

**STAFF REPORT - AGENDA ITEM #7.1**  
**BOARD OF DIRECTORS MEETING**  
**September 13, 2018**

TO: Board of Directors, Aptos/La Selva Fire Protection District

FROM: Tracy New, Director of Business Services

SUBJECT: Item 7.1 Motion to approve Resolution 8-18 FY 2018/19 Final Budget

Summary:

The Fire Protection District Law requires the District adopt a final budget by October 1<sup>st</sup>.

Recommended Action:

Adopt Resolution 8-18 approving the FY 2018/19 final budget, as submitted.

Background:

At the June regular board meeting, the board adopted the FY 2018/19 preliminary budget. Following the adoption of the preliminary budget, Division Chiefs and program managers reviewed their budgets to ensure they would be able to meet program goals and objective within the fiscal year. The Fire Chief and Director of Business Services met with Division Chiefs and finalized the the District's budget for presentation to the Board of Directors.

The Final Budget presented contains the following assumptions and planned projects or program costs in addition to recurring operating expenditures.

- Assumed revenue growth of 4.0% based on county projections.
- Scheduled replacement of
  - Water tender \$350k
  - Self-Contained Breathing Apparatus (SCBA) \$325k
- Training \$191k
- Career development training \$60k
- Hydrant infill projects \$20k
- General election \$50k
- Legal service \$100k
- Division Chief and Captain promotional testing \$28k
- Contract for personnel services including fire inspector and administrative support \$70k
- California Public Employees Retirement System \$1.8 mil
- Recent emergency reponse through an Assistance by Hire (ABH) agreement with CalFire and California Fire Assistance Agreement with California Office of Emergency Services. The emergency response overtime costs are reimbursed \$150k.
- Washer extractors (3) for turnouts \$45k.

	Prelim Budget	Final Budget	Difference
Revenues	\$12,665,875	\$12,773,886	\$ 108,011
Less:			
Salaries and Benefits	\$ 9,287,339	\$ 9,905,180	\$ 617,841
Services and Supplies	\$ 1,669,675	\$ 1,635,501	(\$ 34,174)
Contingencies	\$ 100,000	\$ 100,000	\$ 0
Fixed Assets	\$ 711,600	\$ 786,600	\$ 75,000
Total Appropriations	\$11,768,615	\$12,427,281	\$ 658,667
Excess/ (Deficiency)	\$ 897,261	\$ 346,605	(\$550,656)

Fiscal Impact:

A balanced FY 2018/19 final budget.  
 Overall change to preliminary budget adopted in June.

\$108,011 Increase in revenues  
(\$658,667) Increase in appropriations  
 (\$550,656) Decrease in contribution to general fund balance

Staff Contact for Further Information:

Tracy New, Director of Business Services  
[tracyn@aptosfire.com](mailto:tracyn@aptosfire.com)  
 (831) 685-6690

Attachment: Resolution 8-18 FY2018/19 Final Budget

**BEFORE THE BOARD OF DIRECTORS  
OF THE  
APTOS/LA SELVA FIRE PROTECTION DISTRICT**

**RESOLUTION NO. 8-18**

On the motion of Director \_\_\_\_\_  
Duly seconded by Director \_\_\_\_\_

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
APTOS/LA SELVA FIRE PROTECTION DISTRICT  
ADOPTING THE FINAL BUDGET FOR FISCAL YEAR 2018-19**

WHEREAS, the District has complied with Sections 29080 and 29081 of the Government Code,

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Directors of the Aptos/La Selva Fire Protection District that in accordance with Section 29089 of the Government Code, the Final Budget for FY2018-19 is hereby adopted as follows:

INDEX NO.	ACCT NO.	ACCOUNT	FY 2018/19 BUDGET
		REVENUES	
680410	40100	PROPERTY TAX - SEC GEN	\$ 11,587,570
680410	40110	PROPERTY TAX - UNSEC GEN	\$ 222,331
680410	40130	PROP TAX - PRIOR UN GEN	\$ 12,813
680410	40150	SUPP PROP TAX - SEC GEN	\$ 210,750
680410	40196	FIRE PROTECTION TAX	\$ 131,015
680410	40430	INTEREST	\$ 26,738
680410	40830	ST HO PROP TAX RELIEF	\$ 70,029
680410	40894	STATE -OTHER	\$ 150,000
680410	41617	EMS REVENUE (EMSIA)	\$ 239,728
680410	41654	EMP MEDICAL CHARGES	\$ 10,910
680410	42047	OTHER CHARGES	\$ 20,000
680410	42072	WEED ABATEMENT	\$ 13,000
680410	42384	OTHER REVENUE	\$ 72,000
680410	42450	SALE OF FIXED ASSETS	\$ 7,000
		<b>TOTAL REVENUES</b>	<b>\$ 12,773,886</b>

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SALARIES/BENEFITS			
680410	51000	REGULAR SALARIES	\$ 4,765,981
680410	51005	OVERTIME (OT)	\$ 919,030
680410	55020	SICK LEAVE PAYOFF	\$ 235,687
680410	51025	CALL BACK OVERTIME (EOT)	\$ 170,000
680410	51035	HOLIDAY	\$ 366,194
680410	51040	DIFFERENTIAL PAY	\$ 14,619
<b>TOTAL SALARIES</b>			<b>\$ 6,471,510</b>
680410	52010	SOCIAL SECURITY	\$ 101,757
680410	52015	RETIREMENT	\$ 1,802,495
680410	53010	EMPLOYEE INSURANCE	\$ 993,795
680410	54010	WORKERS COMPENSATION	\$ 535,622
<b>TOTAL BENEFITS</b>			<b>\$ 3,433,669</b>
<b>TOTAL SALARIES/BENEFITS</b>			<b>\$ 9,905,180</b>
SERVICES & SUPPLIES			
680410	61110	CLOTHING/PERSONNEL SUP.	\$ 84,700
680410	61221	TELE/ELECTRONIC NETWORK	\$ 28,500
680410	61310	FOOD	\$ 11,630
680410	61312	INVENTORIAL ITEMS	\$ 106,217
680410	61425	HOUSEHOLD EXPENSE	\$ 11,452
680410	61535	LIABILITY/PROPERTY INS.	\$ 41,000
680410	61720	MAINT. MOBILE EQUIP.	\$ 108,100
680410	61725	MAINT. OFFICE EQUIP	\$ 831
680410	61730	MAINT. OPS EQUIP	\$ 44,050
680410	61732	MAINT. RADIO	\$ 10,000
680410	61845	MAINT. STRUCTURES/GRNDS	\$ 23,600
680410	61920	MEDICAL/LAB SUPPLIES	\$ 11,000
680410	62010	EMPL CERTIFICATES & LICENSES	\$ 5,500
680410	62020	MEMBERSHIPS	\$ 12,280
680410	62219	COMPUTER SOFTWARE	\$ 19,130
680410	62221	POSTAGE	\$ 5,900
680410	62223	SUPPLIES	\$ 74,850
680410	62301	AUDITING/ACCTG FEES	\$ 134,500
680410	62327	DIRECTORS' COMPENSATION	\$ 10,570
680410	62328	911 DISPATCH SERVICES	\$ 96,940
680410	62360	LEGAL SERVICES	\$ 100,000
680410	62367	MEDICAL SERVICES	\$ 20,000
680410	62378	PERSONNEL SERVICES	\$ 70,000
680410	62381	PROF. SERVICES	\$ 261,136
680410	62420	PUBLIC/LEGAL NOTICES	\$ 3,500
680410	62500	EQUIP LEASE/RENT	\$ 14,896
680410	62715	SMALL TOOLS/INSTR.	\$ 9,250
680410	62826	EDUCATION/TRAINING	\$ 94,340
680410	62890	SUBSCRIPTIONS/BOOKS	\$ 21,280

