US Bank	chain tightener	313.47
JE CA Tax Dept	accrued CSST	21.03
1097895 JC Power Equipment	24" chainsaw bar	105.83

5111.1.402: SMALL TOOLS: HOSE / SCBA

1095719 L N Curtis & Sons	Covid cartridge filter	1,179.75
1095719 L N Curtis & Sons	RIT bags	537.15

5111.1.411: SPECIAL DISTRICT EXPENSE

1097775 US Bank (SAMBA)	EPN reporting	43.81
1097775 US Bank	rack, sw, crgr, bridge	1,105.87
1097768 Ebbetts Pass Lumber Co	repair propane tank @ repeater	207.88

5111.1.412: SPECIAL DISTRICT EXPENSE: HEALTH MAINTENANCE *none issued*

5111.1.422: TRAINING

1097899 Mountain-Valley EMSA	EMT Cert: JLayout	125.00
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5111.1.478: TRAVEL/EDUCATION/TRAINING

none issued

5111.1.480: TRANSPORTATION FUEL

1097768 Ebbetts Pass Gas Service	unleaded fuel	153.72
19535, 19560 Hunt & Sons Inc	diesel fuel	300.47

CHECKS ISSUED LISTING - MAR 2021**FIRE OPERATIONS****5111.1.501: UTILITIES: WATER/SEWER**

1097757 CCWD

water/sewer

1,585.38

5111.1.504: UTILITIES: ELECTRICITY

JE CPPA

electricity

826.31

5111.1.505: UTILITIES: PROPANE

1097768 Ebbetts Pass Gas Service

propane

3,498.12

5640 F: STRUCTURES*none issued***5701 F: EQUIPMENT***none issued*

ENGINE PARAMEDIC PROGRAM ACCOUNT SUMMARY SHEET - Mar 2021

ACCOUNT	No.	BUDGET	Month	Year-To-Date	ACCOUNT BALANCE	% Disbursed Year-To-Date
SALARIES & BENEFITS	:5001					
Salaries/Wages	-.001	341,811	21,713.06	231,311.80	110,499.20	68%
Retirement	-.050	104,280	8,959.84	81,563.48	22,716.52	78%
Group Insurance	-.055	92,345	6,122.35	64,332.94	28,012.06	70%
Uniform Allowance	-.062	1,200	0.00	1,200.00	-	100%
SERVICES & SUPPLIES	:5111					
Safety Clothing	-.111	2,728	0.00	0.00	2,728.00	0%
Safety Equipment	-.115	1,000	0.00	0.00	1,000.00	0%
Communications-Radios	-.121	1,000	0.00	317.00	683.00	32%
Communications-Phone	-.124	615	0.00	651.74	(36.74)	106%
Housekeeping	-.141	1,900	35.50	1,279.02	620.98	67%
Insurance-Prop/Liability	-.151	2,500	0.00	2,500.00	-	100%
Insurance-Workers Comp	-.153	17,038	0.00	16,719.81	318.19	98%
Maintenance-Apparatus	-.181	2,900	0.00	773.22	2,126.78	27%
Professional Services	-.271	2,200	0.00	2,200.00	-	100%
Small Tools-Hose/SCBA	-.402	500	0.00	60.23	439.77	12%
Special District Expense	-.411	700	6.00	54.00	646.00	8%
SDE--Health Maintenance	-.412	1,500	0.00	588.95	911.05	39%
Training	-.422	4,000	225.00	701.45	3,298.55	18%
Travel/Education	-.478	2,700	0.00	0.00	2,700.00	0%
Transportation Fuel	-.480	6,500	403.95	5,558.61	941.39	86%
SPECIAL TAX HANDLING FEE	:5411	3,622	0.00	1,810.73	1,811.27	50%
Engine Paramedic Program Totals		591,039	37,465.70	411,622.98	179,416.02	70%

CHECKS ISSUED LISTING - MAR 2021 ENGINE PARAMEDIC

Check No.	PAID TO	PURPOSE	AMOUNT
5001.2.001: SALARIES			
	19431, 19537 Payroll / Statutory Elective Withholding		19,270.18
	19431, 19537 Paychex Fee	employer cost	66.76
1097145, 1097827	PARS	EE withholding	0.00
	19434, 19542 EPFF Local #3581	dues and meals withholding	450.00
	19599 CalPERS	EE portion; ER paid EE portion	1,926.12
5001.2.050: RETIREMENT (PERS)			
	19599 CalPERS	Employer Portion	4,405.48
	19599 CalPERS	Employer Unfunded Liab. - Mar	4,554.36
5001.2.055: GROUP INSURANCE			
	19431, 19537 Supplemental Life Premium Withholding		-35
	1097764 FDAC-EBA	vision/dental/life premium	394.50
	1097771 SDRMA-Employee Benefit Service - medical premium		5,762.85
5001.2.062: UNIFORM ALLOWANCE			<i>none issued</i>
5111.2.111: SAFETY CLOTHING			<i>none issued</i>
5111.2.115: SAFETY EQUIPMENT			<i>none issued</i>
5111.2.121: COMMUNICATIONS: RADIOS			<i>none issued</i>
5111.2.124: COMMUNICATIONS: TELEPHONE			<i>none issued</i>
5111.2.131: FOOD/FIRE LINE MEALS			<i>none issued</i>
5111.2.141: HOUSEHOLD EXPENSE			
	1097754 AmeriPride Service	towel service	35.50
5111.2.151: INSURANCE: PROPERTY/LIABILITY			<i>none issued</i>
5111.2.153: INSURANCE: WORKER'S COMPENSATION			<i>none issued</i>
5111.2.181: MAINTENANCE: APPARATUS			<i>none issued</i>
5111.2.201: BUILDING & GROUNDS MAINTENANCE			<i>none issued</i>
5111.2.271: PROFESSIONAL SERVICES			<i>none issued</i>

CHECKS ISSUED LISTING - MAR 2021 ENGINE PARAMEDIC

5111.2.402: SMALL TOOLS: HOSE / SCBA *none issued*

5111.2.411: SPECIAL DISTRICT EXPENSE

1097775 US Bank (SAMBA) EPN reporting 6.00

5111.2.412: SPECIAL DISTRICT EXPENSE: HEALTH MAINTENANCE *none issued*

5111.2.422: TRAINING

1097766 Chuck Hatcher reimb medic renewal 225.00

5111.2.478: TRAVEL/EDUCATION/TRAINING *none issued*

5111.2.480: TRANSPORTATION FUEL

19535, 19560 Hunt & Sons Inc diesel fuel 403.95

5411 P: SPECIAL TAX HANDLING FEE *none issued*

STATION 3 A ACCOUNT SUMMARY SHEET - Mar 2021

ACCOUNT	No.	BUDGET	Month	Year-To-Date	ACCOUNT BALANCE	% Disbursed Year-To-Date
SALARIES & BENEFITS	5001					
Salaries/Wages	-001	1,249,643	94,704.20	1,012,952.00	236,691.00	81%
Retirement	-050	251,922	21,388.08	187,502.00	64,420.00	74%
Group Insurance	-055	346,315	29,224.69	268,898.92	77,416.08	78%
Uniform Allowance	-062	6,000	0.00	5,188.00	812.00	86%
SERVICES & SUPPLIES	5111					
Safety Clothing	-111	15,000	87.00	6,443.30	8,556.70	43%
Safety Equipment	-115	2,250	97.97	1,119.99	1,130.01	50%
Communications-Radios	-121	4,500	0.00	922.29	3,577.71	20%
Communications-Phone	-124	3,575	265.40	3,094.96	480.04	87%
Food - Fire Line Meals	-131	400	290.00	390.55	9.45	98%
Housekeeping	-141	6,000	1,819.24	5,438.05	561.95	91%
Insurance-Prop/Liability	-151	13,000	0.00	13,000.00	-	100%
Insurance-Workers Comp	-153	53,267	0.00	51,069.80	2,197.20	96%
Maintenance-Ambulances	-183	31,250	3,128.30	8,559.47	22,690.53	27%
Building Maintenance	-201	5,000	1,422.88	3,039.25	1,960.75	61%
Emergency Care/Rescue	-211	43,080	2,422.96	22,259.08	20,820.92	52%
Memberships	-221	150	0.00	150.00	-	100%
Office Expense	-241	4,800	152.95	609.61	4,190.39	13%
Office Expense - Copies	-245	150	0.00	131.85	18.15	88%
Professional Services	-271	59,640	5,296.23	42,306.84	17,333.16	71%
Small Tools/FF Equipment	-401	7,050	291.68	6,989.65	60.35	99%
Special District Expense	-411	8,800	24.00	2,757.75	6,042.25	31%
SDE--Health Maintenance	-412	3,100	0.00	4,302.44	(1,202.44)	139%
SDE--Administrative Fee	-413	3,800	0.00	0.00	3,800.00	0%
Training	-422	12,000	200.00	2,521.43	9,478.57	21%
Travel/Education	-478	4,500	0.00	505.22	3,994.78	11%
Transportation Fuel	-480	18,000	1,276.94	14,735.99	3,264.01	82%
Utilities - Water/Sewer	-501	1,200	116.22	1,084.51	115.49	90%
Utilities - Electrical	-504	1,900	179.78	1,542.06	357.94	81%
Utilities - Propane	-505	5,000	800.89	2,281.58	2,718.42	46%
SPECIAL TAX HANDLING FEE	5411	21,476	0.00	10,736.65	10,739.35	50%
REFUND OVERPAYMENT	5612	20,747	8,172.03	21,833.79	(1,086.79)	105%
FIXED ASSETS						
Building Fund: Structures	5640	-	0.00	0.00	-	
Equipment	5701	300,399	0.00	275,932.23	24,466.77	92%
Fire Operation Fund Totals		2,503,914	171,361.44	1,978,299.26	525,614.74	79%

CHECKS ISSUED LISTING - MAR 2021**STATION 3 A**

Check No.	PAID TO	PURPOSE	AMOUNT
5001.3.001: SALARIES			
19431, 19537	Payroll / Statutory Elective Withholding		81,989.76
19431, 19537	Paychex Fee	employer cost	356.10
1097145, 1097827	PARS	EE withholding	0.00
19434, 19542	EPFF Local #3581	dues and meals withholding	2,250.00
19599	CalPERS	EE portion; ER paid EE portion	10,108.34
5001.3.050: RETIREMENT (PERS)			
19599	CalPERS	Employer Portion	13,523.69
19599	CalPERS	Employer Unfunded Liab. - Mar	7,864.39
5001.3.055: GROUP INSURANCE			
19431, 19537	Supplemental Life Premium Withholding		-189.00
1097764	FDAC-EBA	vision/dental/life premium	2,077.49
1097771	SDRMA-Employee Benefit Service - medical premium		27,336.20
5001.3.062: UNIFORM ALLOWANCE			<i>none issued</i>
5111.3.111: SAFETY CLOTHING			
1097770	Scott's PPE Recon	repair turnouts	87.00
5111.3.115: SAFETY EQUIPMENT			
1097775	US bank	snowshoe straps	97.97
5111.3.121: COMMUNICATIONS: RADIOS			<i>none issued</i>
5111.3.124: COMMUNICATIONS: TELEPHONE			
1097759	Comcast	Sta. 3 monthly service	265.40
5111.3.131: FOOD/FIRE LINE MEALS			
1097775	US Bank	food during storm event	290.00
5111.3.141: HOUSEHOLD EXPENSE			
1097754	AmeriPride Service	towel service	53.26
1097758	CA Waste Recovery Systems	trash removal	78.16
1097761	Ebbetts Pass Lumber Co	household supplies	49.32
1097775	US Bank	washer/dryer, hoses	1,638.50

CHECKS ISSUED LISTING - MAR 2021**STATION 3 A**

5111.3.151: INSURANCE: PROPERTY/LIABILITY		<i>none issued</i>
5111.3.153: INSURANCE: WORKER'S COMPENSATION		<i>none issued</i>
5111.3.183: MAINTENANCE: AMBULANCES		
1097755 Arnold Auto Supply	DEF	75.02
1097772 TireHub LLC	tires: U3508 (6), U3509 (6)	3053.28
5111.3.201: BUILDING & GROUNDS MAINTENANCE		
1097760 Cummins	genset annual service/repair	1,396.21
1097761 Ebbetts Pass Lumber Co	kickdown	26.67
5111.3.211: EMERGENCY CARE		
1097767 Life Assist, Inc.	medical supplies	1,420.95
1097775 US Bank	fentanyl	91.70
1097898 Life Assist, Inc.	medical supplies	910.31
5111.3.221: MEMBERSHIPS/SUBSCRIPTIONS		<i>none issued</i>
5111.3.241: OFFICE EXPENSE		
1097775 US Bank	pens, idrive sub, toner cart	152.95
5111.3.245: OFFICE EXPENSE: COPIES		<i>none issued</i>
5111.3.271: PROFESSIONAL SERVICES		
1097899 Mountain-Valley EMS Agency	Oversight/Monitor Fee	1,035.75
JE Calaveras Co Sheriff's Office	ambulance dispatch fee-Dec	2,574.04
JE Calaveras Co Sheriff's Office	ambulance dispatch fee-Jan	1,686.44
5111.3.401: SMALL TOOLS/FF EQUIPMENT		
1097755 Arnold Auto Supply	chains, bunjis, straps, shackles	253.08
1097761 Ebbetts Pass Lumber Co	small tools, ext cord	38.60
5111.3.411: SPECIAL DISTRICT EXPENSE		
1097775 US Bank (SAMBA)	EPN reporting	24.00
5111.3.412: SPECIAL DISTRICT EXPENSE: HEALTH MAINTENANCE		
1096249 US Bank	Covid-19 test performed	44.07
5111.3.413: SPECIAL DISTRICT EXPENSE: ADMINISTRATIVE FEE		<i>none issued</i>

CHECKS ISSUED LISTING - MAR 2021**STATION 3 A****5111.3.422: TRAINING**

1097769 Mother Lode Training Officers registration: D/O 1B 200.00

5111.3.478: TRAVEL/EDUCATION/TRAINING

none issued

5111.3.480: TRANSPORTATION FUEL

19535, 19560 Hunt & Sons Inc diesel fuel 1,072.70

19564 WEX Bank fuel 204.24

5111.3.501: UTILITIES: WATER/SEWER

1097757 CCWD water/sewer 116.22

5111.3.504: UTILITIES: ELECTRICITY

JE CPPA electricity 179.78

5111.3.505: UTILITIES: PROPANE

1097768 Ebbetts Pass Gas Service propane 800.89

5411 A: SPECIAL TAX HANDLING FEE

none issued

5640 A: STRUCTURES

none issued

5701 A: EQUIPMENT

none issued

5612 A: REFUNDS

19537 CA Dept of Health Care Serv GEMT QAF 2020 Qtr 3 3,779.10

1097756 Blue Shield refund overpayment 2,920.91

1097762 Elizabeth Rodarte refund overpayment 1,472.02

Staff Report

DATE: April 20, 2021
TO: Board of Directors
FROM: Mike Johnson, Fire Chief
SUBJECT: Discussion/Action Regarding Refinancing of the District's Outstanding CalPERS Unfunded Accrued Liability and Appointing Financial Consultants

RECOMMENDED ACTION

Adopt Resolution No. 2021-__ of Preliminary Intention to Proceed with the Refinancing of Part or All of the District's Outstanding CalPERS Unfunded Accrued Liability and Appointing Financial Consultants in Connection therewith.

