



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

Rancho Santa Fe FPD
Board/Community Room – 16936 El Fuego
Rancho Santa Fe, California 92067

September 9, 2009
Regular Session 1:00 pm

RULES FOR ADDRESSING BOARD OF DIRECTORS

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

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

Pledge of Allegiance

- 1. Roll Call**
- 2. Public Comment**
- 3. Motion waiving reading in full of all Resolutions/Ordinances**

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

4. Consent Calendar

- a. Board of Directors Minutes
 - i) Board of Directors minutes of August 19, 2009 (Regular meeting)
ACTION REQUESTED: **APPROVE**

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

b. Receive and File

i) Monthly/Quarterly Reports – ACTION REQUESTED: **INFORMATION**

(1) List of Demands

| | |
|---|----------------------|
| Check 19670 thru 19772 for the period August 1 – 31, 2009 totaling: | \$1,574,357.78 |
| Payroll for the period August 1 – 31, 2009 | <u>\$ 457,362.09</u> |
| TOTAL DISTRIBUTION | \$2,031,719.87 |

(2) REVISED Statement of Cash Assets – June 30, 2009

(3) Activity Reports – August 2009

- Fire Prevention
- Operations
- Training

(4) District Articles – August 2009

(5) Correspondence - letters/cards were received from the following members of the public:

- San Miguel Consolidated Fire Protection District
- Julia
- Gay Hugo-Martinez

5. Old Business

a. None

6. Public Hearing

a. Final Budget Fiscal Year 2009/2010

To call for any taxpayer to appear and be heard regarding the increase, decrease or omission of any budget item, or for the inclusion of additional items prior to adoption by the Board of Directors

ACTION REQUESTED – **PUBLIC INPUT**

7. New Business

a. Final Budget FY 2009/2010

To discuss and/or approve Final Budget for FY10

ACTION REQUESTED: **ADOPT**

8. Resolution/Ordinance

a. Resolution No. 2009-05

To discuss and/or adopt Resolution No. 2009-05 – *entitled* a Resolution of the Board of Directors of the Rancho Santa Fe Fire Protection District Adopting the Fire Mitigation Fee Fund Multi-Year Plan

ACTION REQUESTED: **ADOPT**

9. Oral Reports

a. Fire Chief – Pavone

- i) Fairbanks Ranch Replacement Fire Station – Update
- ii) District Activities

b. Operations – Deputy Chief Michel

c. Training – Battalion Chief Davidson

d. Fire Prevention - Fire Marshal Hunter

e. Administrative Manager – Rannals

- i) Potential Impact of CalPERS Employer Rates for FY11, FY 12, FY13, FY 14 & FY15

- f. Board of Directors
 - i) North County Dispatch JPA – Update
 - ii) County Service Area – 17 – Update
 - iii) Comments

10. Closed Session

- a. With respect to every item of business to be discussed in closed session pursuant to Government Code Section 54956.8
Conference with negotiators for the following real property:
18029 Calle Ambiente, Rancho Santa Fe
Negotiating Parties: James Ashcraft, Director; John C. Tanner, Director; Nick Pavone, Fire Chief
Under Negotiation: Both Price and Terms of Payment
- b. With respect to every item of business to be discussed in closed session pursuant to Government Code Section 54957.6
CONFERENCE WITH LABOR NEGOTIATORS
Agency Negotiators: Jim Ashcraft, Randy Malin, Assigned Staff
Represented Employees: Rancho Santa Fe Professional Firefighters Association – Local 4349
Under Negotiation: A successor Memorandum of Understanding
- c. With respect to every item of business to be discussed in closed session pursuant to Government Code Section 54957.6:
CONFERENCE WITH LABOR NEGOTIATORS
Agency designated representatives: Nicholas G Pavone, Fire Chief
Employee organization: Unrepresented Employees
Position – Fire Chief (1); Deputy Chief (1); Battalion Chief (4); Fire Marshal (1); Administrative Manager (1)

11. Adjournment



RANCHO SANTA FE FIRE PROTECTION DISTRICT
Board of Directors Regular Meeting – Agenda
Wednesday, September 9, 2009 1:00 pm PST

CERTIFICATION OF POSTING

I certify that on September 4, 2009 a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Rancho Santa Fe Fire Protection District, said time being at least 72 hours in advance of the meeting of the Board of Directors (Government Code Section 54954.2)

Executed at Rancho Santa Fe, California on September 4, 2009

Karlana Rannals
Board Clerk



**RANCHO SANTA FE FIRE PROTECTION DISTRICT
REGULAR BOARD OF DIRECTORS MEETING
MINUTES – August 19, 2009**

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

Pledge of Allegiance

Fire Marshal Hunter led the assembly in the *Pledge of Allegiance*.

1. Roll Call

Directors Present: Ashcraft, Hickerson, Hillgren, Malin, Tanner

Directors Absent: None

Staff Present: Nick Pavone, Fire Chief; Tony Michel, Deputy Chief; Cliff Hunter, Fire Marshal; Bret Davidson, Battalion Chief; Mike Gibbs, Battalion Chief; and Karlana Rannals, Board Clerk

2. Public Comment

No one requested to speak to the Board.

3. Consent Calendar

MOTION BY DIRECTOR MALIN, SECOND BY DIRECTOR HICKERSON, CARRIED 5 AYES; 0 NOES; 0 ABSENT; 0 ABSTAIN to approve the Consent Calendar as submitted:

a. *Board of Directors Minutes*

i) MOTION BY DIRECTOR MALIN, SECOND BY DIRECTOR HILLGREN, CARRIED 5 AYES; 0 NOES; 0 ABSENT; 0 ABSTAIN to approve the Board of Directors minutes of July 8, 2009

ii) MOTION BY DIRECTOR MALIN, SECOND BY DIRECTOR HILLGREN, CARRIED 5 AYES; 0 NOES; 0 ABSENT; 0 ABSTAIN to approve the Board of Directors minutes of July 22, 2009

b. *Receive and File*

MOTION BY DIRECTOR MALIN, SECOND BY DIRECTOR HICKERSON, CARRIED 5 AYES; 0 NOES; 0 ABSENT; 0 ABSTAIN to receive and file:

i) Monthly/Quarterly Reports

(1) List of Demands

Check 19424 thru 19887 for the period July 1 – 31, 2009 totaling: \$ 495,811.06

Payroll for the period July 1 – 31, 2009 \$ 460,173.03

TOTAL DISTRIBUTION \$ 955,995.09

ii) Budget Review – July 1, 2008 – June 30, 2009

iii) Statement of Cash Assets – June 30, 2009

iv) Activity Reports – July 2009

(1) Fire Prevention

(2) Operations

(3) Training

v) District Articles – June 2009

vi) Correspondence

(1) Thomas Payne

4. Old Business

a. None

5. New Business

a. Notice to Withdraw Resolution No. 2008-14 *entitled* A Resolution of Necessity by the Board of Directors of the Rancho Santa Fe Fire Protection District, to Acquire Certain Real Property by Eminent Domain Proceedings and Directing the District Counsel to Commence an Action in the Superior Court for the Purpose of Acquiring Said Real Property

Chief Pavone reported that at the Board of Directors special meeting held July 22, 2009, the Board agreed to withdraw their interest in the Dacus property and proposed parking structure. The District's legal counsel has requested that the Board formalize their action and withdraw Resolution No. 2008-14 approved December 29, 2008.

MOTION BY DIRECTOR HICKERSON, SECOND BY DIRECTOR MALIN, CARRIED 5 AYES; 0 NOES; 0 ABSENT; 0 ABSTAIN to withdraw Resolution No. 2008-14 approved December 29, 2008.

b. Amendment to the Memorandum of Agreement Dated as of March 7, 1995 between the County of San Diego and Participating Cities and Jurisdictions Regarding the Implementation, Governance, Method of Funding and Costs of a Regional Radio System Providing Communication Services to Public Safety and Public Service Agencies Operating in San Diego County and Imperial County

Chief Pavone summarized the staff report. He reported that the original term of the agreement is 15 years and the current life of the radio system is expected to last another three years. The three-year extension to the Agreement will provide the County staff and the RCS Board of Directors sufficient time to assess future regional public safety communications requirements and develop plans for a replacement system. All other terms of the agreement remain unchanged. He recommended the Board of Directors approve the extension and authorize the Board President to execute the agreement.

MOTION BY DIRECTOR MALIN, SECOND BY DIRECTOR HILLGREN, CARRIED 5 AYES; 0 NOES; 0 ABSENT; 0 ABSTAIN to approve the 3-year extension to the Amendment to the Memorandum of Agreement dated March 7, 1995 and authorize the Board President to execute the agreement.

c. Easement – Sewer Lines & Appurtenances (Project Name: Fairbanks Ranch Fire Station Expansion)

Chief Pavone summarized the staff report. He reported that granting the easement to Rancho Santa Fe Community Services District is necessary to allow the neighboring property owner (Schoenfelder) the ability to have sewer service. The easement is for installation, construction, maintenance, repair, etc. for the extension of the main sewer line. He recommended the Board of Directors approve the easement and

authorize the Board President to execute the agreement.

MOTION BY DIRECTOR HILLGREN, SECOND BY DIRECTOR TANNER, CARRIED 5 AYES; 0 NOES; 0 ABSENT; 0 ABSTAIN to grant an easement to Rancho Santa Fe Community Services District and authorize the Board President to execute the agreement.

d. Prop 1A Loan Securitization Program by California Communities

Chief Pavone informed the Board of an opportunity that is available to the Fire District to replace the 8% anticipated loss of property taxes to the State of California. As part of the Budget package, local governments have the opportunity to receive the monies being borrowed by the State upfront through a securitization financing offered by California Communities, a joint powers authority sponsored by the League of California Cities and California State Association of Counties. California Communities will issue bonds securitizing the future payments by the State and remit the proceeds of the bonds to the local governments who opt to participate in the securitization. The State will then repay the bondholders, to pay off the outstanding bonds including interest costs. He reported that the local agency has no indebtedness and there is no cost to participate in the program. He informed the Board that no action is requested. There are other questions about the program and the District's participation is currently being researched. Staff responded to questions from the Board. There was no action taken by the Board of Directors.

e. Meeting Schedule – November 11, 2009

Chief Pavone informed the Board that the regular Board of Directors meeting scheduled for November 11, 2009 is a federal holiday. The administrative office will be closed on that day, and he requested the Board select a new meeting date. After review of the calendar, it was agreed to reschedule the regular meeting to November 18, 2009 at 1:00 pm.

MOTION BY DIRECTOR HILLGREN, SECOND BY DIRECTOR MALIN, CARRIED 5 AYES; 0 NOES; 0 ABSENT; 0 ABSTAIN to move and calendar the November regular meeting for November 18, 2009 commencing at 1:00 pm.

6. Oral Reports

a. Fire Chief – Pavone

He reported on the following topics:

- Fairbanks Ranch Replacement Fire Station – Update: the project is scheduled for August 28 @ 9am at the Planning Commission meeting. The Commission will make a recommendation to the Board of Supervisors. He encouraged board member attendance to support the project.
- Interim Fire Station - He has signed the lease agreement for the temporary modular building. He is working through the logistical issues (power, water, telephone, cable, and sewer) to get the building ready for occupancy. The permit process is moving along in the County system.
- Management Services Contract – the Chief Officers attended the first operational meeting on August 18. The meeting went well as there was a good spirit of cooperation to work through the

Minutes

Rancho Santa Fe Fire Protection District Board of Directors

August 19, 2009

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many questions that everyone has to make this contract work. He informed the Board that there might be a need to have a special meeting to discuss and/or approve the management services contract.

- Rancho Santa Fe School – the District has been requested to provide comment to the request for a negative declaration, which means that the school district’s plans have no negative impact to the immediate neighborhood. Staff is currently drafting a letter to address the prevention and response issues. Staff will attempt to attend the public meeting scheduled for October 1.
- District Activities
 - Pancake Breakfast: Tentatively scheduled for October 11, 2009.

b. Operations – Deputy Chief Michel

He reported on the following topics:

- Significant calls include:
 - OES Engine responded to Santa Cruz on a strike team response
 - Fuel moistures remain at a critical level
 - Country Friends awarded a \$2,000 grant for an AED to be placed at a local school

c. Training – Battalion Chief Davidson

Chief Davidson summarized the monthly training activity, which included:

- RSF Personnel participated in:
 - Hose Lays at RSF2 Training Tower
 - Highway Safety Class

d. Fire Prevention – Fire Marshal Hunter

- Reviewed new construction statistics
- Distributed statistics for the removal of the dead eucalyptus trees
- Distributed statistics for the Shelter in Place communities
- Staff and CERT volunteers distributed approximately 5,000 “Before the Threat” packages in the 4S Ranch area
- Participated at a meeting in the Del Dios community to help residents prepare for the upcoming fire season. Approximately 100 residents attended.

e. Administration – Administrative Manager Rannals

- Requested that the Finance Ad hoc Subcommittee attend a meeting with the auditors scheduled for September 2. Director Malin agreed to participate.
- Reminder of the CalPERS Conference scheduled for October 26-28, 2009. Director Malin agreed to attend.

f. Board of Directors

- North County Dispatch JPA – Update – Director Ashcraft: next meeting October 1, 2009
- County Service Area 17 – Update – Director Hickerson: no report
- Comments:
 - Hickerson – building construction will increase as a new neighborhood was sold to a builder in the 4S Ranch area

The meeting recessed for ten-minutes.