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680410	62914	ED/TRAINING TRAVEL	\$	48,300
680410	62920	GAS, OIL, FUEL	\$	33,600
680410	63070	UTILITIES	\$	25,100
680410	75231	CONTR TO OTH GOVT AGENCIES	\$	93,350
		<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$</b>	<b>1,635,501</b>
		<b>FIXED ASSETS</b>		
680410	86110	STRUCTURES/IMPROVEMENTS	\$	-
680410	86204	EQUIPMENT	\$	378,000
680410	86209	MOBILE EQUIPMENT	\$	408,600
		<b>TOTAL FIXED ASSETS</b>	<b>\$</b>	<b>786,600</b>
680410	98700	CONTINGENCIES	\$	100,000
		<b>TOTAL APPROPRIATIONS</b>	<b>\$</b>	<b>12,427,281</b>

**PASSED AND ADOPTED** by the Board of Directors of the Aptos/La Selva Fire Protection District, County of Santa Cruz, State of California, this 13th day of September 2018, by the following vote:

**AYES:**  
**NOES:**  
**ABSENT:**  
**ABSTAIN:**

\_\_\_\_\_  
 President of the Board of Directors

**ATTEST:**

\_\_\_\_\_  
 Secretary to the Board

**STAFF REPORT - AGENDA ITEM #7.2**  
**BOARD OF DIRECTORS**  
**September 13, 2018**

TO: Fire Board President and Board Members

FROM: Tracy New, Director of Business Services

SUBJECT: **Item 7.2 Motion to accept and file the CalPERS Safety Classic, Safety PEPRA, Miscellaneous Classic, and Miscellaneous PEPRA pension plan valuation reports as of June 30, 2017.**

Summary:

CalPERS actuaries prepare an annual valuation report providing each plan with their annual required contribution for the normal cost and the unfunded accrued liability (UAL).

The normal cost is the amount of benefit the member earns during the fiscal year, the unfunded liability is the result of the plan's assets falling below the value of benefits earned in previous years. Contributing factors to the unfunded status are early retirements (service or disability), investment earnings below target, maturing plans (more retirees than active members) and contribution amount less than estimated.

The pension plan valuation report as of June 30, 2017, provides the District with the minimum required contribution for the fiscal year 2019-20.

Recommended Action:

Accept and file the reports.

Agendize discussion of alternate amortization schedule at a future meeting. Each valuation report includes alternative amortization schedules that result in an estimate savings to the district between \$516,068 and \$849,889. The estimated savings come from accelerating the payback period from 30 years to 15 years for the largest estimated savings at \$849,889, and \$516,068 it to 20 years for all plans.

Background:

The District contracts with CalPERS to administer their defined benefit pension plan which is part of a multiple-employer risk sharing pool. Contributions to CALPERS are divided into employer and employee contributions. The combination of these contributions and investment income from CALPERS' investments are structured to fund the employees' retirement benefits by the time the employees retire.

**STAFF REPORT - AGENDA ITEM #7.2**

**BOARD OF DIRECTORS**

**September 13, 2018**

Fiscal Impact:

CalPERS Plan Employer Cost	Normal Cost	Unfunded Liability	% of Est. Payroll
Safety Classic	\$739,734	\$1,057,185	48.760%
Safety PEPRA	\$134,032	\$ 7,076	13.722%
Miscellaneous Classic	\$ 31,427	\$ 33,596	29.790%
Miscellaneous PEPRA	\$ 9,605	\$ 3,065	9.214%
Total	\$914,798	\$1,100,922	

Total estimate for FY19/20 based on payroll projection is \$2,015,720.

Budget for FY18/19 is \$1,802,495, the increase in FY 19/20 is partly attributed to the phase in of lower discount rate and the lower than expected investment earnings.

Attachments:

Annual valuation reports for the Safety Classic, Safety PEPRA, Miscellaneous Classic, and Miscellaneous PEPRA Aptos/La Selva Fire Protection District plans as of June 30, 2017.

Staff Contact for Further Information:

Tracy New, Director of Business Services

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