BACKGROUND

The District currently has a contract (the "Contract") with the California Public Employees Retirement System (CalPERS) to provide retirement benefits for all (i) full-time safety employees (Safety Plan), (ii) all full-time miscellaneous employees (Miscellaneous Plan), and (iii) all full-time safety employees under the Public Employees' Pension Reform Act (PEPRA Plan). As part of the Contract, the District is obligated to pay any unfunded accrued liability (UAL) under each of the plans. UAL is the amount by which CalPERS is short of the amount that will be necessary, without further payments from the District, to pay benefits already earned by current and former employees covered by CalPERS.

In accordance with the CalPERS most recent Actuarial Valuation Report (as of 06/30/2019), the District has a currently outstanding (i) Safety Plan UAL obligation of \$3,911,297 (the "Safety UAL Obligation"), (ii) Miscellaneous Plan UAL obligation of \$115,024 (the "Miscellaneous UAL Obligation"), and (iii) PEPRA Safety Plan UAL obligation of \$50,236 (the "PEPRA UAL Obligation," and together with the Miscellaneous UAL Obligation and the Safety UAL Obligation, the "UAL Obligation"), which is scheduled to be unevenly amortized over the next 25 years

The Board has expressed its desire to consider the refinancing of part or all of the existing UAL Obligation (the "Refinancing"), the effect of which will be to (i) enhance budget predictability by "smoothing" out the UAL payment structure over the next 15 to 25 years (i.e., minimize the effects of steadily increasing UAL payments being charged by CalPERS, which are forecasted to become problematic for future annual budgets), and (ii) realize cash flow savings by restructuring into a new financing instrument with a substantially lower interest rate than the 7% rate currently being charged by CalPERS.

If the Board chooses to pursue this opportunity, and correspondingly adopts the attached Resolution No. 2021-__, it will be (i) declaring its preliminary intention to proceed with a refinancing of the UAL presently owed to CalPERS, (ii) appointing the proposed financing team of California Municipal Advisors LLC as Financial Advisor, Hilltop Securities Inc. as Underwriter/ Placement Agent, and Weist Law LLP as Bond Counsel, and (iii) directing staff to work with the financing team to structure the transaction and bring the matter back to Board for further consideration at a future meeting.

FINANCIAL CONSIDERATIONS

None at this time. Because the consultants have agreed to work on a fully contingent basis, if the Refinancing occurs, there would be minimal cost implications to the District. This includes staff time spent on administrative tasks associated with the restructuring process and cost of issuance associated with the financing team. However, the anticipated interest cost savings to the District and its rate payers as a result of the Refinancing will exceed the cost of issuance.

ALTERNATIVES

Board discretion.

ATTACHMENTS

- A. Presentation Regarding UAL and Refinancing Options
- B. Resolution No. 2021-__

RESOLUTION NO. 2021-__

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
EBBETTS PASS FIRE PROTECTION DISTRICT OF PRELIMINARY
INTENTION TO PROCEED WITH THE REFINANCING OF PART OR
ALL OF THE DISTRICT'S OUTSTANDING UNFUNDED ACCRUED
LIABILITY TO THE CALIFORNIA PUBLIC EMPLOYEES'
RETIREMENT SYSTEM, AND APPOINTING THE NECESSARY
CONSULTANTS IN CONNECTION THEREWITH**

WHEREAS, the Ebbetts Pass Fire Protection District (the "District") is a contracting member of the California Public Employees' Retirement System ("CalPERS"), and is obligated by law to make certain payments to CalPERS in respect of retired miscellaneous and safety employees (collectively, the "Pension Plan"); and

WHEREAS, the District is legally obligated under the Pension Plan to pay any unfunded accrued liability (the "UAL"), which is the amount by which CalPERS is short of the amount that will be necessary, without further payments from the District, to pay benefits already earned by current and former employees covered by CalPERS; and

WHEREAS, in accordance with the CalPERS most recent Actuarial Valuation Report (as of 06/30/2019), the District has a currently outstanding (i) Safety Plan UAL obligation of \$3,911,297 (the "Safety UAL Obligation"), (ii) Miscellaneous Plan UAL obligation of \$115,024 (the "Miscellaneous UAL Obligation"), and (iii) PEPRA Safety Plan UAL obligation of \$50,236 (the "PEPRA UAL Obligation," and together with the Miscellaneous UAL Obligation and the Safety UAL Obligation, the "UAL Obligation"), which is scheduled to be unevenly amortized over the next 25 years; and

WHEREAS, the Board of Directors (the "Board"), after due investigation and deliberation, has determined that it is in the public interests of the District at this time to consider the refinancing part or all of the UAL Obligation (the "Refinancing"); and

WHEREAS, the District is authorized under the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code (the "Bond Law"), to enter into loan agreements for the purpose of refinancing certain outstanding obligations of the District, including the UAL Obligations; and

WHEREAS, in order to efficiently accomplish the Refinancing, the District desires to appoint California Municipal Advisors LLC as Financial Advisor, Hilltop Securities Inc. as Underwriter/Placement Agent and Weist Law LLP as Bond Counsel and Disclosure Counsel to provide the necessary professional services in connection therewith; and

NOW, THEREFORE BE IT RESOLVED AND ORDERED BY THE BOARD OF DIRECTORS OF THE EBBETTS PASS FIRE PROTECTION DISTRICT THAT:

Section 1. Recitals and Findings. The Board hereby specifically finds and declares that each of the statements, findings and determinations of the District set forth in the recitals set forth

above are true and correct and that the Refinancing will result in public benefits to the District and its ratepayers.

Section 2. Preliminary Intention to Proceed. The Board hereby determines that it is necessary and desirable to proceed with the Refinancing, subject to final authorization thereof by resolution of the District at a subsequent meeting held for such purpose. This Resolution does not bind the District to ultimately provide for the Refinancing.

Section 3. Authorized Representatives. The President, Fire Chief, Secretary and any other person authorized by the Fire Chief to act on behalf of the District shall each be an "Authorized Representative" of the District for the purposes of structuring and providing for the matter to be brought back to the Board for further consideration, and are hereby authorized, jointly and severally, in each of their discretion, to effectuate the actions which the Board has approved in this Resolution.

Section 4. Professional Services. The Board hereby appoints California Municipal Advisors LLC as Financial Advisor, Weist Law LLP as Bond Counsel and Disclosure Counsel, and Hilltop Securities Inc. as Underwriter/Placement Agent in connection with the Refinancing described in this Resolution. The Fire Chief is authorized and directed to execute agreements with all three firms in the respective forms on file with the Secretary to the Board.

Section 5. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED by the Board of Directors of the Ebbetts Pass Fire Protection District at a meeting thereof on the 20th day of April 2021, by the following vote:

AYES:

NOES:

ABSENT:

President

Secretary

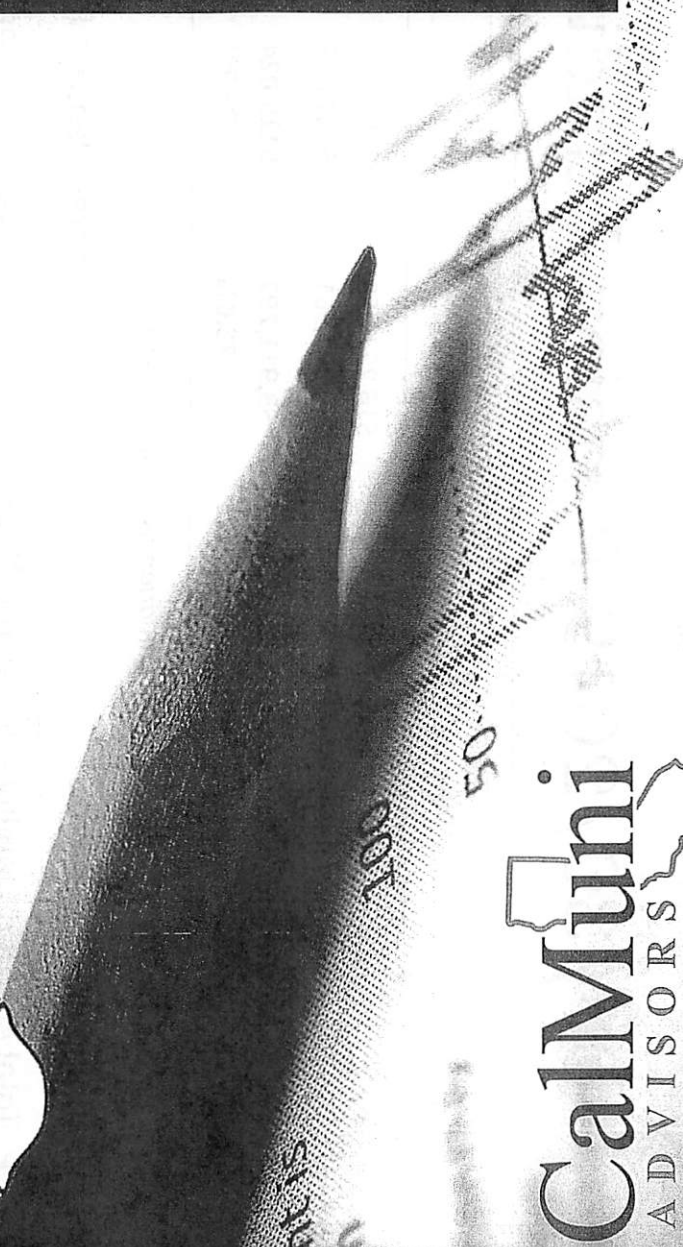


Ebbetts Pass Fire Protection District

Pension Liability Assessment

APRIL 15, 2021

CalMuni
ADVISORS





06/30/2019 Pension Funding Status

Description	Safety	Misc	PEPRA Safety Fire	Combined
Total Accrued Liability	\$16,293,258	\$552,897	\$514,789	\$17,360,944
Market Value of Assets	\$12,381,961	\$437,873	\$464,553	\$13,284,387
Unfunded Actuarial Liability (UAL)	\$3,911,297	\$115,024	\$50,236	\$4,076,557
% Funded	76.0%	79.2%	90.2%	76.5%

Source: CalPERS Actuarial Valuation as of June 30, 2019

Definitions:

- Total Accrued Liability = What You Need
- Market Value of Assets = What You Have
- Unfunded Actuarial Liability = What You Owe

Three Pension Plans:

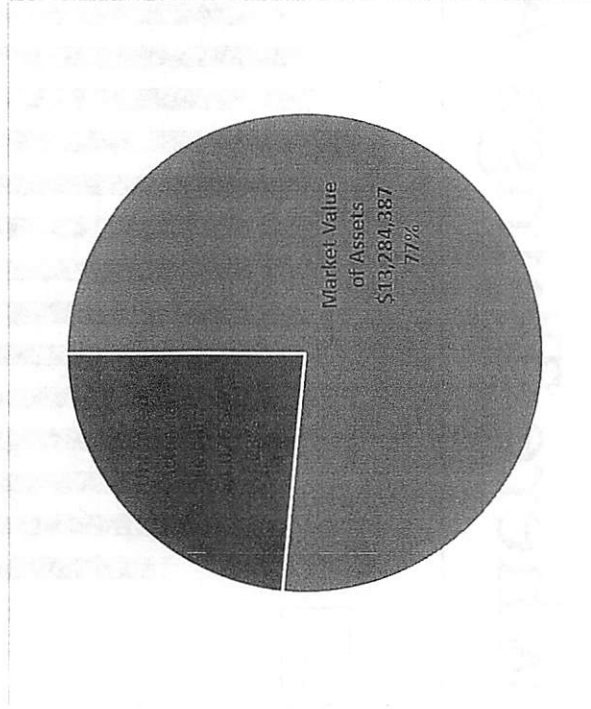
- Safety and PEPRA Safety
- Miscellaneous

All three plans are analyzed in this presentation



06/30/2019 Pension Funding Status

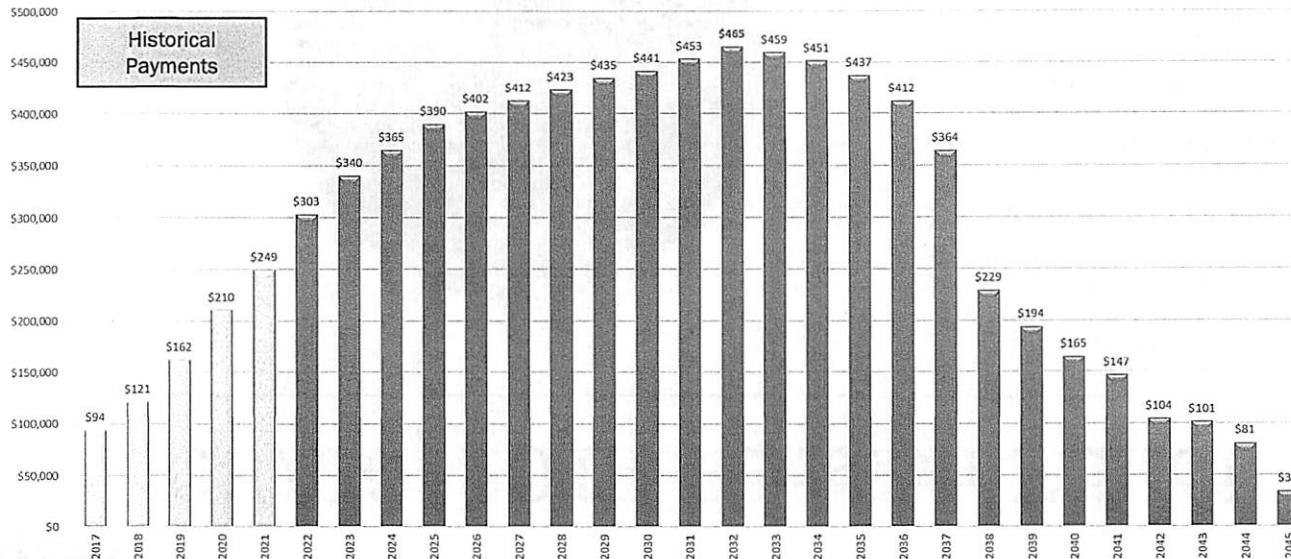
- Total Pension Obligations = \$17.4M
 - Pension Assets = \$13.3M
 - Shortfall = \$4.1M (23% of what is needed)
- Shortfall (UAL) = DEBT:
- Owed to CalPERS
 - Amortizes over time (20-30 years)
 - Accrues interest at 7% interest rate (**\$3.4M total**)
 - Reduced or delayed payments not allowed
 - District's most expensive debt
 - No prepayment restrictions or penalties