7. Closed Session

Pursuant to the following Government Code Section, the Board of Directors convened in Closed Session from 2:53 – 3:15 pm for discussions on the following:

- a. Conference with negotiators for the following real property, pursuant to Government Code Section 54956.8
 - 1. 18029 Calle Ambiente, Rancho Santa Fe
Negotiating Parties: James Ashcraft, Director; John Tanner, Director; Nick Pavone, Fire Chief
Under Negotiation: Both Price and Terms of Payment
- b. With respect to every item of business to be discussed, pursuant to Government Code Section 54957.6
CONFERENCE WITH LABOR NEGOTIATORS
Agency Negotiators: Jim Ashcraft, Randy Malin, Assigned Staff
Represented Employees: Rancho Santa Fe Professional Firefighters Association – Local 4349
Under Negotiation: A successor Memorandum of Understanding
- c. With respect to every item of business to be discussed, pursuant to Government Code Section 54957.6
CONFERENCE WITH LABOR NEGOTIATORS
Agency designated representative: Nicholas G Pavone, Fire Chief
Employee Organization: Unrepresented Employees
Position – Fire Chief (1); Deputy Chief (1); Battalion Chief (4); Fire Marshal (1); Administrative Manager (1)

President Ashcraft reported that an update was provided to the board members for agenda item 7.a and direction was provided to staff and negotiators regarding the pursuit of real property at 18029 Calle Ambiente. NOTE: All members of the Board and staff listed attended the Closed Session.

President Ashcraft also reported that the Board was provided an update from the negotiators for agenda item 7.b and 7.c. and direction was provided. NOTE: All members of the Board listed attended the Closed Session.

8. Adjournment

Meeting adjourned at 3:16 pm.

Karlana Rannals
Secretary

James H Ashcraft
President

| Checks | Amount | Vendor | Purpose |
|---------------|---------------|-------------------------------------|--|
| 19670 | \$707.30 | Accme Janitorial Service Inc | Admin Building Monthly Cleaning |
| 19671 | \$98.89 | AT&T | Telephone |
| 19672 | \$869.58 | AT&T Calnet 2 | Telephone |
| 19674 | \$341.80 | Blend | Outside Printing & Binding |
| 19675 | \$1,098.00 | Charles Z Fedak & Company | Accounting-Audit Services |
| 19676 | \$1,426.76 | Corporate Clothiers Inc | Uniform - Safety Personnel |
| 19677 | \$142.63 | Fire ETC Inc | Apparatus Tool/Equipment Replacement |
| 19679 | \$272.43 | G S A | Apparatus Tool/Equipment Replacement |
| 19680 | \$731.16 | Galls Retail | Uniform - Prevention/Safety Personnel |
| 19682 | \$108.00 | IAAP | Association Dues |
| 19684 | \$75.00 | K & K Coatings | Station Maintenance |
| 19686 | \$48.86 | Metro Fire & Safety Inc | Station Replacement |
| 19688 | \$75.00 | Myers-Stevens & Toohey Co Inc. | Disability/Life Insurance |
| 19690 | \$2,819.39 | North County EVS Inc | Apparatus Scheduled Maintenance/Repair/Tools |
| 19691 | \$643.86 | Olivenhain Municipal Water District | Water |
| 19692 | \$107,618.91 | PERS | PERS (Employer Paid) |
| 19695 | \$428.84 | Santa Fe Irrigation District | Water |
| 19696 | \$30.00 | SDCFCA -EMS Section | Association Dues |
| 19697 | \$4,985.00 | Shapouri Engineering Company Inc | FBR #3 Replacement |
| 19698 | \$108.73 | Shore, Stuart W. | Station Maintenance |
| 19700 | \$200.50 | Terminix International | Monthly Service Agreement |
| 19701 | \$3,159.79 | The SoCo Group Inc | Gasoline & Diesel Fuel |
| 19702 | \$1,483.78 | ThyssenKrupp Elevator Inc | Elevator Service |
| 19703 | \$127.18 | U P S | Shipping Service |
| 19704 | \$4,811.36 | U S Bank Corporate Payment System | Cal-Card./IMPAC program |
| 19705 | \$1,084.39 | Verizon Wireless | MDT Broadband + ATN Line/Cellular |
| 19706 | \$818.23 | Waste Management Inc | Trash Disposal |
| 19707 | \$65.14 | Willis, Erwin L. | Computer Equipment/Parts |
| 19708 | \$5,000.00 | WinTech Computer Services | Consulting Services |
| 19709 | \$150.00 | All Star Glass | Vehicle Repair |
| 19710 | \$882.01 | AT&T Calnet 2 | Telephone |

| Checks | Amount | Vendor | Purpose |
|---------------|---------------|-------------------------------------|--|
| 19711 | \$200.41 | Business Machines Unlimited | Office Supplies |
| 19712 | \$292.59 | Complete Office of California Inc | Office Supplies |
| 19713 | \$2,464.50 | County of SD/RCS | 800 MHz Network Admin Fees |
| 19714 | \$131.39 | HSBC Business Solutions | Janitorial Supplies |
| 19715 | \$93.00 | IAAP | Association Dues |
| 19716 | \$19,901.00 | Jeff Katz Architecture | FBR #3 Replacement |
| 19717 | \$2,552.34 | North County EVS Inc | Apparatus Repair/Scheduled Maintenance |
| 19718 | \$2,357.72 | Physio-Control Corp. Inc. | CSA-17 - Supplies |
| 19719 | \$95.00 | Prime Business Systems Inc | Equipment - Minor |
| 19720 | \$11,103.42 | Rancho Santa Fe Association | Admin Building/Parking |
| 19721 | \$50.00 | Rannals, Karlana | FBR #3 Replacement |
| 19722 | \$4,222.31 | San Diego Gas & Electric | Elec/Gas/Propane |
| 19723 | \$700.00 | Santa Fe Irrigation District | Vehicle Site Rental |
| 19724 | \$2,583.75 | Stephen J Fitch & Associates | Legal Services |
| 19726 | \$3,205.33 | The SoCo Group Inc | Gasoline & Diesel Fuel |
| 19727 | \$26.82 | U P S | Shipping Service |
| 19728 | \$210.00 | VFIS | Suppression Local Conf/Seminars |
| 19730 | \$74.00 | Drager Inc | Fit Testing Supplies |
| 19731 | \$19.03 | Fire ETC Inc | Safety Clothing |
| 19732 | \$524.37 | Galls Retail | Safety Clothing |
| 19733 | \$2,758.87 | Guardian Life Insurance Co | Dental Insurance |
| 19734 | \$59,902.44 | Health Net | Medical Insurance |
| 19735 | \$469.58 | Home Depot, Inc | Hydrant/Station/Landscape Maintenance Supply |
| 19736 | \$240.00 | Hunter, Clifford F | On Line Services |
| 19737 | \$4,792.28 | L N Curtis & Sons Inc | Rescue Equipment |
| 19738 | \$239.00 | New Earth Enterprises Inc | Landscaping Maintenance Service |
| 19739 | \$900.00 | Olivenhain Municipal Water District | FBR #3 Replacement |
| 19740 | \$25.00 | RSFPFA | Firefighters Assn. |
| 19741 | \$1,967.28 | San Diego Gas & Electric | Elec/Gas/Propane |
| 19742 | \$7,712.00 | Shapouri & Associates | FBR #3 Replacement |
| 19743 | \$430.89 | The Lincoln National Life Ins Co | Disability/Life Insurance |

RANCHO SANTA FE FIRE PROTECTION DISTRICT

| Checks | Amount | Vendor | Purpose |
|-----------|----------------|---|---|
| 19744 | \$1,825.87 | The SoCo Group Inc | Gasoline & Diesel Fuel |
| 19745 | \$20.00 | U P S | Shipping Service |
| 19746 | \$522.29 | United Imaging | Office Supplies |
| 19747 | \$7,500.00 | Cnty of SD DPLU | FBR #3 Replacement |
| 19748 | \$1,275,000.00 | Rancho Santa Fe Fire Protection Distric | Re-deposited Funds set aside for purchase of Dacus property |
| 19749 | \$355.00 | A to Z Plumbing Inc | Station Maintenance |
| 19750 | \$1,279.65 | Aair Purification Systems Reinhart Corp | Apparatus Parts & Supplies |
| 19751 | \$154.85 | AT&T | Telephone |
| 19752 | \$263.94 | AT&T Calnet 2 | Telephone |
| 19753 | \$937.05 | Blend | Outside Printing & Binding |
| 19754 | \$317.00 | Cnty of SD DPLU | FBR #3 Replacement |
| 19755 | \$1,134.57 | Compressed Air Specialties Inc | BA Compressor Maintenance |
| 19756 | \$1,750.07 | Direct Energy Business - Dallas | Elec/Gas/Propane |
| 19757 | \$54.94 | Fire ETC Inc | Apparatus Parts & Supplies |
| 19758 | \$514.87 | Galls Retail | Uniform - Safety Personnel |
| 19759 | \$781.00 | HSBC Business Solutions | Janitorial Supplies |
| 19760 | \$1,054.70 | Jauregui & Culver Inc | Refuel Facility Repair |
| 19761 | \$147.00 | Jordan, Marshall W. | CSA-17 - Supplies |
| 19762 | \$780.00 | Lynx Technologies Inc | Mapping Services (ERM) |
| 19763 | \$212.41 | Miramar Ford Truck Sales Inc | Vehicle Repair |
| 19764 | \$805.04 | North County EVS Inc | Apparatus Tools/Equipment Repair |
| 19766 | \$55.00 | SoCal-FPO | Association Dues |
| 19767 | \$155.50 | Terminix International | Monthly Service Agreement |
| 19768 | \$33.09 | U P S | Shipping Service |
| 19769 | \$95.03 | Uniform Specialists Inc | Uniform - Safety Personnel |
| 19770 | \$220.00 | Vanguard Fire Protection Inc | Building Repair |
| 19771 | \$1,527.68 | Verizon Wireless | Cellular Phones New/Replacement/MDT Broadban + ATN Line |
| 19772 | \$379.51 | Willis, Erwin L. | Computer Equipment/Parts |
| | \$5,824.88 | Various | Medical Reimbursement |
| Sub-total | \$1,574,357.78 | | |

RANCHO SANTA FE FIRE PROTECTION DISTRICT

List of Demands - August 2009

| Checks | Amount | Vendor | Purpose |
|----------------------------|---------------------|-------------------------|---------|
| 15-Aug-09 | \$267,974.13 | Rancho Santa Fe Fire PD | Payroll |
| 31-Aug-09 | <u>\$189,387.96</u> | Rancho Santa Fe Fire PD | Payroll |
| Sub-total | \$457,362.09 | | |
| Grand Total \$2,031,719.87 | | | |