Where Things Are

Current UAL Amortization Payments Schedule



06/30/2019 Actuarial Valuation

UAL Payments Only for All Plans

DOES NOT INCLUDE:

- Normal Cost
- 2020 Shortfall Impact

Total interest cost - \$3.4M



Potential UAL Strategies

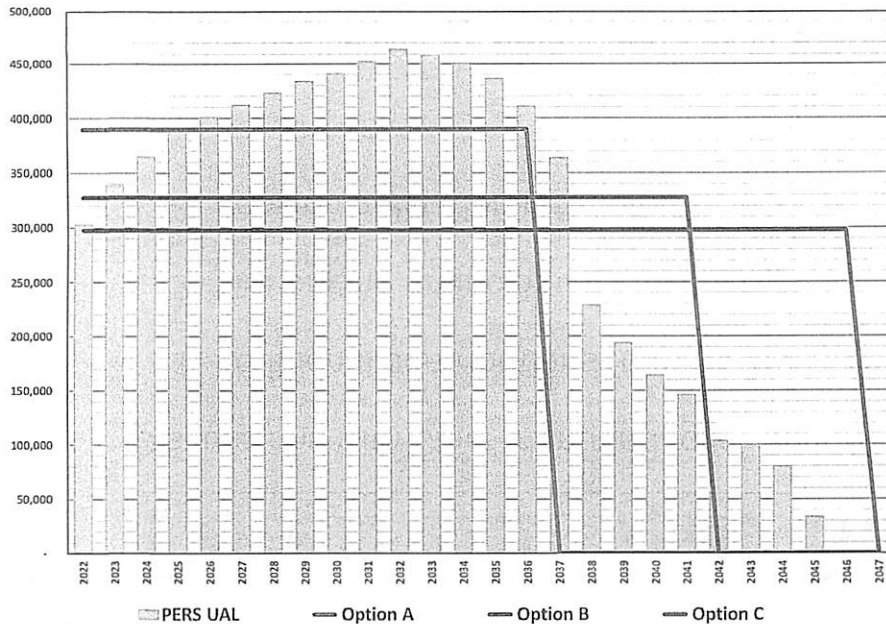
Discussions with Chief identified following UAL optimization strategies for consideration:

1. Additional contributions from reserves and surpluses
2. Fire engine financing – **COMPLETED**
3. Pension obligation refunding

For this discussion we added analysis of \$800,000 cash UAL paydown from fire engine financing.



Potential Refunding Options: No Cash Paydown



Option	Term	UAL Refunded		Annual UAL Cost Years 1-15 [1]		Cash Flow Savings [2]	Estimated Interest Rate [3]
		%	Amount	Min	Max		
Current CalPERS Schedule			\$4,203,439	\$229,000	\$465,000		
A	15 years	100%	\$4,203,439	\$390,000	\$390,000	\$1,765,000	4.25%
B	20 years	100%	\$4,203,439	\$327,000	\$327,000	\$1,059,000	4.50%
C	25 years	100%	\$4,203,439	\$298,000	\$298,000	\$167,000	4.75%

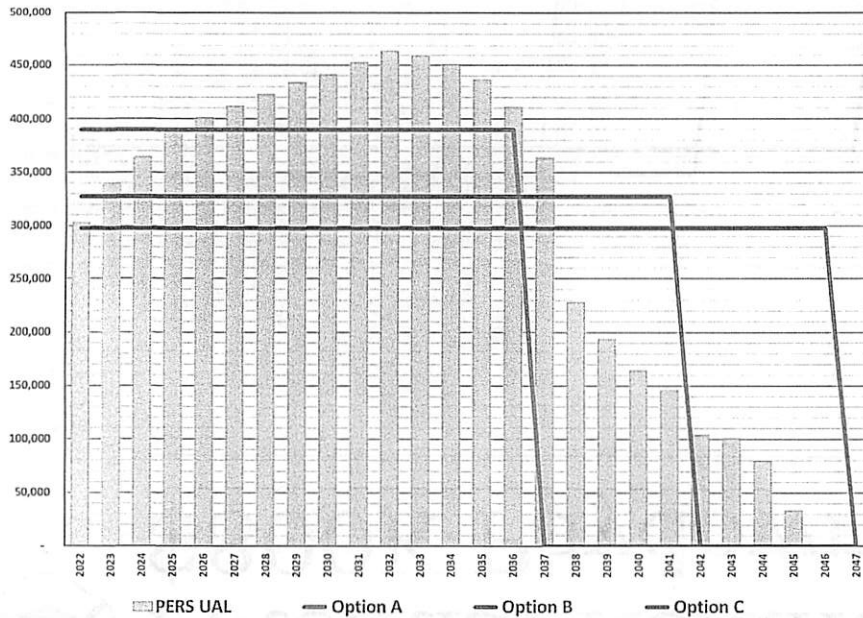
[1] Annual UAL Cost consists of semi-annual loan payments, payments on unrefunded bases, and includes amortization of costs of issuance (estimated at \$85,000 for private placement and \$125,000 for public sale).

[2] Savings are based on 7% CalPERS discount rate. PV savings depend on actual rate of return and may be different.

[3] Interest rate estimate is based on current market rates. Actual rates may vary.



Potential Cash Flow Savings: No Cash Paydown



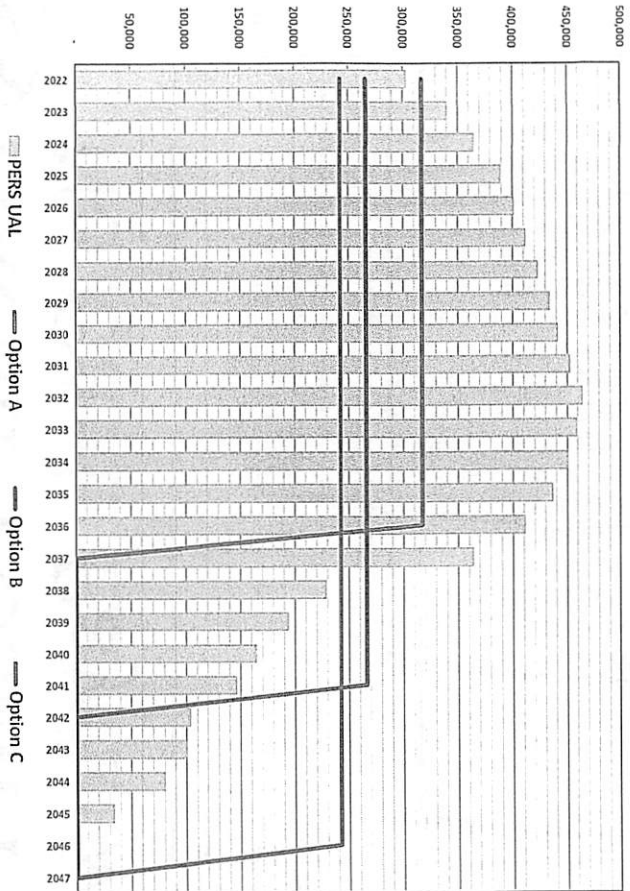
Option	Term	% of UAL Refunded	Total Financing Cost [1]	Cash Flow Savings [2]			
				Years 1-10	Years 11-15	Years 16-25	Total
Current CalPERS Schedule			\$3,405,186				
A	15 years	100%	\$1,640,000	\$69,000	\$870,000	\$826,000	\$1,765,000
B	20 years	100%	\$2,345,000	\$690,000	\$525,000	(\$156,000)	\$1,059,000
C	25 years	100%	\$3,238,000	\$988,000	\$734,000	(\$1,555,000)	\$167,000

[1] Financing costs include interest and costs of issuance.

[2] Savings are based on 7% CalPERS discount rate. PV savings depend on actual rate of return and may be different.



Potential Refunding Options: \$800K Paydown

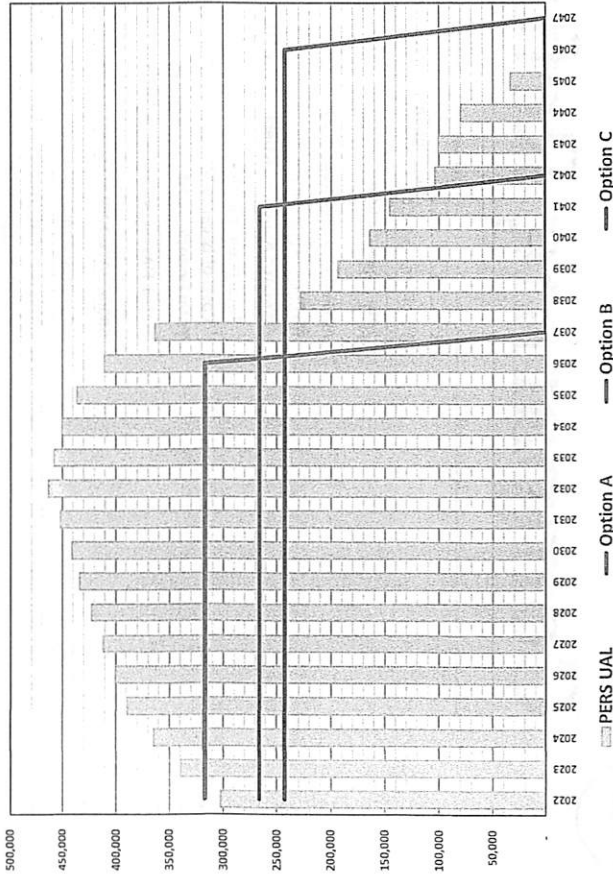


Option Term	UAL Refunded %	Amount	Annual UAL Cost Years 1-15 [1]		Cash Flow Savings [2]	Estimated Interest Rate [3]
			Min	Max		
Current CalPERS Schedule						
A 15 years	100%	\$4,203,439	\$229,000	\$465,000	\$2,055,000	4.25%
B 20 years	100%	\$4,203,439	\$266,000	\$266,000	\$1,481,000	4.50%
C 25 years	100%	\$4,203,439	\$243,000	\$243,000	\$743,000	4.75%

[1] Annual UAL Cost consists of semi-annual loan payments, payments on unrefunded bases, and includes amortization of costs of issuance (estimated at \$85,000 for private placement and \$125,000 for public sale).
 [2] Savings are based on 7% CalPERS discount rate. PV savings depend on actual rate of return and may be different.
 [3] Interest rate estimate is based on current market rates. Actual rates may vary.



Potential Cash Flow Savings: \$800K Paydown



Option	Term	% of UAL Refunded	Total Financing Cost [1]	Cash Flow Savings [2]				Total
				Years 1-10	Years 11-15	Years 16-25	Less: \$800K	
Current CalPERS Schedule				\$3,405,186				
A	15 years	100%	\$1,350,000	\$796,000	\$1,233,000	\$826,000	(\$800,000)	\$2,055,000
B	20 years	100%	\$1,924,000	\$1,301,000	\$953,000	\$27,000	(\$800,000)	\$1,481,000
C	25 years	100%	\$2,662,000	\$1,539,000	\$1,119,000	(\$1,115,000)	(\$800,000)	\$743,000

[1] Financing costs include interest and costs of issuance.

[2] Savings are based on 7% CalPERS discount rate. PV savings depend on actual rate of return and may be different.



Comparing Refunding Alternatives

Description	Option A 15 Year	Option B 20 Year	Option C 25 Year
Total Financing Cost - CalPERS	\$3,405,000	\$3,405,000	\$3,405,000
FULL REFUNDING SCENARIO:			
Assumed Interest Rate	4.25%	4.50%	4.75%
Estimated Annual POB Debt Service [1]	\$390,000	\$327,000	\$298,000
Total Interest Cost	\$1,555,000	\$2,260,000	\$3,113,000
Costs of Issuance [2]	\$85,000	\$85,000	\$125,000
Total Financing Cost	\$1,640,000	\$2,345,000	\$3,238,000
TOTAL FINANCING COST SAVINGS	\$1,765,000	\$1,060,000	\$167,000
\$800K PAYDOWN SCENARIO:			
Estimated Annual POB Debt Service [1]	\$317,000	\$266,000	\$243,000
Total Interest Cost	\$1,265,000	\$1,839,000	\$2,537,000
Costs of Issuance [2]	\$85,000	\$85,000	\$125,000
Total Financing Cost	\$1,350,000	\$1,924,000	\$2,662,000
TOTAL FINANCING COST SAVINGS	\$2,055,000	\$1,481,000	\$743,000
\$800K PAYDOWN BENEFIT	\$290,000	\$421,000	\$576,000

[1] Annual Debt Service is estimated based on refunding the outstanding UAL balance shown in the 06/30/2019 CalPERS Actuarial Valuation Report. It does not include any additional future bases that will be added by CalPERS.

[2] Costs of issuance are estimates for private placement and public sale financing and will vary.



Refunding Considerations – Benefits

- Enhanced budget predictability from new “flattened” repayment structure
- Estimated near-term cashflow savings from lower interest rate
- Present value (PV) savings achieved if CalPERS earns more than the refunding interest rate
- Increased “funded status” of District’s retirement plan
- Cash flow savings can be utilized to build up reserves, pay down future UAL increases, set up reserves for future OPEB costs, or any other legal purpose of the District
- Interest rates are presently at all-time lows



Refunding Considerations - Risks

- CalPERS Reinvestment Risk: CalPERS will have more money to invest
 - Same for any UAL prepayment
- PV Savings not guaranteed: CalPERS has to earn more than the refunding interest rate
 - Easier to achieve than earning CalPERS' own 7% discount rate
- Listed as "debt" on District's financial statements
 - UAL is also shown as liability on financial statements
- For asset-secured structures, District's owned assets may be required as collateral



Financing Team Members

- Municipal Advisor – California Municipal Advisors LLC
 - Fiduciary advising District on financing plan and representing District’s interests to financial markets
- Bond Counsel – The Weist Law Firm
 - Provides legal advice to District on financing and prepares financing documents and legal opinion
- Broker-Dealer / Placement Agent – Hilltop Securities
 - Obtains financing bids from banks and / or bond investors
- Estimated costs of issuance:
 - Approximately \$85,000 for private placement
 - Approximately \$125,000 for public sale (excludes underwriter’s discount to be factored into total interest cost)
 - Paid from financing proceeds and only if the financing closes
 - Other costs may be incurred to obtain lower interest rate (credit rating, bond insurance, title insurance, etc.)