Prepared by Connie P Balignany

COMBINED SUMMARY STATEMENT CASH ASSETS LIABILITIES

Rancho Santa Fe Fire Protection District
FY 09

| | PERIODS (Unaudited) | | | | |
|---|----------------------------|----------------------|----------------------|----------------------|----------------------|
| | 30-Jun-08 | 30-Sep-08 | 31-Dec-08 | 31-Mar-09 | 30-Jun-09 |
| Assets | | | | | |
| Current Assets | | | | | |
| Cash | \$ 7,939,524 | \$ 6,127,155 | \$ 7,744,804 | \$ 7,645,617 | \$ 9,299,704 |
| GF Accounts Receivable | \$ 221,455 | \$ 46,749 | \$ 71,049 | \$ 94,672 | \$ 489,298 |
| ALS (Paramedic) | \$ 29,526 | \$ 40,943 | \$ 41,223 | \$ 41,511 | \$ 41,714 |
| MDC Reserve | \$ 21,750 | \$ 22,895 | \$ 46,719 | \$ 47,399 | \$ 47,399 |
| PASIS (Workers Compensation) | \$ 538,391 | \$ 546,174 | \$ 549,443 | \$ 551,925 | \$ 546,014 |
| PREPAID (Cap Assets) | \$ 51,000 | \$ - | \$ - | \$ - | \$ 58,788 |
| TOTAL ASSETS | <u>\$ 8,801,647</u> | <u>\$ 6,783,915</u> | <u>\$ 8,453,238</u> | <u>\$ 8,381,123</u> | <u>\$ 10,482,917</u> |
| Liabilities | | | | | |
| Current Liabilities | | | | | |
| Accounts Payable | \$ 219,782 | \$ 18,478 | \$ 49,925 | \$ 176,332 | \$ 331,004 |
| Accrued Expenses | \$ 210,435 | \$ 283,611 | \$ 218,916 | \$ 291,577 | \$ 210,347 |
| Other Payables | <u>\$ 128,726</u> | <u>\$ 128,726</u> | <u>\$ 128,726</u> | <u>\$ 128,726</u> | <u>\$ 128,726</u> |
| TOTAL LIABILITIES | \$ 558,943 | \$ 430,815 | \$ 397,568 | \$ 596,635 | \$ 670,076 |
| Long Term Liabilities | | | | | |
| Contract Compensation | \$ 379,424 | \$ 371,939 | \$ 385,294 | \$ 405,489 | \$ 388,267 |
| IBNR Liability (Workers Compensation) | \$ 86,037 | \$ 86,037 | \$ 86,037 | \$ 86,037 | \$ 111,199 |
| Soil Contamination | <u>\$ 6,106</u> | <u>\$ 6,106</u> | <u>\$ 6,106</u> | <u>\$ 6,106</u> | <u>\$ 6,106</u> |
| TOTAL LONG TERM LIABILITIES | \$ 471,567 | \$ 464,082 | \$ 477,437 | \$ 497,632 | \$ 505,572 |
| Fund Balance | | | | | |
| Restricted Reserves | | | | | |
| ALS / MDC Funds | \$ 62,455 | \$ 63,837 | \$ 88,166 | \$ 88,912 | \$ 47,571 |
| PASIS (Workers Compensation) | \$ 456,410 | \$ 464,187 | \$ 467,452 | \$ 467,452 | \$ 436,779 |
| General Fund Reserves | | | | | |
| Capital Replacement | \$ 3,000,000 | \$ 3,000,000 | \$ 3,000,000 | \$ 3,000,000 | \$ 3,272,646 |
| Operating | \$ 4,000,000 | \$ 1,818,182 | \$ 3,272,727 | \$ 1,090,909 | \$ 4,250,000 |
| Fund Balance Overage/(Deficit) | <u>252,272</u> | <u>542,812</u> | <u>749,889</u> | <u>2,639,583</u> | <u>1,300,272</u> |
| TOTAL FUND BALANCE | \$ 7,771,136 | \$ 5,889,018 | \$ 7,578,234 | \$ 7,286,857 | \$ 9,307,269 |
| TOTAL LIABILITIES & FUND BALANCE | <u>\$ 8,801,647</u> | <u>\$ 6,783,915</u> | <u>\$ 8,453,238</u> | <u>\$ 8,381,123</u> | <u>\$ 10,482,917</u> |
| Restricted Cash | | | | | |
| Fire Mitigation | \$ 4,622,010 | \$ 4,500,561 | \$ 4,609,568 | \$ 4,706,036 | \$ 4,809,821 |
| FMF Accounts Payable | | | | | \$ (362,514) |
| FMF Accounts Receivable | \$ 191,741 | \$ 71,471 | \$ 64,361 | \$ 80,891 | \$ 99,862 |
| FMF Interest | \$ - | \$ 37,533 | \$ 32,107 | \$ 22,695 | \$ 17,410 |
| | <u>\$ 4,813,751</u> | <u>\$ 4,609,565</u> | <u>\$ 4,706,036</u> | <u>\$ 4,809,622</u> | <u>\$ 4,564,579</u> |
| Combined Fund Total | <u>\$ 13,615,398</u> | <u>\$ 11,393,480</u> | <u>\$ 13,159,275</u> | <u>\$ 13,190,745</u> | <u>\$ 15,047,496</u> |

PLAN REVIEW

| RESIDENTIAL PLAN REVIEWS | Number of Structures | Sq Footage |
|--------------------------|----------------------|---------------|
| Fire Marshal | 6 | 54,638 |
| Fire Inspector | 3 | 11,889 |
| TOTAL | 9 | 66,527 |

| RESIDENTIAL ADDITIONS | Original Sq Footage | Added Sq Footage |
|-----------------------|---------------------|------------------|
| Fire Marshal | 3 | 1,742 |
| Fire Inspector | 0 | 0 |
| TOTAL | 3 | 1,742 |

| COMMERCIAL PLAN REVIEWS | Number of Structures | Sq Footage |
|-------------------------|----------------------|------------|
| Fire Marshal | 0 | 0 |
| Fire Inspector | 0 | 0 |
| TOTAL | 0 | 0 |

| TOTAL NEW CONSTRUCTION | | Sq Footage |
|--------------------------------------|--------------------|---------------|
| Based on permitted Sq footage | Total Added | 68,269 |

| FIRE SPRINKLER REVIEWS | Commercial | Residential |
|------------------------|------------|-------------|
| Fire Marshal | 0 | 0 |
| Fire Inspector | 1 | 5 |
| TOTAL | 1 | 5 |

| TENANT IMPROVEMENTS | Number of Structures | Sq Footage |
|---------------------|----------------------|------------|
| Fire Marshal | 0 | 0 |
| Fire Inspector | 0 | 0 |
| TOTAL | 0 | 0 |

| LANDSCAPE REVIEWS | Number of Reviews | Staff Hours |
|-------------------|-------------------|-------------|
| Urban Forester | 26 | 20.0 |
| TOTAL | 26 | 20.0 |

SERVICES PERFORMED

| DPLU - Fire Marshal | Number | Staff Hours |
|----------------------------|-----------|-------------|
| Project Availability Forms | 0 | 0.0 |
| Use Permits | 0 | 0.0 |
| Zaps | 0 | 0.0 |
| Administrative Review | 0 | 0.0 |
| Habit Plans | 0 | 0.0 |
| Approval Letters | 12 | 12.0 |
| TOTAL | 12 | 12.0 |

| INSPECTION SERVICES- All Staff | Number of Inspections | Staff Hours |
|--------------------------------|-----------------------|-------------|
| Undergrounds | 2 | 1.0 |
| Hydros | 31 | 27.0 |
| Finals | 32 | 36.0 |
| Landscape | 10 | 6.0 |
| Reinspections | 7 | 5.0 |
| Code Enforcement | 14 | 12.0 |
| Misc. | 12 | 12.0 |
| TOTAL | 108 | 99.0 |

| HAZARD INSPECTIONS - All Staff | Number of Inspections | Staff Hours |
|--|--------------------------------|---------------------------|
| Weed Abatement Inspection | 40 | 20.0 |
| Weed Abatement Reinspection | 121 | 38.5 |
| 1st Notice | 35 | 8.8 |
| 2nd Notice | 87 | 36.8 |
| Final Notice | 25 | 16.0 |
| Forced Abatement | 0 | 0.0 |
| Homeowner Meeting | 42 | 34.0 |
| TOTAL | 350 | 154.0 |
| Shelter-In-Place Community (Intern) | 2nd & Final Notices | Homeowner Meetings |
| Bridges Notices | 4 | 7 |
| Cielo Notices | 14 | 6 |
| Crosby Notices | 16 | 7 |
| Lakes Notices | 0 | 0 |
| TOTAL | 34 | 20.0 |

SERVICES PERFORMED

| GRADING - Fire Marshal | Number of Inspections | Staff Hours |
|-------------------------------|------------------------------|--------------------|
| Plan Review | 5 | 5.0 |
| Site Inspection | 0 | 0.0 |
| TOTAL | 5 | 5.0 |

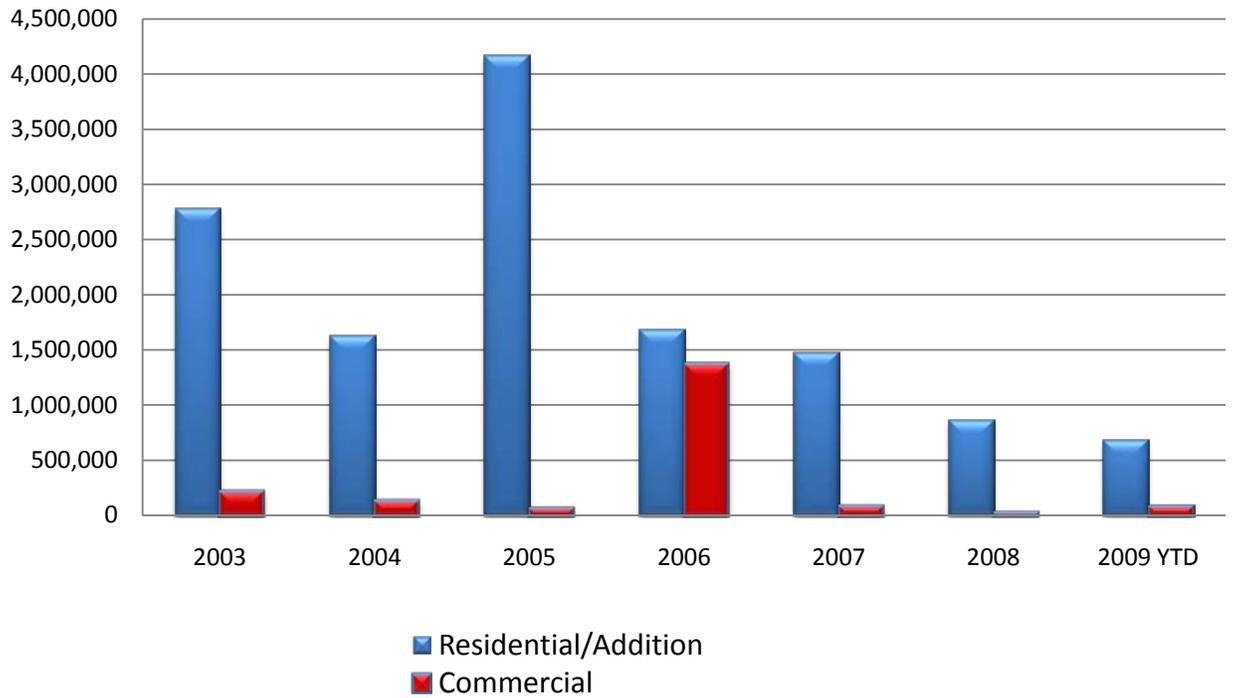
| SPECIAL PROJECTS - All Staff | Number of Inspections | Staff Hours |
|-------------------------------------|------------------------------|--------------------|
| GIS Mapping | 0 | |
| Fuels Mitigation | 0 | |
| Special Projects/Other | | 25.0 |
| Continuing Education (Staff Hours) | | |
| TOTAL | 0 | 25.0 |

| FIRE PREVENTION - All Staff | Number | Staff Hours |
|------------------------------------|---------------|--------------------|
| Incoming Phone Calls | 351 | 75.8 |
| Consultations | 10 | 10.0 |
| General Office | 0 | 0.0 |
| TOTAL | 361 | 85.8 |

| PUBLIC EDUCATION - PRC | Number | Staff Hours |
|--|---------------|--------------------|
| Web Master (Website hits and hours worked) | 2,608 | 18.0 |
| Graphic Design | | 0.0 |
| Communication & Relations | | 12.0 |
| Number of Releases | 5.0 | |
| Education: Design and Prepare | | 14.0 |
| Education: Presentations | 14,000.0 | 20.0 |
| Number Reached: Children | | |
| Number Reached: Adults | | |
| In Service Staff Training | | |
| Child Safety Seat Installations | 0.0 | 12.0 |
| Clerical | | 63.0 |
| Continuing Education | | 7.0 |
| Special Projects | | 0.0 |
| TOTAL | | 146.0 |

| Office Support Coordinator-Prevention | Number | Staff Hours |
|--|---------------|--------------------|
| Phone Calls (All Administrative Staff) | 650 | 32.5 |
| Walk in/Counter (All Administrative Staff) | 220 | 11.0 |
| Knox Application Request | 2 | 0.2 |
| UPS Outgoing Shipments | 5 | 0.4 |
| Plan Accepted/Routed | 39 | 6.5 |
| Training Classes: | | |
| Outside Meetings | | |
| TOTAL | | 50.6 |

Total Construction Per Square Footage



| Calendar Year | Residential/Addition | Commercial | Total |
|---------------|----------------------|------------|-----------|
| 2003 | 2,780,155 | 228,014 | 3,008,169 |
| 2004 | 1,626,386 | 142,969 | 1,769,355 |
| 2005 | 4,169,259 | 74,753 | 4,244,012 |
| 2006 | 1,682,953 | 1,375,623 | 3,058,576 |
| 2007 | 1,468,352 | 92,962 | 1,561,314 |
| 2008 | 864,159 | 35,264 | 899,423 |
| 2009 YTD | 679,875 | 90,332 | 770,207 |

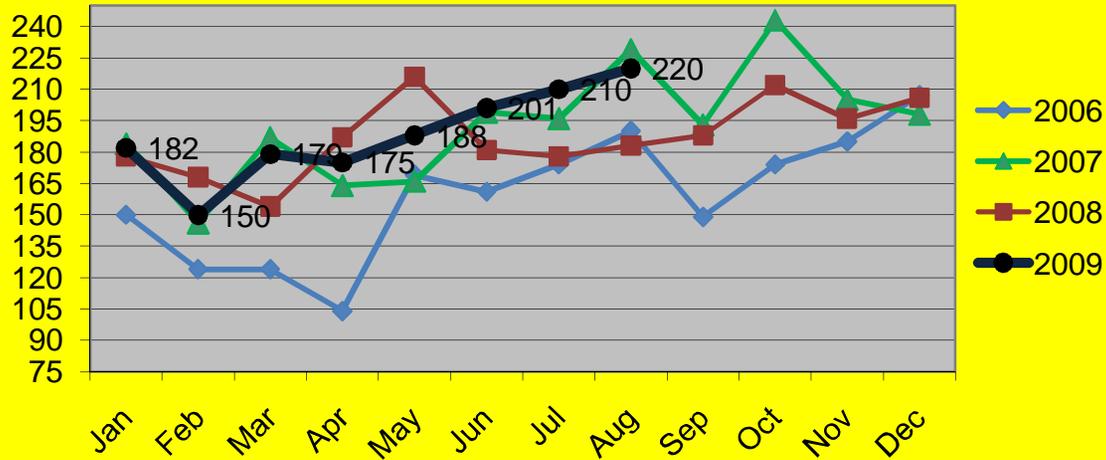
Comparison 2008/2009 Total Square Footage

| 2008 | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|---------|--------|--------|--------|---------|--------|---------|--------|---------|--------|--------|--------|
| | 166,243 | 42,871 | 54,537 | 52,307 | 172,708 | 15,308 | 17,050 | 40,658 | 141,204 | 85,693 | 83,616 | 27,228 |
| 2009 | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| | 68,294 | 65,561 | 47,061 | 62,307 | 171,971 | 53,878 | 142,534 | 68,269 | | | | |

Rancho Santa Fe Fire Protection District Incident Response Report

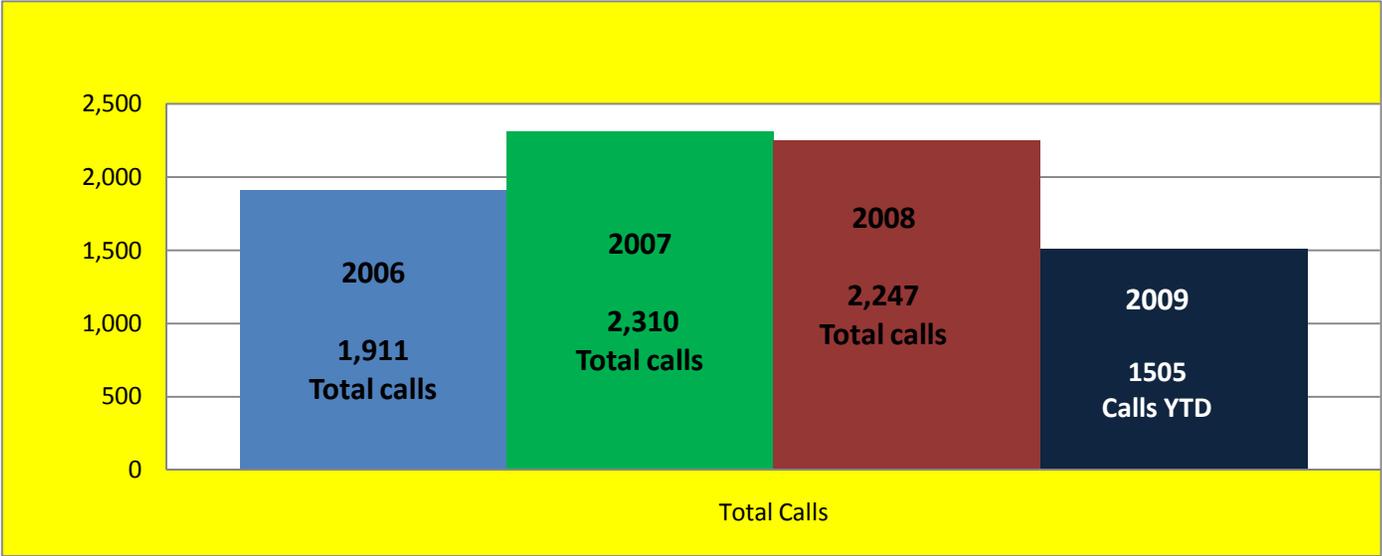
September 2009 Board Report

Four Year Monthly Response Comparison



| 2006 | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total Responses |
|-----------|-----|-----|-----|-----|-----|-------|-------|-------|-------|-------|-------|-------|-----------------|
| Responses | 150 | 124 | 124 | 104 | 169 | 161 | 174 | 190 | 149 | 174 | 185 | 207 | 1,911 |
| YTD | 150 | 274 | 398 | 502 | 671 | 832 | 1,006 | 1,196 | 1,345 | 1,519 | 1,704 | 1,911 | 18% increase |
| 2007 | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total Responses |
| Responses | 184 | 146 | 187 | 164 | 166 | 199 | 196 | 229 | 193 | 243 | 205 | 198 | 2,310 |
| YTD | 184 | 330 | 517 | 681 | 847 | 1,046 | 1,242 | 1,471 | 1,664 | 1,907 | 2,112 | 2,310 | 21% increase |
| 2008 | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD Responses |
| Responses | 178 | 168 | 154 | 187 | 216 | 181 | 178 | 183 | 188 | 212 | 196 | 206 | 2,247 |
| YTD | 178 | 346 | 500 | 687 | 903 | 1,084 | 1,262 | 1,445 | 1,633 | 1,845 | 2,041 | 2,247 | 2.7% decrease |

| 2009 | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD Responses |
|-----------|-----|-----|-----|-----|-----|-------|-------|-------|-----|-----|-----|-----|---------------|
| Responses | 182 | 150 | 179 | 175 | 188 | 201 | 210 | 220 | | | | | 1,505 |
| YTD | 182 | 332 | 511 | 686 | 874 | 1,075 | 1,285 | 1,505 | | | | | |



Incident Summary by Incident Type

Date Range: From 08/01/2009 To 08/31/2009

Incident Type(s) Selected: All

| Incident Type | Incident Count | Used in Ave. Resp. | Average Response Time hh:mm:ss | Total Loss | Total Value |
|----------------------|-----------------------|---------------------------|---|-------------------|--------------------|
| Fire | 5 | 3 | 00:06:00 | \$0.00 | \$0.00 |
| EMS/Rescue | 110 | 106 | 00:05:21 | \$0.00 | \$0.00 |
| Hazardous Condition | 8 | 7 | 00:06:02 | \$0.00 | \$0.00 |
| Service Call | 32 | 11 | 00:07:42 | \$0.00 | \$0.00 |
| Good Intent | 45 | 2 | 00:05:45 | \$0.00 | \$0.00 |
| False Call | 20 | 19 | 00:06:26 | \$0.00 | \$0.00 |
| Blank or Invalid | 4 | 0 | | \$0.00 | \$0.00 |
| Totals | 224 | 148 | | \$0.00 | \$0.00 |

Note: The incident count used in averages does not include the following:
Not Completed incidents, Mutual Aid Given, Other Aid Given, Cancelled in Route, Not Priority, Fill-In Standby, No Arrival and Invalid Dates/Times.

August 2009

| August 2009 | | | | | | | September 2009 | | | | | | |
|-------------|----|----|----|----|----|----|----------------|----|----|----|----|----|----|
| Su | Mo | Tu | We | Th | Fr | Sa | Su | Mo | Tu | We | Th | Fr | Sa |
| 2 | 3 | 4 | 5 | 6 | 7 | 1 | 6 | 7 | 1 | 2 | 3 | 4 | 5 |
| 9 | 10 | 11 | 12 | 13 | 14 | 8 | 13 | 14 | 8 | 9 | 10 | 11 | 12 |
| 16 | 17 | 18 | 19 | 20 | 21 | 15 | 20 | 21 | 15 | 16 | 17 | 18 | 19 |
| 23 | 24 | 25 | 26 | 27 | 28 | 22 | 27 | 28 | 22 | 23 | 24 | 25 | 26 |
| 30 | 31 | | | | | 29 | | | 29 | 30 | | | |

| | Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|------------|--|---|---|---|---|---|---|
| | Jul 26 | 27 | 28 | 29 | 30 | 31 | Aug 1 |
| 7/26 - 31 | | | | | | | 8:00am ENC Proby Tr |
| 8/2 - 7 | 2 9:00am Ops Meeting; | 3 8:30am SDSME CE; St | 4 8:30am SDSME CE; Tε | 5 2614 - Snake Training 2614 - Snake Training 8:30am SDSME CE; Tε | 6 9:00am 2613 Hose La 1:30pm 2614 Hose La | 7 9:00am 2613 Hose La 1:30pm 2614 Hose La | 8 Battalion Chiefs Drill; 8:30am Canceled: Bef |
| 8/9 - 14 | 9 | 10 Fire Prevention Inspe | 11 9:00am 2611 Pipeline 1:30pm 2612 Pipeline | 12 9:00am 2611 Pipeline 1:30pm 2612 Pipeline | 13 9:00am 2611 Pipeline 1:30pm 2612 Pipeline | 14 9:00am 2613 Hose La 1:30pm 2614 Hose La | 15 Battalion Chiefs Drill; |
| 8/16 - 21 | 16 | 17 Fire Prevention Inspe 8:30am Fac. Commit 8:30am Dolphin Fire f | 18 Fire Prevention Inspe | 19 9:00am 2613 Pipeline 1:30pm 2614 Pipeline | 20 9:00am 2613 Pipeline 1:30pm 2614 Pipeline | 21 9:00am 2613 Pipeline 1:30pm 2614 Pipeline | 22 9:00am 2614 - Snake |
| 8/23 - 28 | 23 | 24 8:00am L380 - Point of the Spear; Station 2; Training-Calendar | 25 Scripps FCA; TBA 8:00am Re-inspect an | 26 Scripps FCA; TBA 1:30pm test drill; Dale | 27 2614 - Snake Training 9:00am EMS Comitter | 28 6:00pm 9:00am 2614 - Snake | 29 Battalion Chiefs Drill; |
| 8/30 - 9/4 | 30 8:30am Ops; Tele-Vid 9:00am Ops meeting; | 31 Scripps FCA; TBA | Sep 1 | 2 | 3 | 4 | 5 |



San Miguel Consolidated Fire Protection District

Serving the communities of Casa de Oro, Grossmont/Mt. Helix, La Presa, Rancho San Diego, Spring Valley, and unincorporated areas of El Cajon and La Mesa

August 14, 2009

Fire Chief Nick Pavone
Rancho Santa Fe Fire Protection District
P.O. Box 410
16936 El Fuego
Rancho Santa Fe, CA 92067

Dear Chief Pavone,

I am writing to thank you for allowing Fire Marshal Cliff Hunter provide us with an independent peer review of a Fire Code related appeal to our Board of Directors. Cliff was extremely helpful, and we sincerely appreciate you allowing Cliff to take the time to provide us with this review.

Again, thank you very much for helping us out.

Sincerely,

August F. Ghio
Fire Chief

Dearest Finlaysters:

Troy, Ray + Mike

Thank you for everything.

Can't thank you enough
for helping Cadan on 8/11.

Just in case you don't remember
which kid he was, he's the
one fell off the jumpy. We
had hoped to see you all
when we brought a cake over
last wk, but no luck. Hopefully
there were some left overs for you.

Sincerely, Julia
(Cadan's mom)

Gay Hugo-Martinez

8-22-09

Dear Fire Chief Lawrence,

Our family had a great time at your Station #1 last night (Friday, August 21). The captain, fire fighters and EMTs were extremely hospitable. My husband loved sitting in the captain's chair during our ride in the fire engine. Our fire gear and grand daughter said they are just "excited and happy" and loved the "otidna," hat and ride in the fire truck. "Please thank Station #1's team for taking care."