Public Sale vs. Private Placement

	Public Sale	Private Placement
Credit Rating	Required	Not Required
Offering Statement	Required	Not Required
Due Diligence	Issuer, Counsel, Rating Agency	Bank
Time to Close	3+ Months (~45 over private placement)	2+ Months
Issuer Involvement Level	High	Low to Moderate
Structure	Rigid and Standardized	More Flexible
Pricing	Lower Rate Higher Costs of Issuance (~2x of private placement)	Higher Rate Lower Costs of Issuance
Debt Service Reserve	More Often	Less Often
Relationship Pricing	Not available	Banks may offer lower rate with depository relationship



Public Sale vs. Private Placement

	Public Sale	Private Placement
Credit Quality	Investment Grade, Limited "Story"	Investment Grade and "Storied" Credits
Size	Flexible	Up to \$30M
Term	Up to 40 years; typically 30	Up to 20 years
Rate Environment	Stable	Changing, Volatile
Interest Rate Lock	At pricing	Up to 60 days
Time Commitment at Issuance	Higher	Lower
Prepayment Flexibility	Limited without cost	Various Options
Draw Down Structure	Not available	Available
Continuing Disclosure	Strict	More Flexible Options



Public Sale Process (90-120 days)

1. Select financing team
 2. Develop plan of finance
 3. Draft legal documents
 4. Draft investor disclosure (Official Statement)
 5. Obtain credit rating and bond insurance (if applicable)
 6. Obtain board approval
 7. Distribute Preliminary Official Statement (market bonds to investors)
 8. Collect orders and set interest rates
 9. Close transaction and transfer funds to CalPERS
-
10. Make timely payments and provide on-going disclosure
 11. Keep records



Private Placement Process (60-90 days)

1. Select financing team
 2. Develop plan of finance
 3. Draft legal documents
 4. Prepare and distribute Request for Proposals to lenders
 5. Receive proposals and lock interest rate
 6. Complete lender's due diligence and obtain credit approval
 7. Obtain board approval
 8. Close transaction and transfer funds to CalPERS
-
9. Make timely payments and provide on-going disclosure (simplified)
 10. Keep records



Questions?

Dmitry Semenov

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Cameron Weist

The Weist Law Firm

(831) 438-7900

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Maximizing Protection. Minimizing Risk. *www.sdrma.org

March 25, 2021

Ms. Cheryl Howard
 District Secretary
 Ebbetts Pass Fire District
 Post Office Box 66
 Arnold, California 95223-0066

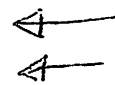
Dear Ms. Howard,

We sincerely appreciate your continued support of SDRMA and patience in waiting for the 2021-22 rates while we are working on obtaining renewal costs from the program excess/reinsurer carriers.

At the SDRMA Board of Directors meeting of March 24, 2021, the Board approved a FY 2021-22 longevity distribution of \$2,179,568. This action marks the twelfth consecutive year of longevity distributions. Members eligible to receive a longevity distribution at renewal must have been members of the Workers' Compensation Program for not less than three full program years as of June 30, 2020 and have a calculated EMOD of 150% or lower or a 10-year loss ratio of 1.00 or less. The longevity distribution may be declared by the Board each year only after all Board policy reserve requirements have been met. The distribution is weighted based on the member's length of time in that program and the amount of the member's annual contributions compared to the total contributions of all pool members.

To assist your agency in its budgeting process, SDRMA has estimated 2021-22 annual contribution amounts using your agency's applicable Individual Class Code Rates, Experience Modification Factor (EMOD), 2021-22 Estimated Payroll Wages submitted on Renewal Questionnaire, and Longevity Distribution and Multi-Program discounts (if applicable). Your agency's actual contribution amount for 2021-22 will vary from 2020-21 due to variances in your reported payroll, EMOD (worksheet and applicable loss run years detail attached), and Credit Incentive Program (CIP) points earned.

	2020-21	2021-22
Estimated Payroll Wages	\$2,356,680	\$2,407,000
EMOD	108 %	64 %
Annual Gross Contribution (before discounts)	\$142,836	\$86,621
Longevity Distribution	-\$4,335	-\$26,462
5% Multi-Program Discount	-\$0	-\$0





Other Important Items to Note:

- Members receive an automatic Multi-Program Discount of 5% per program (Property/Liability and Workers' Compensation) while they belong to both programs.
- Your annual contribution provides your agency with access to safety and loss prevention resources, and trainings that are provided at no additional cost, including Target Solutions, ergonomic assessments, discounted CSDA Conferences and trainings, free CSDA webinars, and safety DVDs.
- Members considering withdrawal from coverage with SDRMA for the 2021-22 program year are required to submit a "Notice of Intent to Withdraw" by April 1 in accordance with SDRMA Bylaws and must have completed the initial three full program year commitment period. Members not renewing coverage for 2021-22 will be ineligible to receive the longevity distribution credit recently approved by the Board.

On behalf of the Board of Directors and our entire risk management team, we thank you for your continued participation in our programs! If you have any questions, please contact Jennifer Chilton at jchilton@sdrma.org or 800.537.7790.

Sincerely,
Special District Risk Management Authority

A handwritten signature in cursive script that reads "Laura S. Gill".

Laura S. Gill
Chief Executive Officer

Attachments: 2021-22 EMOD worksheet, Reported Class Codes



SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

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Maximizing Protection. Minimizing Risk. • www.sdrma.org

March 25, 2021

Ms. Cheryl Howard
District Secretary
Ebbetts Pass Fire District
Post Office Box 66
Arnold, California 95223-0066

RE: 2021-22 Renewal Indication

Dear Ms. Howard,

New correspondence has been posted to MemberPlus for your viewing. Please login to MemberPlus through the SDRMA website at www.sdrma.org to find the most recent member letters under the NOTIFICATIONS dropdown. **As of March 25, 2021, your 2021-22 Renewal Indication was made available.** If you would like to request a hard copy or need assistance accessing your agency's letters, please contact us at memberplus@sdrma.org or 800.537.7790.

On behalf of the Board of Directors and our entire risk management team, we thank you for your continued partnership with SDRMA!

Sincerely,
Special District Risk Management Authority

Laura S. Gill, ICMA-CM, ARM, ARM-P, CSDM
Chief Executive Officer

RECORDED

MAR 25 2021

Ebbetts Pass Fire District



Reported Class Codes for Workers' Compensation Program

Program Years 2020-21 and 2021-22

Ebbetts Pass Fire District

Post Office Box 66
Arnold, California 95223

Class Code Description	Base Rate for 2020-21	Base Rate for 2021-22	% Change	\$ Change
7706 - Firefighters - including Fire Chiefs	5.64	5.64	0%	0.00
7707 - Volunteer Firefighters - per capita charge	309.61	325.09	5%	15.48
8742-P - Non-Paid Governing Body Members - per capita charge	20.46	20.46	0%	0.00
8742-V - Non-Safety Volunteers		1.90		0.00
8810 - Clerical/Office Employees	0.55	0.58	5%	0.03

Capita Rate

Note: Base rate is before experience modification factor (EMOD) and CIP discount adjustments are applied.



Special District Risk Management Authority

Workers' Compensation EMOD Claims Detail

Program Year 2021-22

Metts Pass Fire District

Injury Date	Claim Number	Claim Status	Injury Category	Injury Type	Total Incurred	*Actual Losses
03/09/2018	SDWA-559433	C	Indemnity	Injury - Lifting	\$4,181.76	\$3,931.76
07/01/2018						
	No. of Claims	1			\$4,181.76	\$3,931.76
07/01/2018	SDWA-559894	C	Indemnity	Strain - Strain or Injury By, NOC	\$1,561.29	\$1,311.29
07/01/2018						
	No. of Claims	1			\$1,561.29	\$1,311.29
	No Claims			All claims under \$2,001	\$0.00	\$0.00
07/01/2018						
	No. of Claims	0			\$0.00	\$0.00
	No. of Claims	2			\$5,743.05	\$5,243.05

Actual Losses have the first \$250 excluded and are capped at \$175,000



Special District Risk Management Authority

Workers' Compensation Program

Program Year 2021-22

Experience Modification (EMOD) Calculation Form

Wendell Fire District

Post Office Box 66
Wendell, California 95223

Summary

2021-22 EMOD - 64%
2020-21 EMOD - 108%

Detail Calculations for Program Year 2021-22

Expected Losses

Loss Description	2017-18 Payroll	2018-19 Payroll	2019-20 Payroll	Total Payroll	Expected Loss Rate	Total Expected Losses	Expected Primary Losses	Expected Excess Losses
06	\$1,998,960	\$1,923,636	\$2,113,570	\$6,036,166	0.0222	\$134,002.88	\$53,869.16	\$80,133.72
07	\$16	\$10	\$9	\$35	0.9914	\$3,469.90	\$1,231.82	\$2,238.08
12-P	\$5	\$5	\$5	\$15	0.0017	\$2.55	\$1.11	\$1.44
12-V	\$0	\$1,152	\$1,196	\$2,348	0.0017	\$3.99	\$1.75	\$2.24
10	\$91,781	\$93,457	\$113,395	\$298,633	0.0012	\$358.36	\$174.88	\$183.48
20	\$0	\$0	\$2,303	\$2,303	0.0308	\$70.93	\$31.07	\$39.86
Totals	\$2,090,762	\$2,018,260	\$2,230,478	\$6,339,500		\$137,908.61	\$55,309.79	\$82,598.82

Actual Losses valued as of 12/31/2020

Year	Claims Count	Actual Incurred Losses	Actual Losses*	Actual Primary Losses	Actual Excess Losses
17-18	1	\$4,181.76	\$3,931.76	\$3,931.76	\$0.00
18-19	1	\$1,561.29	\$1,311.29	\$1,311.29	\$0.00
19-20	0	\$0.00	\$0.00	\$0.00	\$0.00
Totals			\$5,243.05	\$5,243.05	\$0.00

*Actual Losses are capped at \$175,000 per claim for purposes of EMOD calculations.

EMOD Calculation - Based on Workers' Compensation Insurance Rating Bureau's (WCIRB) rating model.

Total Adjusted Losses			/	Total Expected Losses	=	2021-22 EMOD
Expected Excess Losses	Actual Primary Losses					
(\$82,598.82	+ \$5,243.05)		\$137,908.61		64%

Workers' Compensation Credit Incentive Program



Ebbetts Pass Fire District

CIP Points Earned as of: 3/31/2021

The Credit Incentive Program (CIP) is designed to encourage our Members to take a proactive approach for loss prevention administration, training and safety/risk management. In an effort to assist our Members in achieving the lowest contributions possible, we performed a review of the documents submitted to date for the CIP program year 2020-21. The following earned credits have been documented and will be applied toward the annual renewal invoice for the 2021-22 program year:

CIP Criteria Description	CIPs Earned	CIP \$ Earned	Unearned CIPs	Unearned CIP \$
SDRMA Safety Specialist Certificate	0	\$0	2	\$2,857
Special District Administrator designation from SDLF	0	\$0	2	\$2,857
Staff Attendance at SDRMA Workshop	2	\$2,857	0	\$0
Additional Staff Attendance at SDRMA Workshop	1	\$1,428	0	\$0
Management Staff Attendance at CSDA Sponsored Training	0	\$0	1	\$1,428
Additional Management Staff Attendance at CSDA Sponsored Training	0	\$0	1	\$1,428
Attendance at OSHA/Safety Management Seminar	0	\$0	1	\$1,428
Injury, Illness and Prevention Program	0	\$0	2	\$2,857
TargetSolutions Online Training Program	0	\$0	3	\$4,285
Use of SDRMA Safety Video Library	0	\$0	2	\$2,857
ADMINISTRATION TRACK TOTALS - 9 POINTS MAXIMUM	3	\$4,285	6	\$8,570
SDLF District of Distinction designation	0	\$0	4	\$5,713
Single Board Member Attendance at SDRMA Workshop	1	\$1,428	0	\$0
Additional Board Member Attendance at SDRMA Workshop	0	\$0	1	\$1,428
Single Board Member Attendance at CSDA Training	0	\$0	1	\$1,428
Additional Board Member Attendance at CSDA Training	0	\$0	1	\$1,428
Completion of two CSDA Education / Webinar sessions	0	\$0	2	\$2,857
General Safety Specialist Certificate	0	\$0	1	\$1,428
GOVERNANCE TRACK TOTALS - 4 POINTS MAXIMUM	1	\$1,428	3	\$4,285
No Claims during the year	0	\$0	2	\$2,857
Utilization of Company Nurse	0	\$0	2	\$2,857
CLAIMS TRACK TOTALS - 2 POINTS MAXIMUM	0	\$0	2	\$2,857
COMBINED TRACK TOTALS - 15 POINTS MAXIMUM	4	\$5,713	11	\$15,712
5 YEAR NO CLAIMS BONUS	0	\$0	3	\$4,285
TOTAL CREDIT INCENTIVE POINTS	4	\$5,713	14	\$19,997

*For detailed information, please see the Workers' Compensation CIP criteria for the applicable Program Year. For questions, please contact our Claims department at claims@sdrma.org or 800.537.7790.



Ebbetts Pass Fire District

TO: Ebbetts Pass Fire District Board

DATE: April 16, 2021

FROM: Mike Johnson – Fire Chief


SUBJECT: 2020 Consumer Price Index West Urban – Cost of Living Adjustment

The 2020 Consumer Price Index for the West Urban area (B.C. population) is an increase of 1.7% if we use the annual average December 2020 or 1.9% if we use the annual average January 2021. Today we would like the Boards direction on the desired average to be used for our COLA adjustment. Depending on the Boards direction staff will adjust the annual pay scale accordingly and present it to the Board for approval at our May Board meeting.