Gay Hugo-Martinez

FY10

Rancho Santa Fe Fire Protection District Financial Plan - FINAL



Financial Plan – Final
September 2009

**RANCHO SANTA FE FIRE PROTECTION DISTRICT
RANCHO SANTA FE, CALIFORNIA**

**PRELIMINARY OPERATING AND CAPITAL BUDGET
Fiscal Year 2009-2010**

Board of Directors

James H. Ashcraft

President

Thomas R. Hickerson

Vice President

Nancy C. Hillgren

Director

Randall Malin

Director

John C. Tanner

Director

Nicholas G. Pavone

Fire Chief

Prepared by:

Karlana Rannals

Administrative Manager

Technical Assistance:

Tony Michel

Deputy Chief

Cliff Hunter

Fire Marshal

Fred Cox

Battalion Chief

Mike Gibbs

Battalion Chief

Jim Sturtevant

Battalion Chief

Bret Davidson

Battalion Chief



MISSION STATEMENT

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

OPERATING PHILOSOPHY

The Rancho Santa Fe Fire Protection District strives to:

- provide superior customer service;
- provide a professional, cost effective organization; and
- respond to the needs of the communities we serve.



Rancho Santa Fe Fire Protection District Final Budget – FY10

The Fire District proposed Final Operating and Capital Replacement Budget for FY10 is submitted to the Board of Directors for its review and consideration. The annual budget is the most significant tool available to the District to set priorities for the Rancho Santa Fe Fire Protection District over the next year and beyond. This narrative is intended to demonstrate that the District is fiscally prudent in proposing the necessary revenue and expenditures, while providing the highest level of emergency response, fire prevention, and administrative services.

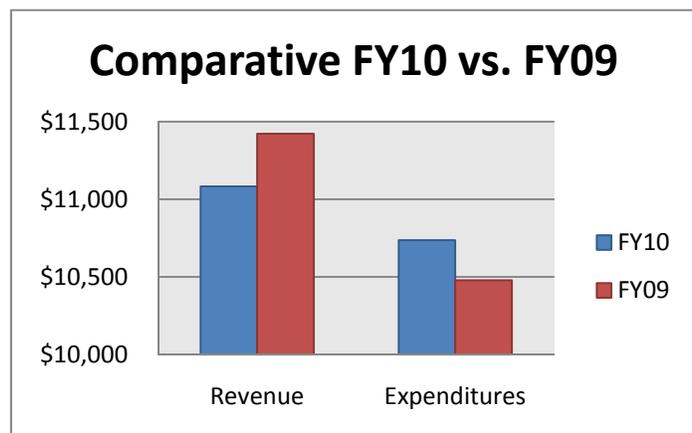
In analyzing the FY10 budget, you will notice that the estimated expenditures costs are higher than originally anticipated and budgeted in FY09. Due to the current financial outlook, staff has worked very hard to trim the budget further to a “maintenance level” with minimal increases from the approved FY09 budget. This is a result of staff’s proactive decision (mid-year) to review and reprioritize the budgeted expenditures.

This budget provides “higher level” summary information and a revised accumulated depreciation schedule. In addition, some categories have been deleted and items have been consolidated into other categories.

Overview

The following budget overview compares the proposed FY10 final budget to the unaudited operating expenditures for FY09 with an overall increase of 2.4%. This year we are requesting a FY10 Operating Budget of \$10,738 (*in thousands*), which includes \$629 for Depreciation Expenses.

The following Operating Budget categories highlight the changes between the Preliminary and Final Budget.





Projected Revenues

We are projecting general fund revenues of \$11,083, which is a decrease of -2.9% over last year's unaudited revenues. We have added anticipated revenues (\$281,850 prorated) for a fire management services contract that will provide Battalion Chief Duty coverage to neighboring jurisdictions. These revenues provide \$346 revenue over expenditure base for the full budget.

In addition to these general funds, we are estimating that we will collect \$350 in restricted Fire Mitigation Fees and interest on these funds. We propose to expend \$5,405 of these restricted funds.

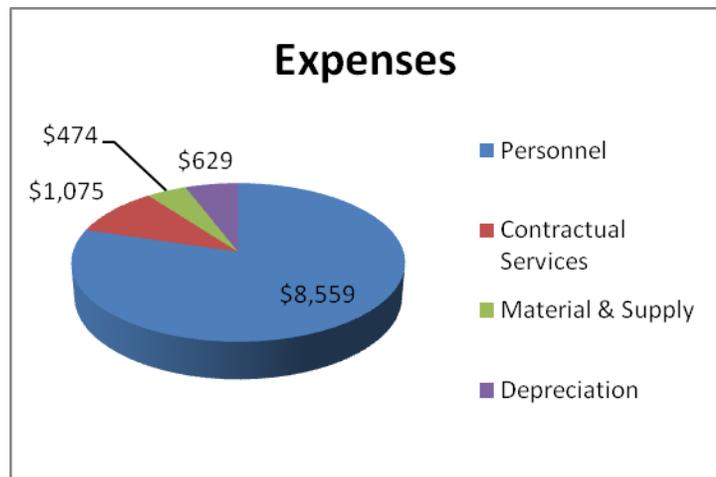
Change: Preliminary → Final Budget – Projected revenues: CSA-17 (↑\$9,250); Developer Reimbursement (↑\$28,000) based upon estimate for personnel costs; Fees (↑\$281,850) contract for management services providing Battalion Chiefs. Amount prorated for nine months; Grant (↑\$8,500) based on grant award.

Planned Operating Expenditures

The following is a summary of the expenditure changes between this budget, and the FY09 estimated final budget:

Personnel – \$8,559

Personnel costs increased 2.3% (\$194,434) over FY09 unaudited expenses. The primary changes are a 5.2% increase in payroll compensation; a 1.4% increase in benefits. The decreases are in the category of overtime and worker's compensation expenses. The personnel costs continue to include funding for a new administration (accounting) position and staff will propose to fund a temporary administrative captain position (\$107,853 prorated for 9 months).



Change: Preliminary (\$8,396) → Final Budget (\$8,559) – Personnel: Salaries/Wages (↑\$237,259) includes additional temporary Captain Position, prorated; Health Insurance + Health Retirement Savings Account (↑\$50,000) based upon increased contributions from unused sick leave.

Contractual Services- \$1,075

The Contractual Services category increased 4.4% (\$45,073) over FY09. This increase is primarily in the following areas: building/facility leases, equipment repairs, vehicle maintenance and repairs, other professional services, and utilities. This entire category has been modified to reallocate funds from service agreements, and materials and supplies. The decreases are in legal and soil contamination.

Change: Preliminary (\$1,075) → Final Budget (\$1,075) – Contractual Services: no significant adjustments.

Material & Supply – \$474

The Material and Supply category increased by 7.5% (\$33,097) over FY09. The primary increases are in fuel, medical supplies that is offset by the CSA-17 revenues, safety, program supplies, and station supplies/ replacements. The decreases were primarily in grants and radio.

Change: Preliminary (\$460) → Final Budget (\$474) – Material & Supply: Fuel (↑\$15,887) increased cost; Medical Supplies (↑\$8,950) additional service agreements and cost of supplies; Station Maintenance (↑\$13,307) increases in services and supplies.

Depreciation – \$629

The Depreciation category decreased \$10,382 over FY09. Four vehicles in the District’s fleet reached full depreciation, new equipment was added to the equipment schedule, and pavers for RSF1 was added to the facility schedule.

Change: Preliminary (\$624) → Final Budget (\$629) – Minor adjustments were completed to the Facility and Fleet schedules based upon in service dates.

Capital Expenditures

The District’s Capital Replacement expenditures (Equipment, Facility, and Fleet totaling \$6,921) have three major projects anticipated for the FY10 year. The major funding source is with Fire Mitigation Fees, which are monies collected by the County on new construction and provided to the District for funding of capital facilities that are needed due to growth. The following is a list of projects planned:

| Expense/Project | Funding Source | Funding Source |
|--|--------------------|--------------------|
| | GF | FMF |
| Copier (Replacement)* | \$26,000 | |
| Replacement of Fairbanks Ranch Fire Station | \$665,238 | \$2,995,713 |
| Administration Building Remodel <i>(Tenant Improvements)</i> | \$32,111 | \$158,985 |
| DOC-Department Operations Center | \$4,200 | |
| Administration Parking Lot and/or New Building | \$750,000 | \$2,250,000 |
| Command Vehicle (Replacement) | \$38,321 | |
| | \$1,515,870 | \$5,404,698 |

*Note: The option of leasing a copier is under consideration.

other emergencies through prevention, preparedness, education, and response.

Budget Summary

Although revenue and expenditure projections are conservative, it may be necessary to revise the property tax receipts for the final budget by 8%. The State of California has chosen to impose reductions by suspending Prop 1A. The District is poised to deal with the potential fiscal challenges. The District is researching the opportunity to participate in the Prop 1A Securitization Program offered by California Statewide Communities Development Authority.

Staffing will remain at its current levels, although the budget continues to fund an additional administrative support position and will ask the Board of Directors to consider the addition of a temporary administrative captain position.

Continued care must be given to ensure that declining revenues and rising expenditures remain balanced. Staff continues to monitor the investment losses of the CalPERS portfolio, specifically the FY09 year, and the future impact those losses will have on employer rates. The management staff has been proactive and is to be commended for their tireless efforts in both research and preparation of the budget document.

FY10

OPERATING EXPENDITURES

GENERAL FUND

Summary of Revenues, Expenditures Operating Budget 2009-2010

| <i>(In Thousands)</i> | | Unaudited | Change | |
|--|-----------------|-----------|---------|--------|
| | GF - 10 | GF - 09 | | % |
| REVENUES | | | | |
| Total Revenues | \$11,083 | \$11,415 | (\$332) | -2.9% |
| EXPENDITURES | | | | |
| Total Operating Expenditures | \$10,738 | \$10,486 | \$252 | 2.4% |
| Operating Surplus (Deficit) | \$346 | \$929 | (\$584) | -62.9% |

Summary Revenues, Expenditures - Operating Budget 2009-2010

| <i>(In Thousands)</i> | | Unaudited | Change | |
|--|-----------------|-----------|---------|--------|
| REVENUES | GF - 10 | GF - 09 | | % |
| Total Revenues | \$11,083 | \$11,415 | (\$332) | -2.9% |
| EXPENDITURES | | | | |
| Personnel | \$8,559 | \$8,365 | \$194 | 2.3% |
| Contractual Services | \$1,075 | \$1,030 | \$45 | 4.4% |
| Materials & Supplies | \$474 | \$441 | \$33 | 7.5% |
| Other Expenditures (Projects/Equipment/Prior Year) | \$0 | \$11 | (\$11) | |
| Depreciation | \$629 | \$640 | (\$10) | -1.6% |
| Total Operating Expenditures | \$10,738 | \$10,486 | \$252 | 2.4% |
| Operating Surplus (Deficit) | | | | |
| | \$346 | \$929 | (\$585) | -63.0% |

Summary - Operating Revenues 2009-2010

| <i>(In Thousands)</i> | | Unaudited | Change | |
|---------------------------------|------------------------|-----------------|----------------|-------------|
| REVENUES | GF - 10 | GF - 09 | | % |
| Taxes & Assessments | <u>\$9,792</u> | \$9,856 | (\$64) | -0.6% |
| Benefit Fee | <u>\$243</u> | <u>\$243</u> | <u>\$0</u> | <u>0.0%</u> |
| Subtotal | <u>\$10,036</u> | \$10,099 | (\$64) | -0.6% |
| Developer Reimbursement/Revenue | | | | |
| 4S Ranch | <u>\$0</u> | \$0 | \$0 | |
| Rancho Cielo | <u>\$103</u> | <u>\$123</u> | (\$20) | -16.1% |
| Subtotal | <u>\$103</u> | \$123 | (\$20) | -16.1% |
| Other Revenue | | | | |
| Plan Checks | <u>\$114</u> | \$114 | \$0 | 0.0% |
| Administrative Fee (JPA/SB) | <u>\$358</u> | \$101 | \$258 | 256.5% |
| Interest | <u>\$189</u> | \$189 | \$0 | 0.0% |
| Lease | <u>\$144</u> | \$190 | (\$47) | -24.6% |
| Instructor/Training | <u>\$16</u> | \$9 | \$7 | 81.4% |
| Grant | <u>\$11</u> | \$89 | (\$78) | -87.6% |
| FF/EMS Reimbursement | <u>\$25</u> | \$418 | (\$393) | -94.0% |
| Other | <u>\$88</u> | <u>\$84</u> | <u>\$4</u> | <u>4.2%</u> |
| Subtotal | <u>\$945</u> | \$1,193 | (\$249) | -20.9% |
| Total Operating Revenues | <u>\$11,083</u> | <u>\$11,415</u> | <u>(\$332)</u> | -2.9% |

Summary Expenditures - Operating Budget 2009-2010

| (In Thousands) | GF - 10 | Unaudited GF - 09 | Change \$ | % |
|--|----------|----------------------|--------------|--------|
| EXPENDITURES | | | | |
| Personnel | | | | |
| Payroll | | | | |
| Salary | \$4,788 | \$4,551 | \$237 | 5.2% |
| Emergency Response Compensation | \$0 | \$0 | \$0 | |
| Holiday Pay | \$156 | \$149 | \$8 | 5.1% |
| Overtime | \$981 | \$1,068 | (\$87) | -8.2% |
| Paramedic Incentive | \$17 | \$17 | \$0 | 0.0% |
| Subtotal | \$5,942 | \$5,784 | \$158 | 2.7% |
| Benefits | | | | |
| Health Insurance + HRSA | \$996 | \$975 | \$21 | 2.2% |
| Life/LTD Insurance | \$10 | \$6 | \$3 | 48.5% |
| Medicare/Social Security | \$75 | \$68 | \$7 | 10.4% |
| Retirement | \$1,378 | \$1,331 | \$47 | 3.5% |
| Unemployment | \$15 | \$11 | \$4 | 34.0% |
| Workers Compensation | \$127 | \$170 | (\$42) | -25.0% |
| Other | \$17 | \$20 | (\$3) | -13.0% |
| Subtotal | \$2,617 | \$2,581 | \$37 | 1.4% |
| TOTAL | \$8,559 | \$8,365 | \$194 | 2.3% |
| Contractual Services | | | | |
| Administration Fees | \$154 | \$152 | \$2 | 1.6% |
| Building/Facility Lease | \$12 | \$8 | \$4 | 42.9% |
| Dispatching | \$114 | \$114 | \$0 | 0.4% |
| Equipment Rental & Repairs | \$29 | \$12 | \$17 | 145.3% |
| Insurance | \$63 | \$61 | \$3 | 4.6% |
| Legal | \$25 | \$26 | (\$1) | -2.5% |
| Meetings, Meals, Mileage | \$8 | \$8 | \$0 | -3.6% |
| Other Contractual/Professional Services | \$204 | \$195 | \$10 | 5.0% |
| Service Agreements | \$50 | \$37 | \$13 | 35.9% |
| Soil Contamination | \$5 | \$67 | (\$62) | -92.6% |
| Training | \$78 | \$70 | \$8 | 11.1% |
| Utilities | \$177 | \$146 | \$30 | 20.7% |
| Vehicle Maintenance & Repairs | \$133 | \$121 | \$13 | 10.4% |
| All Other | \$22 | \$14 | \$9 | 62.3% |
| TOTAL | \$1,075 | \$1,030 | \$45 | 4.4% |
| Materials & Supplies | | | | |
| Apparatus | \$32 | \$36 | (\$4) | -10.8% |
| Computer | \$53 | \$53 | \$0 | -0.4% |
| Fuel | \$70 | \$54 | \$16 | 29.2% |
| Grants | \$11 | \$14 | (\$3) | -23.8% |
| Office | \$46 | \$44 | \$2 | 5.4% |
| Safety | \$48 | \$48 | \$0 | 0.0% |
| Uniforms | \$28 | \$23 | \$5 | 21.8% |
| Programs/Public Education | \$11 | \$10 | \$0 | 2.4% |
| Hose, Nozzles, Foam | \$9 | \$9 | \$0 | -3.9% |
| Radio | \$25 | \$37 | (\$12) | -31.9% |
| Station Maintenance/Supplies/Janitorial | \$63 | \$51 | \$12 | 22.6% |
| All Other | \$79 | \$61 | \$18 | 28.9% |
| TOTAL | \$474 | \$441 | \$33 | 7.5% |
| Other Expenditures (Projects/Equipment/Prior Year) | | \$11 | (\$11) | |
| TOTAL | \$0 | \$11 | (\$11) | |
| Depreciation | | | | |
| TOTAL Operating Expenditures | \$629 | \$640 | (\$10) | -1.6% |
| TOTAL Operating Expenditures | \$10,738 | \$10,486 | \$251 | 2.4% |

RANCHO SANTA FE FIRE PROTECTION DISTRICT
ESTIMATED - CASH NET ASSETS FOR FISCAL YEAR 09-10; 10-11
General Fund

| | FUND TOTAL - 10 | FUND TOTAL - 09 | FY Change | % |
|--|-----------------|-----------------|------------------|---------------|
| Cash - Beginning | \$9,662 | \$8,240 | | |
| June 30 Receivables | \$124 | \$518 | | |
| June 30 Restricted Cash & Cash Equivalents | \$275 | \$606 | | |
| June 30 Prepay | \$59 | \$51 | | |
| June 30 Transfer in (out) | \$363 | \$0 | | |
| | \$10,483 | \$9,415 | | |
| June 30 Liabilities | (\$1,176) | (\$1,070) | | |
| BEGINNING - NET CASH ASSETS | \$9,307 | \$8,344 | | |
| PROJECTED REVENUE | | | | |
| Taxes & Assessments | \$10,036 | \$10,099 | | |
| Interest | \$189 | \$189 | | |
| Developer Reimbursement | \$103 | \$123 | | |
| Lease Revenue | \$144 | \$190 | | |
| Other Revenue | \$140 | \$599 | | |
| Fees | \$472 | \$215 | | |
| Fire Mitigation Fees | \$0 | \$0 | | |
| Total Projected Revenue | \$11,083 | \$11,415 | | |
| PROJECTED EXPENDITURES | | | | |
| Personnel Costs | \$8,559 | \$8,365 | | |
| Maintenance & Operating Costs | \$1,550 | \$1,471 | | |
| Capital/Project Expenditures | | \$11 | | |
| Depreciation Expense | \$629 | \$640 | | |
| Total Operating Expenditures | \$10,737 | \$10,486 | | |
| Operating Surplus - \$ | \$346 | \$929 | | |
| Capital/Project Expenditures | (\$6,921) | (\$612) | | |
| Soil Contamination | \$0 | \$0 | | |
| SUBTOTAL | \$2,733 | \$8,661 | | |
| Liabilities <i>(includes soil contamination)</i> | (\$811) | (\$359) | | |
| Transfer in/out (FMF) | \$5,405 | \$364 | | |
| Depreciation Expense | \$629 | \$640 | | |
| ENDING - NET CASH ASSET (Deficit) | \$7,955 | \$9,307 | (\$1,351) | -14.5% |

FY10

CAPITAL EXPENDITURES

GENERAL FUND
&
FIRE MITIGATION FUND

SUMMARY OF PROPOSED CAPITAL EXPENDITURES - EQUIPMENT

FISCAL YEAR 09-10

| GENERAL FUND | | | | | | | | | |
|--|------|-----------|--------------------|-------------------|-----------|----------|----------|----------|----------|
| ASSETS | | | | | | | | | |
| Description | Year | Funding % | BUDGET FY 08/09 | Y-T-D FY 08/09 | FY 09/10 | FY 10/11 | FY 11/12 | FY 12/13 | FY 13/14 |
| Hydraulic Tool - 2611 | | 100% | | | | | | | |
| Copier (Replacement) | | | | \$ - | \$26,000 | | | | |
| SCBA | | | | | \$ - | | | | |
| Thermal Imager (Qty 2) - Replacement | | | \$ 20,000 | \$ 22,403 | \$ - | | | | |
| | | | \$ 20,000 | \$ 22,403 | \$ 26,000 | \$ - | \$ - | \$ - | \$ - |
| | | | | | | | | | |
| FIRE MITIGATION FUND | | | | | | | | | |
| ASSETS | | | | | | | | | |
| Description | Year | Funding % | FY 08/09 | Y-T-D FY 08/09 | FY 09/10 | FY 10/11 | FY 11/12 | FY 12/13 | FY 13/14 |
| Televideo Conference Equipment - <i>Carry Over Expenditure (05/06)</i> | | 100% | \$ 17,200 | \$ 17,059 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Proposed Asset Expenditures | | | \$ 17,200 | \$ 17,059 | \$ - | \$ - | \$ - | \$ - | \$ - |
| | | | | | | | | | |
| TOTAL | | | \$ 37,200 | \$ 39,461 | \$ 26,000 | \$ - | \$ - | \$ - | \$ - |

| SUMMARY OF PROPOSED CAPITAL IMPROVEMENT - FACILITY | | | | | | | | | | |
|--|---|-----------|-------------|--------------------|-------------------|--------------|--------------|----------|----------|----------|
| FISCAL YEAR 09-10 | | | | | | | | | | |
| GENERAL FUND | | | | | | | | | | |
| FACILITY REPLACEMENT - IMPROVEMENT | | | | | | | | | | |
| Project # | Description | Funding % | Project Est | BUDGET FY 08/09 | Y-T-D FY 08/09 | FY 09/10 | FY 10/11 | FY 11/12 | FY 12/13 | FY 13/14 |
| 03-01 | Replacement of Fairbanks Fire Station | 25% | | | | | | | | |
| | Engineering Services Replacement - RSF3 | 25% | \$300,000 | \$ 4,789 | \$ 24,589 | \$ 50,412 | | | | |
| | Actual Project Expenditures (to date) | | \$ 24,589 | | | | | | | |
| | Architectural Engineering Services Replacement - RSF3 | 25% | \$400,000 | \$ 100,000 | \$ 20,166 | \$ 79,834 | | | | |
| | Actual Project Expenditures (to date) | | \$ 20,166 | | | | | | | |
| | Land Acquisition | 25% | \$51,000 | \$ 6,250 | | | | | | |
| | Actual Project Expenditures (to date) - \$51,000 | | \$ 12,750 | | | | | | | |
| | Temporary Facility | 25% | \$200,000 | \$ 50,000 | \$ 15,008 | \$ 34,993 | | | | |
| | Actual Project Expenditures (to date) | | \$ 15,008 | | | | | | | |
| | Construction - Replacement of Fairbanks Fire Station (includes demolition) | 25% | \$4,250,000 | \$ 125,000 | \$ 53,490 | \$ 500,000 | \$ 500,000 | | | |
| | Actual Project Expenditures (to date) | | \$ 128,898 | | | | | | | |
| 04-01 | Administration Building Remodel - (Carry Over 03/04) Committee Approved \$73,689 | 16.8% | \$438,000 | | | | | | | |
| | Actual Project Expenditures (to date) | 16.8% | \$34,977 | \$ 39,757 | \$ 1,151 | \$ 32,111 | | | | |
| 04-01-A | Remodel - Fire Prevention Offices | 16.8% | | | | | | | | |
| 04-01-B | Remodel - Parking/Building Expansion | 16.8% | | | | | | | | |
| 06-01 | Utility Building - Phase 4 (4S) - Carry Over Expenditure (05/06) Committee Approved \$122,500.00 | 30% | \$189,000 | | | | | | | |
| 06-01 | Actual Project Expenditures | 30% | \$87,614 | | | | | | | |
| 08-01 | Pavers - RSF1 | 100% | \$44,000 | \$ 44,200 | \$ 44,734 | | | | | |
| 08-02 | Concrete - Training Facility (Ventilation Prop) | 100% | \$15,000 | | | | | | | |
| 09-01 | DOC - Department Operations Center | 100% | \$50,000 | \$ 50,000 | \$ 6,848 | \$ 4,200 | | | | |
| | Actual Project Expenditures (to date) | | \$ 6,848 | | | | | | | |
| 09-02 | Refuel Facility (modification) - RSF2 | 100% | | \$ 75,000 | | \$ - | \$ - | \$ - | \$ - | \$ - |
| | Administration Parking Lot and/or New Building Carry Over Expenditure (08/09) Committee Approved (08/09) | | | | | | | | | |
| 09-03 | | 25% | \$3,000,000 | \$ 500,000 | \$ - | \$ 750,000 | \$ - | \$ - | \$ - | \$ - |
| | SUBTOTAL | | | \$ 994,996 | \$ 165,985 | \$ 1,451,548 | \$ 500,000 | \$ - | \$ - | \$ - |
| FIRE MITIGATION FUND | | | | | | | | | | |
| FACILITY REPLACEMENT/IMPROVEMENT | | | | | | | | | | |
| Project # | Description | Funding % | Project Est | FY 08/09 | Y-T-D FY 08/09 | FY 09/10 | FY 10/11 | FY 11/12 | FY 12/13 | FY 13/14 |
| 03-01 | Replacement of Fairbanks Fire Station | 75% | | | | | | | | |
| | Engineering Services Replacement - RSF3 | 75% | \$300,000 | \$ 14,367 | \$ 73,766 | \$ 151,235 | | | | |
| | Actual Project Expenditures (to date) | | \$ 73,766 | | | | | | | |
| | Architectural Engineering Services Replacement - RSF3 | 75% | \$400,000 | \$ 300,000 | \$ 60,499 | \$ 239,501 | | | | |
| | Actual Project Expenditures (to date) | | \$ 60,499 | | | | | | | |
| | Land Acquisition | 75% | \$51,000 | \$ 18,750 | | | | | | |
| | Actual Project Expenditures (to date) - \$51,000 | | \$38,250 | | | | | | | |
| | Temporary Facility | 75% | \$200,000 | \$ 150,000 | \$ 45,023 | \$ 104,978 | | | | |
| | Actual Project Expenditures (to date) | | \$ 45,023 | | | | | | | |
| | Construction - Replacement of Fairbanks Fire Station (includes demolition) | 75% | \$4,250,000 | \$ 375,000 | \$ 160,470 | \$ 2,500,000 | \$ 500,000 | | | |
| | Administration Building Remodel - (Carry Over 03/04) Committee Approved \$364,311.01 | 83.2% | \$438,000 | | | | | | | |
| 04-01 | Actual Project Expenditures (to date) | 83.2% | \$173,177 | \$ 140,601 | \$ 5,696 | \$ 158,985 | | | | |
| 04-01-A | Remodel - Fire Prevention Offices | 83.2% | | | | | | | | |
| 04-01-B | Remodel - Parking/Building Expansion | 83.2% | | | | | | | | |
| 06-01 | Utility Building - Phase 4 (4S) - Carry Over Expenditure (05/06) Committee Approved \$122,500.00 | 70% | \$189,000 | | | | | | | |
| 06-01 | Actual Project Expenditures | 70% | \$122,500 | | | | | | | |
| | Administration Parking Lot and/or New Building Carry Over Expenditure (08/09) Committee Approved (08/09) | | | | | | | | | |
| 09-03 | | 75% | \$3,000,000 | \$ 1,500,000 | | \$ 2,250,000 | \$ - | \$ - | \$ - | \$ - |
| | SUBTOTAL | | | \$ 2,498,718 | \$ 345,453 | \$ 5,404,699 | \$ 500,000 | \$ - | \$ - | \$ - |
| | TOTAL | | | \$ 3,493,714 | \$ 511,438 | \$ 6,856,247 | \$ 1,000,000 | \$ - | \$ - | \$ - |