Sincerely,

Mike Johnson, Fire Chief
Ebbetts Pass Fire District

Databases, Tables & Calculators by Subject

Change Output Options: From: 2011 To: 2021
 Include graphs Include annual averages [More Formatting Options](#) 

Data extracted on: March 18, 2021 (3:44:03 PM)

CPI for All Urban Consumers (CPI-U)

Series Id: CUURN400SA0
 Not Seasonally Adjusted
 Series Title: All items in West - Size Class B/C, all urban consumers, not seasonally adjusted
 Area: West - Size Class B/C
 Item: All items
 Base Period: DECEMBER 1996=100

Download: [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2011	134.917	135.826	137.200	138.174	138.598	138.269	138.128	138.171	138.564	138.696	138.411	138.017	137.748	137.164	138.331
2012	138.465	138.997	140.235	140.619	140.834	140.375	139.645	139.971	140.600	140.847	140.287	139.768	140.054	139.921	140.186
2013	139.865	141.072	141.573	141.788	141.838	141.805	141.940	142.228	142.277	141.954	141.736	141.751	141.652	141.324	141.981
2014	141.998	142.120	142.813	143.077	144.253	144.522	144.435	144.317	144.506	144.214	143.398	142.669	143.527	143.130	143.923
2015	142.022	143.005	143.887	144.426	145.346	145.198	144.917	144.752	144.507	144.379	143.595	143.398	144.119	143.981	144.258
2016	143.932	144.128	144.264	145.128	145.942	145.866	145.850	145.829	146.130	146.328	146.004	145.918	145.443	144.877	146.010
2017	146.469	147.451	147.880	148.496	148.789	148.792	148.691	149.255	149.954	150.336	150.003	149.920	148.836	147.980	149.693
2018	150.564	151.200	151.702	152.350	153.201	153.546	153.464	153.797	154.158	154.729	154.625	154.228	153.130	152.094	154.167
2019	154.328	154.671	155.178	156.523	157.488	157.564	157.465	157.654	157.738	158.635	158.482	158.496	157.019	155.959	158.078
2020	158.599	159.183	159.129	158.824	158.301	158.857	159.752	160.528	160.846	161.141	161.069	160.840	159.756	158.816	160.696
2021	161.199	162.042													

12-Month Percent Change

Series Id: CUURN400SA0
 Not Seasonally Adjusted
 Series Title: All items in West - Size Class B/C, all urban consumers, not seasonally adjusted
 Area: West - Size Class B/C
 Item: All items
 Base Period: DECEMBER 1996=100

Download: [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2011	1.2	1.7	2.5	3.0	3.5	3.5	3.3	3.3	3.8	3.7	3.3	2.7	3.0	2.6	3.4
2012	2.6	2.3	2.2	1.8	1.6	1.5	1.1	1.3	1.5	1.6	1.4	1.3	1.7	2.0	1.3
2013	1.0	1.5	1.0	0.8	0.7	1.0	1.6	1.6	1.2	0.8	1.0	1.4	1.1	1.0	1.3
2014	1.5	0.7	0.9	0.9	1.7	1.9	1.8	1.5	1.6	1.6	1.2	0.6	1.3	1.3	1.4
2015	0.0	0.6	0.8	0.9	0.8	0.5	0.3	0.3	0.0	0.1	0.1	0.5	0.4	0.6	0.2
2016	1.3	0.8	0.3	0.5	0.4	0.5	0.6	0.7	1.1	1.3	1.7	1.8	0.9	0.6	1.2
2017	1.8	2.3	2.5	2.3	2.0	2.0	1.9	2.3	2.6	2.7	2.7	2.7	2.3	2.1	2.5
2018	2.8	2.5	2.6	2.6	3.0	3.2	3.2	3.0	2.8	2.9	3.1	2.9	2.9	2.8	3.0
2019	2.5	2.3	2.3	2.7	2.8	2.6	2.6	2.5	2.3	2.5	2.5	2.8	2.5	2.5	2.5
2020	2.8	2.9	2.5	1.5	0.5	0.8	1.5	1.8	2.0	1.6	1.6	1.5	1.7	1.8	1.7
2021	1.6	1.8													

Western Information Office

Search Western Region

Bureau of Labor Statistics > Geographic Information > Western > CPI Summary

Western Consumer Price Index Card

- [Monthly and Bimonthly Indexes](#)
- [1-Page PDF Version of Pacific Cities Card](#) the PDF is preferred for printing (note that the tables below are updated several hours before the PDF version).

Monthly and Bimonthly Indexes

Consumer Price Index for All Urban Consumers (CPI-U): Selected areas, all items index, not seasonally adjusted (1982-84=100 unless otherwise noted)

Area (Links provide news releases)	Back data	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Percent change to Feb 2021 from			Percent change to Jan 2021 from		
						Feb 2020	Dec 2020	Jan 2021	Jan 2020	Nov 2020	Dec 2020
U.S. City Average		260.229	260.474	261.582	263.014	1.7	1.0	0.5	1.4	0.5	0.4
West region⁽¹⁾		276.875	276.593	277.238	278.702	1.6	0.8	0.5	1.4	0.1	0.2
West - Size Class A (over 2.5 million)		285.451	285.258	285.948	287.470	1.4	0.8	0.5	1.2	0.2	0.2
West - Size Class B/C (2.5 million or less) ⁽²⁾		161.069	160.840	161.199	162.042	1.8	0.7	0.5	1.6	0.1	0.2
Mountain ⁽³⁾		107.726	107.489	107.854	108.386	1.5	0.8	0.5	1.2	0.1	0.3
Pacific ⁽³⁾		107.535	107.471	107.680	108.262	1.6	0.7	0.5	1.5	0.1	0.2
Metropolitan areas published monthly											
Los Angeles-Long Beach-Anaheim, CA		280.102	279.560	280.178	281.347	1.0	0.6	0.4	0.9	0.0	0.2
Metropolitan areas published in January, March, May, July, September, and November											
Phoenix-Mesa-Scottsdale, AZ ⁽⁴⁾			145.660		147.186	1.0	1.0				
San Francisco-Oakland-Hayward, CA			302.948		304.387	1.6	0.5				
Seattle-Tacoma-Bellevue, WA			283.409		286.950	1.7	1.2				
Urban Alaska			227.259		229.478	1.3	1.0				
Metropolitan areas published in February, April, June, August, October, and December											
Riverside-San Bernardino-Ontario, CA ⁽³⁾		108.626		109.550					2.2	0.9	
San Diego-Carlsbad, CA		306.334		307.688					1.7	0.4	
Urban Hawaii		286.872		287.634					1.4	0.3	

Footnotes
 (1) The West region includes the Mountain and Pacific divisions. The Mountain division includes Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming. The Pacific division includes Alaska, California, Hawaii, Oregon, and Washington.
 (2) December 1996=100.
 (3) December 2017=100.
 (4) December 2001=100.

Source: [Consumer Price Index](#)
 The Consumer Price Index (CPI) measures changes in prices of all goods and services purchased for consumption by urban households.

Schedule of [Upcoming Releases for the Consumer Price Index](#)

Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W): Selected areas, all items index, not seasonally adjusted (1982-84=100 unless otherwise noted)

Area (Links provide news releases)	Back data	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Percent change to Feb 2021 from			Percent change to Jan 2021 from		
						Feb 2020	Dec 2020	Jan 2021	Jan 2020	Nov 2020	Dec 2020
U.S. City Average		253.826	254.081	255.296	256.843	1.9	1.1	0.6	1.6	0.6	0.5
West region⁽¹⁾		268.547	268.282	269.125	270.740	2.0	0.9	0.6	1.7	0.2	0.3
West - Size Class A (over 2.5 million)		275.710	275.500	276.575	278.288	1.8	1.0	0.6	1.6	0.3	0.4
West - Size Class B/C (2.5 million or less) ⁽²⁾		160.702	160.507	160.888	161.823	2.1	0.8	0.6	1.9	0.1	0.2
Mountain ⁽³⁾		108.102	107.850	108.310	108.905	2.1	1.0	0.5	1.7	0.2	0.4
Pacific ⁽³⁾		107.699	107.640	107.939	108.605	1.9	0.9	0.6	1.7	0.2	0.3
Metropolitan areas published monthly											
Los Angeles-Long Beach-Anaheim, CA		270.695	270.167	271.129	272.816	1.4	1.0	0.6	1.1	0.2	0.4
Metropolitan areas published in January, March, May, July, September, and November											
Phoenix-Mesa-Scottsdale, AZ ⁽⁴⁾			144.665		146.173	1.3	1.0				

Footnotes
 (1) The West region includes the Mountain and Pacific divisions. The Mountain division includes Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming. The Pacific division includes Alaska, California, Hawaii, Oregon, and Washington.
 (2) December 1996=100.
 (3) December 2017=100.
 (4) December 2001=100.

Source: [Consumer Price Index](#)
 The Consumer Price Index (CPI) measures changes in prices of all goods and services purchased for consumption by urban households.

CONSUMER PRICE INDEXES PACIFIC CITIES AND U. S. CITY AVERAGE FEBRUARY 2021

(All items indexes, 1982-84=100 unless otherwise noted. Not seasonally adjusted.)

MONTHLY DATA	All Urban Consumers (CPI-U)						Urban Wage Earners and Clerical Workers (CPI-W)					
	Indexes			Percent Change			Indexes			Percent Change		
				Year ending	1 Month ending					Year ending	1 Month ending	
	Feb 2020	Jan 2021	Feb 2021	Jan 2021	Feb 2021	Feb 2021	Feb 2020	Jan 2021	Feb 2021	Jan 2021	Feb 2021	Feb 2021
U. S. City Average.....	258.678	261.582	263.014	1.4	1.7	0.5	251.935	255.296	256.843	1.6	1.9	0.6
West.....	274.412	277.238	278.702	1.4	1.6	0.5	265.531	269.125	270.740	1.7	2.0	0.6
West - Size Class A ¹	283.592	285.948	287.470	1.2	1.4	0.5	273.365	276.575	278.288	1.6	1.8	0.6
West - Size Class B/C ²	159.183	161.199	162.042	1.6	1.8	0.5	158.459	160.888	161.823	1.9	2.1	0.6
Mountain ³	106.753	107.854	108.386	1.2	1.5	0.5	106.717	108.310	108.905	1.7	2.1	0.5
Pacific ³	106.583	107.680	108.262	1.5	1.6	0.5	106.545	107.939	108.605	1.7	1.9	0.6
Los Angeles-Long Beach-Anaheim, CA.....	278.657	280.178	281.347	0.9	1.0	0.4	268.938	271.129	272.816	1.1	1.4	0.6
BI-MONTHLY DATA (Published for odd months)	Indexes			Percent Change			Indexes			Percent Change		
				Year ending	2 Months ending					Year ending	2 Months ending	
	Jan 2020	Nov 2020	Jan 2021	Nov 2020	Jan 2021	Jan 2021	Jan 2020	Nov 2020	Jan 2021	Nov 2020	Jan 2021	Jan 2021
Riverside-San Bernardino-Ontario, CA ³	107.143	108.626	109.550	1.9	2.2	0.9	107.580	109.021	110.204	2.1	2.4	1.1
San Diego-Carlsbad, CA.....	302.564	306.334	307.688	1.6	1.7	0.4	284.272	290.228	291.490	1.9	2.5	0.4
Urban Hawaii.....	283.683	286.872	287.634	1.6	1.4	0.3	280.946	284.293	284.959	1.8	1.4	0.2
BI-MONTHLY DATA (Published for even months)	Indexes			Percent Change			Indexes			Percent Change		
				Year ending	2 Months ending					Year ending	2 Months ending	
	Feb 2020	Dec 2020	Feb 2021	Dec 2020	Feb 2021	Feb 2021	Feb 2020	Dec 2020	Feb 2021	Dec 2020	Feb 2021	Feb 2021
Phoenix-Mesa-Scottsdale, AZ ⁴	145.746	145.660	147.186	0.5	1.0	1.0	144.346	144.665	146.173	1.0	1.3	1.0
San Francisco-Oakland-Hayward, CA.....	299.690	302.948	304.387	2.0	1.6	0.5	292.010	295.687	297.170	2.2	1.8	0.5
Seattle-Tacoma-Bellevue, WA.....	282.115	283.409	286.950	1.4	1.7	1.2	278.081	279.308	282.795	1.6	1.7	1.2
Urban Alaska.....	226.510	227.259	229.478	0.3	1.3	1.0	224.731	226.615	229.145	1.1	2.0	1.1

1 Population over 2,500,000 2 Population 2,500,000 and under, Dec 1996 = 100 3 Dec 2017=100 4 Dec 2001=100

NOTE: In January 2018, BLS introduced a new geographic area sample for the Consumer Price Index (CPI): www.bls.gov/regions/west/factsheet/2018cpirevisionwest.pdf
 1967=100 base year indexes and tables with semiannual and annual average data are available at: www.bls.gov/regions/west/factsheet/consumer-price-index-data-tables.htm

Release date March 10, 2021. The next release date is scheduled for April 13, 2021. For questions, please contact us at BSInfoSF@bls.gov or (415) 625-2270.



Fire Agencies Insurance Risk Authority

Date: March 18, 2021
To: FAIRA Member District
Subject: **Notice of Nomination and Election Procedures for the 2021 Election of Members to the Authority's Governing Board**

According to the Fire Agencies Insurance Risk Authority's Fifth Amended Joint Powers Authority Agreement (JPA), four (4) positions of the Authority Governing Board ("Board") must be filled by election prior to July 1, 2021. The following Member Districts are required to stand for re-election:

Alpine
Lakeside
Bonita-Sunnyside
Aromas Tri-County

Should your District wish to nominate an individual to represent your Agency in the election, that person must hold a position with your Agency that is one of the following:

1. A Member of the Legislative Body;
2. The Administrative Officer;
3. The Fire Chief; or
4. A Staff Person responsible for the Risk Management Function.

After your District nominates the individual by formal agency action, please submit a Nomination Form (enclosed) listing that individual. Forms are required no later than May 19th, 2021 by email to alex_banks@ajg.com or to FAIRA at 595 Market Street, Suite 2100, San Francisco, CA 94105.

Nominees will be placed on a ballot that will be sent to all Districts. Each District will then vote for four (4) of the nominees, who will then fill the four (4) open Board positions. Should you have any questions concerning this matter, please contact me directly.

Best regards,


Susan Blankenburg
General Manager

cc: Board of Directors
Dale Bacigalupi, General Counsel

Enclosure (Nomination Form)
Fire Agencies Insurance Risk Authority (FAIRA)
595 Market Street, Suite 2100
San Francisco, CA 94105

www.faira.org

NOMINATION OF INDIVIDUAL FAIRA MEMBER TO STAND FOR ELECTION TO THE GOVERNING BOARD OF DIRECTORS IN 2021

The _____, a Member Agency of FAIRA, hereby nominates the following individual representing a FAIRA Member to stand for election prior to July 1, 2021 for one of four (4) Authority Governing Board of Directors positions.

The _____, a Member Agency has authorized the nomination(s) by motion of the Governing Board made and passed on

Dated: _____

Nominated Individual's Name

Title

Dated: _____ By: _____
District Board Chairperson or Designee

ATTEST: _____
District Board Clerk

The following current Member Districts are standing for election:

- Alpine
- Lakeside
- Bonita-Sunnyside
- Aromas Tri-County

If your District does not wish to nominate anyone, disregard this form. In 2007, the Board adopted Resolution No. 2007-2 establishing a procedure whereby if the General Manager determines that as of the nomination deadline, the number of candidates is equal to or smaller than the number of board seats to be filled, so that the candidates are running unopposed, there shall be no election.

This procedure was implemented to save the expenses, associated with an election, when the current Board Members were running unopposed.