SUMMARY OF PROPOSED CAPITAL VEHICLE & APPARATUS REPLACEMENTS

FISCAL YEAR 09-10

| GENERAL FUND | | | | | | | | | | |
|--|------|-----------|--------------------|--------------------|-------------------|------------------|-------------------|-------------------|------------------|-------------------|
| VEHICLE & APPARATUS REPLACEMENT | | | | | | | | | | |
| ID/Vehicle Type | Year | Funding % | Exp Est | BUDGET FY 08/09 | Y-T-D FY 08/09 | FY 09/10 | FY 10/11 | FY 11/12 | FY 12/13 | FY 13/14 |
| 9611 - Engine - Type I | 1996 | 100% | \$490,000 | | | | | | | |
| 9561 - Brush (Type III) | 1996 | 100% | \$375,000 | | | | | | | |
| 0211 - Engine (Type I) | 2002 | 100% | \$550,000 | | | | | \$ 550,000 | | |
| | | | | | | | | | | |
| VEHICLE MODIFICATION | | | | | | | | | | |
| 0261 - Water Tender - Foam System | | | | \$ 18,000 | \$ - | | | | | |
| 0261 - Water Tender - Hydraulic Tank Rack Lift | | | | \$ 6,000 | \$ - | | | | | |
| | | | | | | | | | | |
| VEHICLE REPLACEMENT RESERVES | | | | | | | | | | |
| 0083 - Staff | 2000 | 100% | \$45,000 | | | | \$ 45,000 | | | |
| 0181 - Staff | 2001 | 100% | \$50,000 | \$ 50,000 | \$ 29,842 | | | | | |
| 0183 - Staff | 2001 | 100% | \$50,000 | | | | | | | |
| 0281 - Staff | 2002 | 100% | \$40,000 | | | | | | \$ 40,000 | |
| 0311 - Staff | 2003 | 100% | \$50,000 | | | | | | | \$ 550,000 |
| 0312 - Engine - Type 1 | 2003 | 100% | \$550,000 | | | | | | | |
| 0381 - Command | 2003 | 100% | \$50,000 | | | | \$ 65,000 | | | |
| 0382 - Staff | 2003 | 100% | \$45,000 | | | | | | \$ 45,000 | |
| 0383 - Command | 2003 | 100% | \$70,000 | \$ 70,000 | \$ 31,679 | \$ 38,321 | | | | |
| 0384 - Staff | 2003 | 100% | \$50,000 | \$ - | \$ - | \$ - | \$ - | \$ 50,000 | \$ - | \$ - |
| 0781 - Command | 2007 | 100% | \$85,000 | | | | | \$ 85,000 | | |
| 0881 - Command | 2008 | 100% | \$65,000 | | | | | | | |
| 0882 - Command | 2008 | 100% | \$65,000 | | | | | | | |
| 0981 - Staff | 2009 | 100% | \$35,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Proposed Vehicle Replacement | | | \$2,665,000 | \$ 144,000 | \$ 61,521 | \$ 38,321 | \$ 110,000 | \$ 685,000 | \$ 85,000 | \$ 550,000 |
| | | | | | | | | | | |
| FIRE MITIGATION FUND | | | | | | | | | | |
| VEHICLE & APPARATUS REPLACEMENT | | | | | | | | | | |
| ID/Vehicle Type | Year | Funding % | Exp Est | FY 08/09 | Y-T-D FY 08/09 | FY 09/10 | FY 10/11 | FY 11/12 | FY 12/13 | FY 13/14 |
| <i>Nothing planned</i> | | | | | | | | | | \$ - |
| TOTAL | | | | \$ 144,000 | \$ 61,521 | \$ 38,321 | \$ 110,000 | \$ 685,000 | \$ 85,000 | \$ 550,000 |

FY10

ORGANIZATION CHART
PERSONNEL
EQUIPMENT
FACILITY
FLEET

Board of Directors

Fire Chief

Fire Prevention Bureau

| | |
|------------------------------|--------------------|
| Code Development | Fire Investigation |
| Code Compliance | Public Information |
| Inspections | Hazard Abatement |
| Community Preparedness | Plan Review |
| Public Education / Relations | Planning |

Emergency Operations

| | | |
|----------------------------|-------------------------|--------------------------------|
| Emergency Scene Management | Safety Program | Fleet Maintenance |
| Pre Incident Planning | Training | Fuel Station(s) / Monitoring |
| Incident Documentation | Planning | Facilities / Maintenance |
| Hazardous Materials | Emergency Preparedness | Maps / GIS / Hydrants |
| Emergency Medical | Communications | Engine Company Programs |
| Technical Rescue | Performance Evaluations | Mutual Aid / Zone Coordination |

Administration

- Office Management
- Fiscal Oversight
- Budget
- Payroll
- Human Resources
- Accts receivable /payable
- Information Management

Fire Marshall (1)

EMERGENCY OPERATIONS Deputy Chief (1)

IT Tech (1)

ADMINISTRATIVE MANAGER (1)

Urban Forester (1)

Prevention Specialist (2)

Fire Prevention Assistant (1)

Battalion Chief: Training (1)

Battalion Chief (3)

Fire Service Assistant (1)

Accounting Specialist (2)

Staff Assistant (1)

Rancho Station 1

4-S Station 2

Fairbanks Station 3

Cielo Station 4

Captains (3)
Engineers (3)
FFPM (3)

Captains (3)
Engineers (3)
FFPM (3)

Captains (3)
Engineers (3)
FFPM (3)

Captains (3)
Engineers (3)
FFPM (5)
Firefighter (1)

Public Relations Coordinator (1)

AUTHORIZED PERSONNEL

| Positions | Authorized | Changes | FY10 |
|--|------------|----------|-----------|
| <i>Fire Administration</i> | | | |
| Fire Chief | 1 | 0 | 1 |
| Deputy Chief | 1 | 0 | 1 |
| Fire Marshal | 1 | 0 | 1 |
| Administrative Manager | 1 | 0 | 1 |
| Battalion Chief | 4 | 0 | 4 |
| Staff Assistant/Office Support Coordinator (Admin & Prevention) | 2 | 0 | 2 |
| Accounting Specialist | 2 | 0 | 2 |
| Fire Prevention Specialist | 2 | 0 | 2 |
| Public Relations Coordinator | 1 | 0 | 1 |
| Urban Fire Forester | 1 | 0 | 1 |
| Fire Services Assistant | 1 | 0 | 1 |
| <i>Suppression</i> | | | |
| Captain | 12 | 0 | 12 |
| Engineer | 12 | 0 | 12 |
| Firefighter | 1 | 0 | 1 |
| Firefighter/Paramedic | 14 | 0 | 14 |
| TOTAL | 56 | 0 | 56 |

2009-2010 Equipment - DEPRECIATION EXPENSE & ACCUMULATED RESERVES

| <i>Description</i> | <i>Cost</i> | <i>Addition</i> | <i>Date in Service</i> | <i>Year in Service</i> | <i>Depreciation Schedule - Years</i> | <i>Depreciation Annual Expense</i> | <i>Jun 2009 Accumulated Reserves</i> | <i>2010</i> | <i>2009/10 Depreciation Expense</i> | <i>Jun 2010 Accumulated Reserves</i> |
|---------------------------|---------------|-----------------|------------------------|------------------------|--------------------------------------|------------------------------------|--------------------------------------|-------------|-------------------------------------|--------------------------------------|
| Turnout Washer | \$ 52,595.00 | | 6/30/2005 | 2005 | 5 | 10,519.00 | 42,076.00 | 5.00 | 10,519.00 | 52,595.00 |
| Hydraulic Rescue Tool | \$ 22,400.00 | | 6/30/2005 | 2005 | 15 | 1,493.31 | 7,466.67 | 5.00 | 1,493.33 | 8,960.00 |
| File Server | \$ 16,279.35 | | 7/13/2005 | 2005 | 3 | 0.00 | 16,279.35 | 5.00 | 0.00 | 16,279.35 |
| Printer-Scanner-Plotter | \$ 23,536.62 | | 1/31/2007 | 2007 | 7 | 3,362.37 | 8,125.74 | 3.42 | 3,362.37 | 11,488.11 |
| Hydraulic Rescue Tool #2 | \$ 18,360.89 | | 1/1/2008 | 2008 | 15 | 1,224.06 | 1,836.09 | 2.05 | 1,224.06 | 3,060.15 |
| Thermal Imaging Camera #1 | \$ 11,201.25 | | 5/1/2009 | 2009 | 5 | 2,240.25 | 373.38 | 1.17 | 2,240.25 | 2,613.63 |
| Thermal Imaging Camera #2 | \$ 11,201.25 | | 5/1/2009 | 2009 | 5 | 2,240.25 | 373.38 | 1.17 | 2,240.25 | 2,613.63 |
| | \$ 155,574.36 | | | | | <u>21,079.25</u> | <u>76,530.58</u> | | <u>21,079.26</u> | <u>97,609.84</u> |
| | | | | | | | | | Acc Dep - 2009 | 76,530.58 |
| | | | | | | | | | Ann Dep - 2010 | 21,079.26 |
| | | | | | | | | | Adj Dep - 2010 | |
| | | | | | | | | | Acc Dep - 2010 | <u>97,609.84</u> |

2009-2010 STATION LOCATION - DEPRECIATION EXPENSE & ACCUMULATED RESERVES

| <i>Station Locations</i> | <i>Cost</i> | <i>Addition</i> | <i>Year in Service</i> | <i>Depreciation Schedule - Years</i> | <i>Depreciation Annual Expense</i> | <i>Jun 2009 Accumulated Reserves</i> | <i>2010</i> | <i>2009-10 Depreciation Expense</i> | <i>Jun 2010 Accumulated Reserves</i> |
|--|---------------------|-----------------|------------------------|--------------------------------------|------------------------------------|--------------------------------------|-------------|-------------------------------------|--------------------------------------|
| 16936-1/2 El Fuego (Admin) | 1,294,645.00 | | 1992 | 40 | \$ 32,366.13 | \$ 550,224.77 | 18.00 | \$ 32,366.13 | \$ 582,590.90 |
| Admin Bldg | 112,623.07 | | 2007 | 26 | \$ 4,331.66 | \$ 18,770.47 | 3.00 | \$ 4,331.66 | \$ 23,102.13 |
| 16936 El Fuego (Stn) | 2,922,332.00 | | 1999 | 40 | \$ 73,058.30 | \$ 730,583.80 | 11.00 | \$ 73,058.30 | \$ 803,642.10 |
| Pavers | 44,176.00 | | 2008 | 30 | \$ 1,472.53 | \$ 1,104.40 | 1.75 | \$ 1,472.53 | \$ 2,576.93 |
| 6424 El Apajo | 300,000.00 | | 1983 | 20 | | \$ 300,000.00 | 27.00 | \$ - | \$ 300,000.00 |
| 16930 Four Gee Road | 3,180,000.00 | | 2003 | 40 | \$ 79,500.00 | \$ 477,000.00 | 7.00 | \$ 79,500.00 | \$ 556,500.00 |
| 16930 Four Gee Road - Training Tower | 1,563,252.00 | | 2004 | 40 | \$ 39,081.30 | \$ 195,406.50 | 6.00 | \$ 39,081.30 | \$ 234,487.80 |
| Training Facility Concrete | 27,000.00 | | 2006 | 38 | \$ 710.53 | \$ 3,552.64 | 4.00 | \$ 710.53 | \$ 4,263.17 |
| 16930 Four Gee Road - Storage Facility | 190,225.35 | | 2007 | 40 | \$ 4,755.63 | \$ 9,511.27 | 1.00 | \$ 4,755.63 | \$ 14,266.90 |
| 18040 Calle Ambiente | <u>3,180,000.00</u> | | 2004 | 40 | \$ 79,500.00 | \$ 318,000.00 | 6.00 | \$ 79,500.00 | \$ 397,500.00 |
| | 12,814,253.42 | | | | <u>\$ 314,776.08</u> | <u>\$ 2,604,153.86</u> | | <u>\$ 314,776.08</u> | <u>\$ 2,918,929.95</u> |

| | | |
|----------------|--------|------------------------|
| Acc Dep - 2009 | 30-Jun | \$ 2,604,153.86 |
| Ann Dep - 2010 | | \$ 314,776.08 |
| Adj Dep - 2010 | | \$ - |
| Acc Dep - 2010 | 30-Jun | <u>\$ 2,918,929.95</u> |