Impact of Rate Increase

Fiscal Year 2021/22 (July 1, 2021 through June 30, 2022)

Calaveras Public Power Agency (CPPA)

Agency Number	Member Agency	FY 2019/20 Annual (kWh)	2.5 Cent Increase/kWh \$	Estimated FY 2021/22 Cost at 11 Cents/kWh \$
0001	39th Dist. Ag. Assoc.	331,760	8,294	36,494
0002	Utica Power Authority	63,320	1,583	6,965
0003	Calaveras Resource Conserve. Dist.	23,640	591	2,600
0221	Altaville-Melones FPD	42,425	1,061	4,667
0224	Mokelumne Hill FPD	8,494	212	934
0225	Murphys FPD	48,049	1,201	5,285
0227	San Andreas FPD	43,020	1,076	4,732
0228	West Point FPD	31,353	784	3,449
0229	Ebbetts Pass FPD	134,396	3,360	14,784
0241	Calaveras PUD	1,891,100	47,278	208,021
0242	Union PUD	45,925	1,148	5,052
0243	Valley Springs PUD	444,845	11,121	48,933
0252	Mokelumne Hill Sanitary	59,217	1,480	6,514
0253	Murphys Sanitary	255,217	6,380	28,074
0254	San Andreas Sanitary	514,217	12,855	56,564
0262	Ebbetts Pass Veterans	2,201	55	242
0263	Jenny Lind Veterans	43,440	1,086	4,778
0271	CCWD *	10,412,008	260,300	1,145,321
0272	Mark Twain Health Care Dist. *	3,126,732	78,168	343,941
0273	San Andreas Rec. & Parks	37,050	926	4,076
05C1	Superior Courthouse *	720,480	18,012	79,253
1010	County of Calaveras	4,010,893	100,272	441,198
2201	Central Calaveras Fire Dist.	24,485	612	2,693
2203	Calaveras Consolidated Fire Dist.	87,832	2,196	9,662
2220	Copperopolis Fire District	41,669	1,042	4,584
2640	Mokelumne Hill Veterans	6,484	162	713
3000	County Office of Education	288,989	7,225	31,789
3010	Mark Twain School Dist.	557,907	13,948	61,370
3110	Bret Harte HS District	1,963,253	49,081	215,958
3210	Calaveras Unified School Dist.	3,100,772	77,519	341,085
3310	Vallecito School District	711,140	17,779	78,225
5301	City of Angels *	1,801,120	45,028	198,123
6100	Council of Governments	20,324	508	2,236
	TOTAL	30,893,757	772,344	3,398,313

* Does not take into consideration Primary Plus Rate for certain meters.

Statement of Support for outreach to educate the public about a possible 1-cent-per-dollar sales tax increase to support fire services in Calaveras County

Whereas rapid emergency response is crucial to preserving life and property and

Whereas the ten local fire agencies in Calaveras County lack adequate funding to ensure that their stations are always staffed with adequate numbers of firefighters and

Whereas the fire agencies in Calaveras County depend on each other for mutual aid during emergencies,

Therefore, the board of this district supports the Calaveras County Fire Services Joint Powers Authority in educating the public about the potential of a 1-cent-per-dollar sales tax increase to improve emergency response in Calaveras County.

District Name: _____

Date: _____

Ayes: _____

Noes: _____

Board Chair Name: _____

Chair Signature: _____

Ebbetts Pass Fire Protection District	Policy: 6540
Subject: Personnel - Promotions	Effective Date: 3/18/13 Supersedes: 03/20/06 Revision Date: 04/19/2016

Purpose and Scope

To establish guidelines for promotions within the District.

Definitions

Open Position: Position is available to qualified candidates whether or not currently employed by the District.

Closed Position: Position is open only to qualified individuals within the District.

Conditional Appointment: An appointment made to a position that is based upon the employee meeting certain conditional requirements within a specific period of time.

Qualified: An employee is qualified for promotional examination by having been issued an acting position taskbook, being fully qualified for the rank below the promotional examination level and fulfilling all the requirements listed in the job description for the promotional examination level.

01. The minimum qualifications and/or requirements for each position shall be set forth within the job description of each position.
02. Unless the Board of Directors otherwise specifically provides, all positions and vacancies in officer and supervisor ranks shall be first considered CLOSED and filled by promotion from within the District. EXCEPTION: The Fire Chief's Position.
03. Where it is determined that a sufficient number of qualified candidates will not be available to fill a vacancy, the Board of Directors, upon recommendation of the Fire Chief or his/her designee, may declare the position as OPEN to qualified candidates not employed by the District.
04. Employees/members may ~~not~~ take a promotional examination without being qualified to fill the position although must be fully qualified to accept a promotional opportunity. With the approval from the Board of Directors the Fire

Chief or his/her designee may waive this requirement and make a “conditional appointment” if deemed necessary in order to temporarily place the most qualified individual in the vacant position.

05. Requirements to take a promotional examination per rank:
 - Engineer: The individual must have all the qualifications per EPFD Policy 6330 "Position Description: Paid Engineer", and have an open or completed Acting-Engineer Taskbook.
 - Captain: ~~The individual must have all the qualifications per EPFD Policy 6320 "Position Description: Paid Fire Captain", and have an Acting Captain Taskbook.~~ Worked 4 years fulltime as a full-time firefighter / minimum 2 of those years at EPFD. Have an open or completed Acting-Captain Taskbook.
 - Battalion Chief: The individual must have all the qualifications per EPFD Policy 6319 "Position Description: Paid Battalion Chief", and have an open or completed Acting-Battalion Chief Taskbook.

06. Any person promoted to or appointed to any supervisor rank shall be in a probationary status for one year and must have completed the corresponding Taskbook for that position. Probationary periods may be extended as per the policies outlined herein. Promotions shall be considered a temporary, non-permanent appointment until such time as the required probationary period is satisfactorily completed. Individuals promoted or appointed shall be compensated as specified in EPFD Policy 6080.01.2

07. The probationary period begins on the first day of work following appointment to a vacant position. Time served in the position as an “acting officer” or supervisor prior to promotion shall not apply to the probationary period.

08. Probationary periods may be extended for a period not to exceed one additional year for further evaluation of job performance. Extensions of probationary periods shall be documented in a written Performance Improvement Plan that calls for written performance evaluations to be conducted every three months during the probationary extension.

09. An employee serving in a probationary status and whose probationary period was extended shall not be eligible for a Merit Step Raise until successful completion of his/her probationary period.

10. Probationary periods may be extended in instances where the probationary period is interrupted by an approved leave of absence, injury, medical, or family emergency that results in extended absences from work.

19. Time-In-Service shall be time worked as a full-time paid firefighter or firefighter-paramedic with the Ebbetts Pass Fire District or other recognized fire agency. The Fire Chief or his/her designee may consider equivalent time served as an Ebbetts Pass Fire District volunteer as time served for eligibility to promote. Equivalent time served shall be defined by the Fire Chief or his/her designee.
20. Probationary employees shall be periodically evaluated as per the District's Performance Evaluation Policy.
21. A promoted employee who fails to pass probation will either have his/her probationary period extended with the approval of the Personnel Committee or will be reinstated to his/her previous rank without the right of appeal or hearing. Individuals reinstated to a previous rank shall receive compensation at the same level he/she previously received while serving at that lower rank unless the reasons for reinstatement are the result of a disciplinary action which might contain other provisions.
22. With approval of the Board of Directors, the Fire Chief and/or his designee may temporarily modify or waive any of the policies contained herein in order to ensure operational continuity or address unforeseen events/situations if deemed necessary to place the most qualified individual in the vacant position.

11. Promotional eligibility lists shall be established by promotional examinations. Eligibility lists are normally effective for one year or a term specified at the establishment of the eligibility list.
 01. With notification to the Board of Directors, the Fire Chief or his/her designee may cancel, extend, combine, or establish additional eligibility lists at any time.
12. The District shall not be obligated or otherwise required to appoint/promote a person who is on an active eligibility list to a vacant position even if that individual is the only person remaining on the list.
13. Candidates who have not been appointed from an eligibility list prior to the expiration of said list will be required to reapply and successfully pass the next promotional examination process or Fire Chief's interview in order to reestablish their eligibility for promotion.
14. Any person qualified for promotion who passes the promotional examination shall be placed on the promotional eligibility list in accordance to the total number of points earned during the examination process.
15. The Fire Chief or designated personnel officer shall make appointments from established eligibility lists utilizing the "rule of three." A selection shall be made from any of the top three candidates prior to considering the next three candidates on the list.
16. In the absence of an eligibility list, the Fire Chief or designated personnel officer may make a temporary appointment of one step in rank without Board approval. Time served during such a temporary appointment shall not be credited towards the probationary time requirements of the higher rank; however on-the-job performance, evaluations, and recognition of accomplishments while serving in a temporary or acting capacity shall be considered should the individual apply for permanent appointment. Individuals promoted or appointed shall be compensated as specified in EPFD Policy 6080.01.3
17. An employee temporarily appointed shall be subject to the next promotional examination.
18. Favoring the promotion of personnel from within the District to fill vacant positions, the Board may grant, upon request of the Fire Chief or his/her designated personnel officer, a waiver of the "time in service" requirements established by these policies and may permit such individual members of the District as are otherwise qualified and as are designated by the fire chief or his/her designated personnel officer, to make application for, be tested for, and be appointed to a vacancy in the District.

Ebbetts Pass Fire Protection District	Policy: 6550
Subject: Personnel - Promotions: Procedures	Effective Date: Adopted 06/18/1996 Revision Date: 04/19/2016

01. In-house promotion will be based upon a combination of:
 - A. Competitive Examination
 - B. Performance Evaluations
 - D. Evaluation of Other Officers
 - E. Evaluation of the candidate's ability to meet the minimum standards for knowledge, skills and experience as outlined within the Position Description for the desired position

02. In order to qualify for promotional standing in any examination, a candidate must possess the minimum qualifications necessary for the position.

03. Paid Firefighters having a minimum of two years of full-time, paid service with the District, shall be eligible to compete for promotional opportunities to the rank of Engineer.

04. Paid Engineers or Firefighters having a minimum of four years service with a minimum of 2 of those years with the District, shall be eligible to compete for promotional opportunities to the rank of Captain. Must have a completed an acting Engineer Task Book)

05. Paid Captains having a minimum of four years paid service with the District with at least two of those years being served at the rank of Paid Captain shall be eligible for promotional opportunities to the rank of Battalion Chief.

06. Promotional examinations shall conform to criteria and character as outlined in Policy Nos. 6230.01, 6230.32 and 6230.33.

07. Prior performance evaluations (historical) of qualified candidates shall be considered in the selection process for promotion.

08. Should there be only one in-house candidate desirous of promotion, he/she shall be required to satisfactorily pass the assessment/promotional examination and perform satisfactorily during the probationary period. If the candidate fails either the promotional examination process or fails to perform satisfactorily during the probationary period, the Fire Chief shall have the discretion to advertise and fill the vacancy through open competition from outside the District.

09. Should a vacancy occur and there are no in-house candidates interested in competing, an acting appointment to that rank will be made and the position will be filled from the outside.
10. The District shall have the discretion to fill future positions which might be created having special qualifications, regardless of rank, through open advertising and competition.
11. Adjustments in compensation following promotion shall be in accordance with Policy No. 6080.12.

EXHIBIT A

DEBT MANAGEMENT POLICY

EBBETTS PASS FIRE PROTECTION DISTRICT

**Adopted by the Board of Directors of the
Ebbetts Pass Fire Protection District**

Pursuant to Resolution No. 2021-

April 20, 2021

EBBETTS PASS FIRE PROTECTION DISTRICT DEBT MANAGEMENT POLICY

Section 1: Policy

This Debt Management Policy sets forth debt management objectives for the Ebbetts Pass Fire Protection District (the “District”), and any other entity for which the Board of Directors of the District (the “Board”) acts as legislative body, and the term “District” shall refer to each of such entities, and the term “Board” shall refer to the governing boards of each such entity.

This Debt Management Policy establishes general parameters for issuing and administering debt. Recognizing that cost-effective access to the capital markets depends on prudent management of debt incurred by the District (or any of its controlled entities), the Board has adopted this Debt Management Policy by resolution.

This Debt Management Policy is intended to comply with California Government Code Section 8855(i).

Section 2: Scope

The guidelines established by this policy will govern the issuance and management of all debt funded for long-term capital financing needs and not for general operating functions. When used in this policy, “debt” refers to all forms of indebtedness, including bonds, notes, loans, certificates of participation, installment sale agreements and lease obligations.

The District recognizes that changes in the capital markets and other unforeseen circumstances may require action that deviates from this Debt Management Policy. In cases that require exceptions to this Debt Management Policy, approval from the Board will be necessary for implementation.

Section 3: Objectives

The purpose of this Debt Management Policy is to assist the District in pursuit of the following equally important objectives, while providing full and complete financial disclosure and ensuring compliance with applicable state and federal laws:

- Minimize debt service and issuance costs
- Maintain access to cost effective borrowing
- Preserve financial flexibility while assuring public transparency
- Achieve the highest practical credit rating
- Ensure full and timely repayment of debt
- Maintain full and complete financial disclosure and reporting
- Ensure compliance with debt covenants
- Ensure compliance with applicable state and federal laws

Budget Integration – The decision to incur new indebtedness should be integrated with the policy decisions embedded in the Board-adopted budget (the “Budget”). Annual debt service payments shall be included in the Budget.

The District will integrate its debt issuances with the goals of its Capital Improvement Program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the District’s public purposes. The District will seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

**EBBETTS PASS FIRE PROTECTION DISTRICT
DEBT MANAGEMENT POLICY**

Biennial Review – Recognizing that cost-effective access to the capital market depends on prudent management of the District’s debt program, a biennial review of this Debt Management Policy should be performed. This Debt Management Policy will be included as an Appendix in the annual Budget adopted by Board. Any substantive changes to this Debt Management Policy shall be brought to the Board for consideration and approval.

Section 4: Delegation of Authority

This Debt Management Policy grants the Fire Chief the authority to select the Financing Team, coordinate the administration and issuance of debt, communicate with the rating agencies, and fulfill all of the pre-issuance and post-issuance requirements imposed by or related to state law, federal tax law and federal securities law.

Financing Team Definitions and Roles – The financing team is the working group of District staff and outside consultants necessary to complete a debt issuance proposal for presentation to the Ebbetts Pass Fire Protection District Board, including, but not limited to, bond counsel, disclosure counsel, underwriter, municipal advisor, trustee, pricing consultant and/or arbitrage analyst.

Typically, the Fire Chief forms the District staff portion of the Financing Team. As needed, other staff members or designees (such as a standing committee of the District) may be appointed to the Financing Team.

Consultant Selection –The District will consider the professional qualifications and experience of consultants as it relates to the specific bond issue or other financing under consideration. In certain instances, the District will conduct a request for proposal/qualification process to select such consultants. The Fire Chief may, however, decide to select such consultants without having to undertake a request for proposal/qualification process, on an as-needed basis.

Section 5: Policies

A. Purposes for which Debt may be Issued

1. **Long-Term Debt**. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the District.
 - a. Long-term debt financings are appropriate when the following conditions exist:
 - When the project to be financed is necessary to provide basic services.
 - When the project to be financed will provide benefit to constituents over multiple years.
 - When total debt does not constitute an unreasonable burden to the District and its taxpayers and/or ratepayers, as applicable.
 - When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.
 - b. Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses.

**EBBETTS PASS FIRE PROTECTION DISTRICT
DEBT MANAGEMENT POLICY**

- c. The District may use long-term debt financings subject to the following conditions:
- The project to be financed must be approved by the Board.
 - The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%.
 - The District estimates that sufficient revenues will be available to service the debt through its maturity.
 - The District determines that the issuance of the debt will comply with the applicable state and federal law.

2. **Short-Term Debt.** Short-term debt may be issued to provide financing for the District’s operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the District may undertake lease-purchase financing for equipment.

B. Methods of Financing

The Fire Chief will investigate all possible financing alternatives including, but not limited to, bonds, notes, loans, certificates of participation, installment sale agreements, lease obligations, state bond pools, and grants, which may be structured and consummated under any of the below described methods of financing.

1. Cash Funding. The District funds a significant portion of capital improvements from reserves accumulated from one-time revenues, which have been set aside for investment in the District’s infrastructure.

2. Bank Loans / Lines of Credit. The District will evaluate lines of credit as a possible method of financing.

3. Other Loans. The District will evaluate other financing programs, including but not limited to federal “loans” from the United States Department of Agriculture.

4. Bond Financing. The District may issue any bonds which are allowed under federal and state law including but not limited to general obligation bonds, certificates of participation, revenue bonds, land-secured (assessment and special tax) bonds, refunding bonds and other obligations (see below for detail).

- ***General Obligation Bonds.*** General Obligation Bonds (GO Bonds) may only be issued with two-thirds approval of the District’s registered voters. The California State Constitution (Article XVI, Section 18) limits the use of the proceeds from GO Bonds to “the acquisition or improvement of real property.”

**EBBETTS PASS FIRE PROTECTION DISTRICT
DEBT MANAGEMENT POLICY**

- ***Lease Revenue Bonds, Certificates of Participation (COPs) and Lease-Purchase Transactions.*** Lease financings may take a variety of forms, including certificates of participation, lease revenue bonds and direct leases (typically for equipment). When the District finances acquisition or construction of capital improvements or equipment with a lease financing, the District agrees to lease either the financed asset or a different asset and, most commonly, the District's lease payments are securitized in the form of certificates of participation or lease revenue bonds. This type of financing requires approval of Board.
- ***Revenue Bonds.*** Revenue Bonds are generally issued by the District for enterprise funds that are financially self-sustaining without the use of taxes and therefore rely on the revenues collected by the enterprise fund to repay the debt. This type of financing requires approval of Board.
- ***Assessment Bonds.*** The Improvement Bond Act of 1915 (Streets and Highways Code Section 8500 et seq.) and other state laws, subject to Article XIID of the California Constitution, allow the District to issue bonds to finance improvements that provide "specific benefit" to the assessed real property. Installments are collected on the secured property tax roll of the County. This type of financing is secured by the lien upon and assessments paid by the real property owners and does not obligate the District's general fund or other funds. This type of financing requires approval of Board.
- ***Special Tax Bonds.*** Under the Mello-Roos Community Facilities Act of 1982, the District may issue bonds on behalf of a Community Facilities District (CFD) to finance capital facilities, most commonly in connection with new development. These bonds must be approved by a two-thirds vote of the qualified electors in the CFD, which the Mello-Roos Act defines to mean registered voters if there are 12 or more registered voters in the CFD and, if there are fewer than 12 registered voters, the landowners in the CFD. Bonds issued by the District under the Mello-Roos Act are secured by a special tax on the real property within the CFD. Board will approve any special tax bonds prior to placement on a ballot for voter consideration. The financed facilities do not need to be physically located within the CFD. As this type of financing is secured by the special tax lien upon the real property it does not obligate the District's general fund or other funds.
- ***Refunding Obligations.*** Pursuant to the Government Code and various other financing statutes applicable in specific situations, the Board is authorized to provide for the issuance of bonds for the purpose of refunding any long-term obligation of the District. Absent any significant non-economic factors, a refunding is required to meet the following test: 1) the refunding must produce a minimum net debt service savings (net of reserve fund earnings and other offsets, and taking transaction costs into account) of at least 3% of the par value of the refunded bonds on a net present value basis, using the refunding issue's True Interest Cost (TIC) as the discount rate, unless the Fire Chief determines that a lower savings percentage is acceptable for issues or maturities with short maturity dates, and 2) the final maturity of

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the original bonds cannot be extended unless expressly determined otherwise by the Board. Additionally, the Fire Chief may determine that there are other, compelling “non-economic” reasons (i.e. removal of onerous covenants, terms or conditions).

- ***Other Obligations.*** There may be special circumstances when other forms of debt are appropriate and may be evaluated on a case-by-case basis. Such other forms include, but are not limited to: bond anticipation notes, grant anticipation notes, lease revenue bonds, pension obligation bonds, etc.

Section 6: Structure and Term

Term of Debt – Debt will be structured for the shortest period possible, consistent with a fair allocation of costs to current and future users. The standard term of long-term debt borrowing is typically 10-40 years.

Consistent with its philosophy of keeping its capital facilities and infrastructure systems in good condition and maximizing a capital asset’s useful life, the District will make every effort to set aside sufficient current revenues to finance ongoing maintenance needs and to provide reserves for periodic replacement and renewal. Generally, no debt will be issued for a period exceeding the useful life or average useful lives of projects to be financed.

Debt Repayment Structure – In structuring a bond issue, the District will manage the amortization of the debt and, to the extent possible, match its cash flow to the anticipated debt service payments. In addition, the District will seek to structure debt with aggregate level debt service payments over the life of the debt. Structures with unlevel debt service will be considered when one or more of the following exist:

- Such structuring is beneficial to the District’s aggregate overall debt payment schedule.
- Such structuring will allow debt service to more closely match project revenues during the early years of the project’s operation.

Bond Maturity Options – For each issuance, the District will select serial bonds or term bonds, or both.

Interest Rate Structure – The District currently issues securities on a fixed interest rate basis only. Fixed rate securities ensure budget certainty through the life of the issue and avoid the volatility of variable rates. The use of variable rate securities may be issued if authorized by the Board on a case-by-case basis.

Credit Enhancement – Credit enhancement may be used to improve or establish a credit rating on a District debt obligation. Types of credit enhancement include letters of credit, bond insurance and surety policies. The Fire Chief will recommend the use of a credit enhancement if it reduces the overall cost of the proposed financing or if the use of such credit enhancement furthers the District’s overall financial objectives.

Debt Service Reserve Fund – Debt service reserve funds are typically held by a Trustee to make principal and interest payments to bondholders in the event the pledged revenues are insufficient to do so. The District will fund debt service reserve funds when it is in the District’s overall best financial interest. The District may decide not to utilize a reserve fund if the Fire Chief, in consultation with Bond Counsel and municipal advisor, determines there would be no adverse impact to the District’s relevant existing legal provisions, credit rating and/or interest rates.

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Per Internal Revenue Service rules, the maximum size of the reserve fund on tax-exempt bond issuance is the lesser of

- 10% of the initial principal amount of the debt;
- 125% of average annual debt service; or
- 100% of maximum annual debt service.

In lieu of holding a cash funded reserve, the District may substitute a surety bond or other credit instrument in its place. The decision to cash fund a reserve fund rather than to use a credit facility is dependent upon the cost of the credit instrument and the investment opportunities.

Call Options / Redemption Provisions – A call option or optional redemption provision gives the District the right to prepay or retire debt prior to its stated maturity date. This option may permit the District to achieve interest savings in the future through the refunding of the bonds. Often the District will pay a higher interest rate as compensation to the buyer for the risk of having the bond called in the future. In addition, if a bond is called, the holder may be entitled to a premium payment (call premium). Because the cost of call options can vary depending on market conditions, an evaluation of factors will be conducted in connection with each issuance. The Fire Chief shall evaluate and recommend the use of a call option on a case by case basis.

Section 7: Method of Issuance and Sale; Disclosure

Debt issues are sold to a single underwriter or to an underwriting syndicate, either through a competitive sale or a negotiated sale. A negotiated sale may involve the sale of securities to investors through an underwriter or the private placement of the securities with a financial institution or other sophisticated investor. The selected method of sale will be that which is most beneficial to the District in terms of lowest net interest rate, most favorable terms in financial structure, and market conditions. The Fire Chief will review conditions in conjunction with information and advice presented by the District's Financing Team.

Competitive Sales of Bonds – In a competitive sale, the terms of the debt will be defined by the District and the District's finance team, and the price of the debt will be established through a bidding process amongst impartial underwriters and/or underwriting syndicates. The issue is awarded to the underwriter judged to have submitted the best bid that offers the lowest true interest cost taking into account underwriting spread, interest rates and any discounts or premiums.

Negotiated Sale of Bonds – A method for sale for bonds, notes, or other financing vehicles in which the District selects in advance, based upon proposals received or by other means, one or more underwriters to work with it in structuring, marketing and finally offering an issue to investors. The negotiated sale method is often used when the issue is: a first-time sale by an issuer (a new credit), a complex security structure, such as variable rate transaction, an unusually large issue, or in a highly volatile or congested market where flexibility as to bond sale timing is important.

Private Placement – A private placement is a variation of a negotiated sale in which the District, usually with the help of a placement agent will attempt to place the entire new issue directly with a single investor. The investor will negotiate the specific terms and conditions of the financing before agreeing to purchase the issue. Private placements are generally undertaken because the transaction is complex or unique, requiring direct negotiations with the investor, or because the issue is small or of a shorter duration and a direct offering provides economies of scale, lower interest costs and reduced continuing disclosure.

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Derivative Products – Because of their complexity, unless otherwise amended, Derivative Products such as interest rate swaps, interest floaters, and other hybrid securities are prohibited by this Debt Management Policy.

Initial Disclosure Requirements – The District acknowledges its disclosure responsibilities. Under the guidance of Disclosure Counsel, the District will distribute or cause an underwriter to distribute its Preliminary Official Statement and final Official Statement (neither is typically required in a private placement, although in some cases a “private placement memorandum” may be required by the investor).

The Financing Team shall be responsible for soliciting “material” information (as defined in Securities and Exchange Board Rule 10b-5) from District departments and identifying contributors who may have information necessary to prepare portions of the Official Statement or who should review portions of the Official Statement. In doing so, the Financing Team shall confirm that the Official Statement accurately states all “material” information relating to the decision to buy or sell the subject bonds and that all information in the Official Statement has been critically reviewed by an appropriate person.

In connection with an initial offering of securities, the District and other members of the Financing Team will:

- Identify material information that should be disclosed in the Official Statement;
- Identify other persons that may have material information (contributors);
- Review and approve the Official Statement; and
- Ensure the District’s compliance, and that of its related entities, with federal and state security laws, including notification to the California Debt and Investment Advisory Board (“CDIAC”) of the proposed debt issue no later than 30 days prior to the sale of any debt issue, and submission of a final report of the issuance to the CDIAC by any method approved by the CDIAC.

The Financing Team shall critically evaluate the Official Statement for accuracy and compliance with federal and state securities laws. The approval of an Official Statement shall be placed on the Board agenda, and shall not be considered as a Consent Calendar item. The staff report will summarize the Board’s responsibilities with respect to the Official Statement and provide the Board the opportunity to review a substantially final Official Statement. The Board shall undertake such review as deemed necessary by the Board to fulfill the Board’s securities law responsibilities.¹

For any privately placed debt with no Official Statement, the final staff report describing the issue and such other documents will be provided to the Board for approval.

Section 8: Creditworthiness Objectives

Ratings are a reflection of the general fiscal soundness of the District and the capabilities of its management. Typically, the higher the credit ratings are, the lower the interest cost is on the District’s debt issues. To enhance creditworthiness,

¹ The Securities and Exchange Board (the SEC), the agency with regulatory authority over the District’s compliance with the federal securities laws, has issued guidance as to the duties of the Board with respect to its approval of the POS. In its “Report of Investigation in the Matter of County of Orange, California as it Relates to the Conduct of the Members of the Board of Supervisors” (Release No. 36761 / January 24, 1996) (the “Release”), the SEC stated that, if a member of the Board has knowledge of any facts or circumstances that an investor would want to know about prior to investing in the bonds, whether relating to their repayment, tax-exempt status, undisclosed conflicts of interest with interested parties, or otherwise, he or she should endeavor to discover whether such factors are adequately disclosed in the Official Statement. In the Release, the SEC stated that the steps that a member of the Board would take include becoming familiar with the POS and questioning staff and consultants about the disclosure of such facts.

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the District is committed to prudent financial management, systematic capital planning, and long-term financial planning; however, the District also recognizes that external economic, natural, or other events may, from time to time, affect the creditworthiness of its debt.

The most familiar nationally recognized bond rating agencies are Standard and Poor's, Moody's Investors Service, and Fitch Ratings. When issuing a credit rating, rating agencies consider various factors, including, but not limited to:

- District's fiscal status;
- District's general management capabilities;
- Economic conditions that may impact the stability and reliability of debt repayment sources;
- District's general reserve levels;
- District's debt history and current debt structure;
- Project(s) being financed; and
- Covenants and conditions in the governing legal documents.

Bond Ratings – The Financing Team will assess whether a credit rating should be obtained for an issuance. The District typically seeks a rating from at least one nationally recognized rating agency on new and refunded issues being sold in the public market. The Fire Chief, working with the Financing Team, shall be responsible for determining which of the major rating agencies the District shall request provide a rating. When applying for a rating on an issue, the District and Financing Team shall prepare a presentation for the rating agency when the District determines that a presentation is in the best interests of the District.

Rating Agency Communications – The Fire Chief is responsible for maintaining relationships with the rating agencies that assign ratings to the District's various debt obligations. This effort shall include providing the rating agencies with the District's financial statements, if applicable, as well as any additional information requested.

Section 9: Post Issuance Administration

Notification to the CDIAC – The District shall work with Bond Counsel to submit a report of final sale to the CDIAC by any method approved by the CDIAC. The report shall include the information required by CDIAC.

Investment of Proceeds – The Fire Chief shall invest bond proceeds and reserve funds in accordance with each issue's indenture or trust agreement, utilizing competitive bidding when appropriate. All investments will be made in compliance with the District's investment policy objectives of safety, liquidity and then yield. The investment of bond proceeds and reserve funds shall comply with federal tax law requirements specified in the indenture or trust agreement and the tax certificate. Whenever reasonably possible, unexpended bond proceeds and reserve fund monies shall be held by the bank trustee. The trustee will be responsible for recording all investments and transactions relating to the proceeds and providing monthly statements regarding the investments and transactions.

Use of Bond Proceeds – The Fire Chief is responsible for ensuring debt proceeds are spent for the intended purposes identified in the related legal documents and that the proceeds are spent in the time frames identified in the tax certificate prepared by Bond Counsel. Whenever reasonably possible, proceeds of debt will be held by a third-party trustee and the District will submit written requisitions for such proceeds. The District will submit a requisition only after obtaining the signature of the Fire Chief. In those cases where it is not reasonably possible for the proceeds of debt to be held by

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a third-party trustee, the Fire Chief shall retain records of all expenditures of proceeds through the final payment date for the debt.

Continuing Disclosure – When required by Securities Exchange Board Rule 15c2-12(b)(5) (the “Rule”) the Fire Chief or designee will ensure the District’s annual financial statements and associated reports are posted on the District’s web site, and will also comply with the Rule by filing its annual financial statements, other financial and operating data and notices of enumerated events for the benefit of its bondholders on the Electronic Municipal Market Access (EMMA) website of the Municipal Securities Rulemaking Board (MSRB). The District shall submit an annual report to the CDIAC in compliance with the requirements of Government Code Section 8855 and related regulations.

Arbitrage Rebate Compliance and Reporting – The use and investment of bond proceeds must be monitored to ensure compliance with arbitrage restrictions. Existing regulations require that issuers calculate rebate liabilities related to any bond issues, with rebates paid to the Federal Government every five years and as otherwise required by applicable provisions of the Internal Revenue Code and regulations. The Fire Chief shall contract with a specialist to ensure that proceeds and investments are tracked in a manner that facilitates accurate complete calculations, and if necessary timely rebate payments.

Compliance with Other Bond Covenants – In addition to financial disclosure and arbitrage, the Fire Chief is also responsible for verifying compliance with all undertakings, covenants, and agreements of each bond issuance on an ongoing basis. This typically includes ensuring:

- Annual appropriation of revenues to meet debt service payments;
- Taxes/fees are levied and collected where applicable;
- Timely transfer of debt service payments to the trustee;
- Compliance with insurance requirements;
- Compliance with rate covenants; and
- Post-issuance procedures established in the tax certificate for any tax-exempt debt.

Retention – A copy of all relevant documents and records will be maintained by the District for the term of any bonds issued (including refunding bonds, if any), plus 10 years. Relevant documents and records will include sufficient documentation to support the requirements relating to the tax-exempt status.

Investor Relations – While the District shall post its annual financial report as well as other financial reports on the District’s website, this information is intended for the citizens of the District. Information that the District intends to reach the investing public, including bondholders, rating analysts, investment advisors, or any other members of the investment community shall be filed on the EMMA system.

Additional requirements for financial statements – It is the District’s policy to hire an auditing firm that has the technical skills and resources to properly perform an annual audit of the District’s financial statements. More specifically, the firm shall be a recognized expert in the accounting rules applicable to the District and shall have the resources necessary to review the District’s financial statements on a timely basis.

Section 10: Training

To the extent that the District has outstanding debt subject to the Rule, the Fire Chief shall (i) ensure that the members of the District staff involved in the continuing disclosure process and the Board are properly trained to understand and

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perform their responsibilities, and (ii) arrange for disclosure training sessions conducted by the District's Disclosure Counsel. Such training sessions shall include education on the applicable federal and state securities laws and the disclosure responsibilities and potential liabilities of members of the District's staff and members of the Board.

EXHIBIT A

**UNFUNDED ACCRUED LIABILITY
MANAGEMENT POLICY**

Ebbetts Pass Fire Protection District

**Adopted by the Board of Directors of the
Ebbetts Pass Fire Protection District**

Pursuant to Resolution No. 2021-

April 20, 2021

EBBETTS PASS FIRE PROTECTION DISTRICT UNFUNDED ACCRUED LIABILITY MANAGEMENT POLICY

Section 1. Purpose

The purpose of this Unfunded Accrued Liability Management Policy (the “Policy”) is to strategically address the unfunded accrued liability (the “UAL”) associated with the Ebbetts Pass Fire Protection District’s (the “District”) California Public Employees’ Retirement System (CalPERS) pension plans (the “Pension Plans”). This Policy also addresses some of the principal elements and core parameters central to the policy objectives discussed in this Policy. In the development of this Policy, the District strives to reduce its UAL and the associated financing costs in the most cost-efficient and fiscally responsible manner possible.

The District is committed to fiscal sustainability by employing long-term financial planning efforts, maintaining appropriate reserve levels, and employing prudent practices in governance, management, budget administration, and financial reporting. This Policy is intended to make all relevant information readily available to decision-makers and the public to improve the quality of decisions, identify policy goals, and to demonstrate a commitment to long-term financial planning. Adherence to this Policy signals to rating agencies and capital markets that the District is well managed and able to meet its obligations in a timely manner.

The Policy is intended to reflect a reasonable, conservative approach with each generation of taxpayers financing, to the greatest extent possible, the cost of pension benefits accruing under the Pension Plans. This Policy recognizes that the Pension Plans are subject to market volatility and that actual economic and demographic experience of the plans will differ from the actuarial assumptions. Accordingly, it is intended to allow for adaptive responses to changing circumstances, providing flexibility to address such volatility in a financially sound manner. As such, the District will be required to continually monitor its Pension Plans and the corresponding UAL.

Section 2. Policy Goals and Objectives

The overarching goals and objectives of this Policy are as follows:

- Establish, attain, and maintain targeted pension plan funding levels
- Provide sufficient assets to permit the payment of all benefits under the Pension Plans
- Seek to manage and control future contribution volatility to the extent reasonably possible
- Strive to make Annual Discretionary Payments to accelerate UAL pay-down, reduce interest costs, and stabilize future payments
- Maintain the District’s sound financial position and creditworthiness
- Provide guidance in making annual budget decisions
- Create sustainable and fiscally sound future budgets
- Demonstrate prudent financial management practices
- Ensure that pension funding decisions protect both current and future stakeholders
- Create transparency as to how and why the Pensions Plans are funded

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Section 3. Background and Discussion

In General. Each Pension Plan is a multiple-employer defined benefit pension plan administered by the CalPERS. All full-time and certain part-time District employees are eligible to participate in the CalPERS retirement and disability benefits, annual cost of living adjustments and death benefits offered to plan members and their beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute.

The financial objective of a defined benefit pension plan is to fund the long-term cost of benefits provided to the plan participants. In order to assure its financial soundness and sustainability, the plan should accumulate adequate resources in a systematic and disciplined manner over the active service life of benefitting employees. This Policy outlines the practices the District will utilize to address its actuarially determined contributions to fund the long-term cost of benefits to the Pension Plan participants and annuitants.

Pension Costs and Liabilities. In order to fund its employees' pension benefits, the District is required to make contributions (a portion of which may come from the employees) to CalPERS. CalPERS then invests these contributions to generate returns to help fund the pension benefits. The regular required contributions, known as the "normal cost," are calculated as a percent of salaries and represent the annual cost of service accrual for the upcoming fiscal year for active employees. If, for any reason, the actual Pension Plan experience and investment performance fall short of the actuarial assumptions, the Pension Plan can become underfunded, (i.e. the Pension Plan's Normal Accrued Liability exceeds the Plan's market value of assets). This shortfall is known as the Unfunded Accrued Liability (the "UAL") and usually has to be covered by the District through a series of UAL Payments, which are above and beyond the "normal cost" contributions. The UAL Payments are calculated in total dollar amounts, not as a percent of salaries.

The UAL can be caused by multiple factors, including but not limited to, changes to CalPERS' actuarial amortization policy, retroactive pension benefit enhancements, investment underperformance, actuarial assumption changes, demographic factors, and discount rate reductions.

UAL is Debt. The UAL balance at any given point in time is a debt of the District owed to CalPERS which is amortized over a set period of time with interest accruing at the present rate of 7%. However, this debt can be prepaid at any time without penalties. Recognizing the UAL as debt helps the District identify proper steps to address it and minimize the associated financing costs.

Ongoing CalPERS Practices. Every year CalPERS prepares updated actuarial valuation reports for each of the District's Pension Plans wherein it calculates the District's total pension liability as of the end of the prior fiscal year. If the investment performance during that fiscal year was different from the discount rate used by CalPERS, or if CalPERS made any changes to its actuarial assumptions, or if the actual demographic or compensation experience within the Pension Plans was different from the actuarial assumptions, new line items, or UAL amortization "bases," may be added to the UAL balance. Such UAL amortization bases may be positive (indicating funding shortfall for the Pension Plans) or negative (indicating funding surplus for the Pension Plans). Since CalPERS can add new UAL amortization bases every year, the Pension Plans must be monitored annually and managed continually – there is no one-time solution.

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CalPERS has adopted the UAL amortization methods that were meant to help public agencies “ease into” paying for the UAL increases. New UAL amortization bases are implemented incrementally, with a five-year ramp-up period, and at times include additional small increases in each of the subsequent years. The ramp-up period, while reducing the impact in the near term, increases the overall UAL repayment costs for the District. Since the UAL balances accrue interest at the rate that is equal to the CalPERS discount rate (presently 7%), the delayed payments prior to the commencement of the amortization and the reduced payments during the ramp-up period that do not fully cover the interest costs result in negative amortization, causing further increases to the UAL balance. To help reduce the overall costs of the UAL repayment, this Policy encourages level annual payments (i.e., no ramp-up) whenever possible.

Section 4. Policy

A. **UAL Funding Objective of 95 Percent or Greater.** It is the District’s policy to strive to achieve and maintain a UAL funded level for each Pension Plan of at least 95%, but never dropping below 85%. Achieving and maintaining the 95% funded level ensures that the ongoing contributions of the District and its employees – and therefore the taxpayer funds – are properly funding the retirement benefits of today’s workers. This concept is commonly referred to as the intergenerational equity. Falling short of this funded level forces future taxpayers to pay the costs of the poor planning and execution of today’s Pension Plans. The reason for the funded level goal of 95% rather than 100% is to allow some cushion for the possibility that good investment returns in a given year might push the funded level of a Pension Plan above 100% (commonly referred to as “superfunded status”), which means that the District and its employees had contributed into the Pension Plan more than was necessary. Thus, while the District remains committed to the 100% funded level, it shall manage the 5% differential through its own investment process by creating the “Pension Rate Stabilization Fund” discussed below. Therefore, any UAL below the 95% funded level should be paid down as soon as possible.

Guidance: To achieve this Funding Objective, this Policy provides the following guidance:

1. **Pre-Pay the Entire Annual UAL Payment by July 31st of each year.** On or before July 1st of each year, the District receives its annual CalPERS UAL invoice. The District has two payments options. The invoice can be paid in equal monthly increments or be fully pre-paid at the beginning of the fiscal year by July 31st. By prepaying the entire invoice amount due by July 31st, the District can concurrently save 3.5% compared to making the monthly payments. As such, every effort should be made to pre-pay the UAL payment upon receipt of the annual invoice.
2. **Pre-Pay UAL from Reserves, One-Time Revenues and Fund Surpluses.** Reserves (often invested in LAIF) rarely earn returns that can offset the interest rate that CalPERS charges on the outstanding UAL balance (presently 7%). Supplemental contributions into the Pension Plans from available reserves, one-time revenues and fund surpluses can generate substantial long-term net savings. Each supplemental contribution, referred to by CalPERS as an Additional Discretionary Payment (ADP), reduces the UAL balance, the Annual Required Contributions (ARC) for future years, and the total interest costs associated with the UAL. Therefore, during each budget cycle, the District staff shall review all available reserves, one-time revenues and

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fund surpluses to determine whether any such funds could be used to make an ADP to pay down the UAL, keeping in mind budgetary constraints and the prudence of maintaining adequate reserves, but balancing the fiscal soundness of eliminating the high-interest (presently, 7%) UAL debt. ADPs should not adversely affect the general operations and fiscal soundness of the District.

Additionally, reserve policies should take into consideration the possibility of financing capital improvement projects and major equipment purchases with low tax-exempt interest rate debt and weigh it against the interest costs related to having outstanding UAL.

3. **Utilize Savings Achieved from Refunding Outstanding Debt to Pre-Pay UAL.** During each budget cycle, the District staff should review all outstanding long-term debt of the District to determine whether a refunding of such debt might result in net present value savings of greater than 3%, and if so, consider a structure and strategy that frontloads the savings, which can then be used to pay down the UAL.
4. **Sources of Revenue.** All fees, rates and charges should incorporate full allocation of pension costs for employees providing associated services. While some funds cannot contribute more than their fair share (i.e., enterprise funds), they should not contribute less than their fair share. District staff shall review allocation of labor costs to proprietary and other funds to ensure full reimbursement of the pension cost burden. The District staff shall provide, or cause to be provided, consistent and well-documented methodology for pension cost allocation to all funds.
5. **Pension Obligation Bonds.** The District shall consider issuing pension obligation bonds (POBs) to refund the UAL, in part or in whole, if such bonds are expected to produce minimum cash flow savings of at least 5%, taking into account all debt service and costs of issuance associated with such bonds, in comparison to CalPERS' respective UAL amortization schedule and the then-current discount rate. POBs shall not utilize derivatives / swaps and should be structured with reasonable and flexible call provisions. POBs shall be used only to prepay the UAL liabilities, and shall not be used to finance normal cost payments. The issuance of POBs must be voted upon and approved by the Board.

To the extent directed by the Board after due consideration, annual savings achieved by issuing the POBs should be used to either (i) directly prepay new UAL amortization bases as they arise, (ii) make deposits into the Pension Rate Stabilization Fund, (iii) offset General Fund operational costs, and/or (iv) fund any other legally permissible activities of the District.

During each budget cycle, a recommendation for the actual savings allocation should be partially determined based upon CalPERS' latest actuarial valuation report and most recent fiscal year investment returns. If the investment returns are below the discount rate, the District should allocate a higher portion of savings to fund future UAL costs (either making an ADP towards the newest bases first and/or making a deposit into the Pension Rate Stabilization Fund). Alternatively, if the investment returns are higher than the discount rate, then the District may allocate more of the savings to offset General Fund operational costs or to other uses.

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UNFUNDED ACCRUED LIABILITY MANAGEMENT POLICY**

6. **Pension Rate Stabilization Fund.** The District staff shall research and bring to Board for consideration the possibility of establishing a Pension Rate Stabilization Fund, either self-managed or a Section 115 trust fund managed by a third-party investment manager. The Pension Rate Stabilization Fund will have funds deposited into it at the discretion of the Board, based on recommendations made by the District staff during the annual budget process. Funds in the Pension Rate Stabilization Fund should only be used to manage the District's pension benefits costs in accordance with the goals and objectives set forth in this Policy.

7. **Annual Review of the CalPERS Actuarial Valuation Reports and Associated Tasks.** The District staff shall review or cause to be reviewed the annual CalPERS actuarial valuation reports within 30 days of their release by CalPERS, which usually takes place during the month of August. The review should focus on identifying the annual increases to the UAL and quantifying their cost implications. The District staff should annually reach out to the District's CalPERS actuary to request a calculation of flat payments (rather than ramp-up payments) for all outstanding and new UAL amortization bases. In making ADPs, the District staff shall determine or cause to be determined the optimal application of the ADPs to the outstanding UAL amortization bases to achieve desired budgetary outcomes.

B. Transparency and Reporting. Funding of the Pension Plans should be transparent to all stakeholders, including plan participants, annuitants, the Board, and District residents. To achieve this Policy objective, copies of the annual actuarial valuation reports for each Pension Plan shall be made available to the Board, and shall be posted on the District's website. The District's audited financial statements shall also be posted on the District's because they include, among other things, information on the District's current and future annual Pension Plan contributions as well as the funded status of each Pension Plan.

C. Annual Budget to Contain Policy Directed Information. The District's annual operating budget shall consider the items specified in this Policy for inclusion in each such annual budget.

D. Review of Policy. Funding a defined benefit pension plan requires a long-term horizon planning approach. This Policy is intended to provide general objectives and guidelines, which will require periodic review and constant update to consider changes in the District's financial position and Pension Plan funded status over time. As such, the Board will review this Policy at least every two years.