2009-2010 Fleet Inventory & Est Cost Replacement Schedule

| Unit ID | Type | Year | Location | Replacement | Est Cost | | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 |
|---------|------------------|------|----------------------------|-------------|-------------|--|-----------|-----------|-----------|------------|-----------|------------|
| | | | | Year | Replacement | | | | | | | |
| 0383 | Command | 2003 | Deputy Chief - 2602 | 2008/2009 | \$70,000 | | \$ 70,000 | | | | | |
| 0381 | Command | 2003 | Training Chief | 2009/2010 | \$50,000 | | | \$ 50,000 | | | | |
| 0083 | Staff | 2000 | Fire Prevention | 2010/2011 | \$45,000 | | | | \$ 45,000 | | | |
| 0211 | Engine - Type I | 2002 | RSF2 | 2011/2012 | \$550,000 | | | | | \$ 550,000 | | |
| 0384 | Staff | 2003 | Fire Prevention | 2011/2012 | \$50,000 | | | | | \$ 50,000 | | |
| 0781 | Command | 2007 | Battalion Chief | 2011/2012 | \$85,000 | | | | | \$ 85,000 | | |
| 0281 | Staff | 2002 | Fire Prevention | 2012/2013 | \$40,000 | | | | | | \$ 40,000 | |
| 0382 | Staff | 2003 | Fire Prevention | 2012/2013 | \$45,000 | | | | | | \$ 45,000 | |
| 0311 | Engine - Type I | 2003 | FBR | 2013/2014 | \$550,000 | | | | | | | \$ 550,000 |
| 0312 | Engine - Type I | 2003 | Cielo | 2014/2015 | \$550,000 | | | | | | | |
| 0881 | Command | 2008 | Fire Chief | 2014/2015 | \$65,000 | | | | | | | |
| 0882 | Command | 2008 | Fire Marshal | 2014/2015 | \$65,000 | | | | | | | |
| 0981 | Staff | 2009 | Utility - RHO | 2014/2015 | \$35,000 | | \$ 29,842 | | | | | |
| 0982 | Staff | 2009 | Utility - RHO | 2014/2015 | \$65,000 | | | | | | | |
| 0261 | Water Tender | 2002 | RHO | 2016/2017 | \$300,000 | | | | | | | |
| 0262 | Brush - Type III | 2002 | 4S | 2017/2018 | \$390,000 | | | | | | | |
| 0811 | Engine - Type I | 2008 | RHO | 2018/2019 | \$600,000 | | | | | | | |
| 0561 | Brush - Type III | 2005 | RHO | 2020/2021 | \$400,000 | | | | | | | |
| 0181 | Staff | 2001 | Utility - RHO | | | | | | | | | |
| 9561 | Brush - Type III | 1996 | FBR | | | | | | | | | |
| RESERVE | | | | | | | | | | | | |
| 0182 | Command | 2001 | Reserve - Cielo | | | | | | | | | |
| 0183 | Command | 2001 | Reserve - RSF4 | | | | | | | | | |
| 0543 | Engine - Type I | 1989 | Reserve - (On Consignment) | | | | | | | | | |
| 9511 | Engine - Type I | 1995 | Reserve - RSF4 | | | | | | | | | |
| 9611 | Engine - Type I | 1996 | Reserve - RSF2 | | | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | | | | | \$3,955,000 | | \$ 99,842 | \$ 50,000 | \$ 45,000 | \$ 685,000 | \$ 85,000 | \$ 550,000 |

| Asset No | Description | Year | Location | Est Replacement | Actual Cost | Date in Service | Depreciation Schedule | Annual Depreciation | June 30, 2009 | | 2010 | | 2010 (Inc Adj) | June 30, 2010 Accumulated Depreciation |
|----------|------------------|------|----------------------------|-----------------|----------------|-----------------|-----------------------|---------------------|--------------------------|-------|---------------|------|-----------------|--|
| | | | | | | | | | Accumulated Depreciation | 2010 | 2010 | 2010 | | |
| 0383 | Command | 2003 | | 2008/2009 | \$34,881.00 | 30-Jun-04 | 5 | \$ - | \$ 34,881.00 | 7.00 | \$ - | \$ - | \$ 34,881.00 | |
| 0381 | Command | 2003 | | 2009/2010 | \$37,301.00 | 30-Jun-04 | 5 | \$ - | \$ 37,301.00 | 7.00 | \$ - | \$ - | \$ 37,301.00 | |
| 0083 | Staff | 2000 | | 2010/2011 | \$21,525.00 | 1-Jul-00 | 5 | \$ - | \$ 21,525.00 | 10.00 | \$ - | \$ - | \$ 21,525.00 | |
| 0211 | Engine - Type I | 2002 | | 2011/2012 | \$430,996.00 | 1-Jul-02 | 10 | \$ 43,099.60 | \$ 301,697.70 | 8.00 | \$ 43,099.60 | \$ - | \$ 344,797.30 | |
| 0384 | Staff | 2003 | | 2011/2012 | \$32,787.00 | 30-Jun-04 | 5 | \$ - | \$ 32,787.00 | 7.00 | \$ - | \$ - | \$ 32,787.00 | |
| 0781 | Command | 2007 | | 2011/2012 | \$64,814.02 | 31-Dec-06 | 5 | \$ 12,962.80 | \$ 33,853.97 | 3.50 | \$ 12,962.80 | \$ - | \$ 46,816.77 | |
| 0281 | Staff | 2002 | | 2012/2013 | \$20,843.00 | 1-Jul-02 | 5 | \$ - | \$ 20,843.00 | 8.00 | \$ - | \$ - | \$ 20,843.00 | |
| 0382 | Staff | 2003 | | 2012/2013 | \$29,640.00 | 30-Jun-04 | 5 | \$ - | \$ 29,640.00 | 7.00 | \$ - | \$ - | \$ 29,640.00 | |
| 0311 | Engine - Type I | 2003 | | 2013/2014 | \$412,007.00 | 30-Jun-04 | 10 | \$ 41,200.70 | \$ 206,003.50 | 7.00 | \$ 41,200.70 | \$ - | \$ 247,204.20 | |
| 0312 | Engine - Type I | 2003 | | 2014/2015 | \$412,007.00 | 30-Jun-04 | 10 | \$ 41,200.70 | \$ 206,003.50 | 7.00 | \$ 41,200.70 | \$ - | \$ 247,204.20 | |
| 0881 | Command | 2008 | | 2014/2015 | \$43,291.22 | 7-Nov-07 | 5 | \$ 8,658.24 | \$ 14,430.41 | 2.67 | \$ 8,658.24 | \$ - | \$ 23,088.65 | |
| 0882 | Command | 2008 | | 2014/2015 | \$44,174.30 | 1-May-08 | 5 | \$ 8,834.86 | \$ 10,307.34 | 2.17 | \$ 8,834.86 | \$ - | \$ 19,142.20 | |
| 0981 | Staff | 2009 | | 2014/2015 | \$29,842.38 | 1-Mar-09 | 5 | \$ 5,968.48 | \$ 1,989.49 | 1.33 | \$ 5,968.48 | \$ - | \$ 7,957.97 | |
| 0982 | Staff | 2009 | | 2014/2015 | \$42,294.21 | 30-Jun-09 | 5 | \$ 8,458.84 | \$ - | 1.00 | \$ 8,458.84 | \$ - | \$ 8,458.84 | |
| 0261 | Water Tender | 2002 | | 2016/2017 | \$204,528.00 | 1-Jul-02 | 15 | \$ 13,635.20 | \$ 95,446.20 | 8.00 | \$ 13,635.20 | \$ - | \$ 109,081.40 | |
| 0262 | Brush - Type III | 2002 | | 2017/2018 | \$278,104.00 | 1-Jul-02 | 15 | \$ 18,540.27 | \$ 129,781.62 | 8.00 | \$ 18,540.27 | \$ - | \$ 148,321.88 | |
| 0811 | Engine - Type I | 2008 | | 2018/2019 | \$483,367.58 | 1-Apr-08 | 10 | \$ 48,336.76 | \$ 60,420.95 | 2.25 | \$ 48,336.76 | \$ - | \$ 108,757.71 | |
| 0561 | Brush - Type III | 2005 | | 2020/2021 | \$287,663.00 | 30-Jun-05 | 15 | \$ 19,177.53 | \$ 76,710.13 | 5.00 | \$ 19,177.53 | \$ - | \$ 95,887.67 | |
| 0181 | Staff | 2001 | | 0 | \$23,101.00 | 1-Jul-01 | 5 | \$ - | \$ 23,101.00 | 9.00 | \$ - | \$ - | \$ 23,101.00 | |
| 9561 | Brush - Type III | 1996 | | 0 | \$350,000.00 | 1-Jul-96 | 15 | \$ 23,333.33 | \$ 303,332.98 | 14.00 | \$ 23,333.33 | \$ - | \$ 326,666.31 | |
| RESERVE | | | | | | | | | | | | | | |
| 0182 | Command | 2001 | Reserve - Cielo | 0 | \$32,413.00 | 1-Jul-01 | 5 | \$ - | \$ 32,413.00 | 9.00 | \$ - | \$ - | \$ 32,413.00 | |
| 0183 | Command | 2001 | Reserve - RSF4 | 0 | \$32,141.00 | 1-Jul-01 | 5 | \$ - | \$ 32,141.00 | 9.00 | \$ - | \$ - | \$ 32,141.00 | |
| 0543 | Engine - Type I | 1989 | Reserve - Cielo | 0 | | | 15 | \$ - | \$ - | 21.00 | \$ - | \$ - | \$ - | |
| 9511 | Engine - Type I | 1995 | Reserve - RSF4 | 0 | | | 15 | \$ - | \$ - | 15.00 | \$ - | \$ - | \$ - | |
| 9611 | Engine - Type I | 1996 | Reserve - (On Consignment) | | \$475,000.00 | 1-Jul-96 | 10 | \$ - | \$ 475,000.00 | 14.00 | \$ - | \$ - | \$ 475,000.00 | |
| | | | | | \$3,822,720.71 | | | \$ 293,407.31 | \$ 2,179,609.78 | | \$ 293,407.31 | \$ - | \$ 2,473,017.09 | |

Accumulated Depreciation 2009 \$ 2,179,609.78
 Annual Depreciation 2010 \$ 293,407.31
 Accumulated Depreciation 2010 \$ 2,473,017.09

RESOLUTION No. 2009-05

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RANCHO SANTA FE FIRE PROTECTION DISTRICT ADOPTING THE FIRE MITIGATION FEE FUND MULTI-YEAR PLAN

WHEREAS, the Rancho Santa Fe Fire Protection District participates in the San Diego County Fire Mitigation Program; and

WHEREAS, the County of San Diego is empowered to collect mitigation fees from applicants for new development for the purpose of the expansion of fire protection and firefighting facilities and equipment; and

WHEREAS, the Rancho Santa Fe Fire Protection District must annually adopt a Fire Mitigation Fee Fund Multi-Year Plan at a noticed public hearing.

NOW, THEREFORE, BE IT RESOLVED THAT:

- (1) The Fire Mitigation Fee Fund Multi-Year Plan was incorporated as a part of the Rancho Santa Fe Fire Protection District Final Budget for fiscal year 2009/10.
- (2) A noticed public hearing for adoption of the Final Budget FY 2009/10 was held on September 9, 2009.
- (3) A copy of the Fire Mitigation Fee Fund Multi-Year Facilities and Equipment Plan is included as a part of this resolution.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Rancho Santa Fe Fire Protection District on September 9, 2009 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JAMES H ASHCRAFT
President

ATTEST:

Karlana Rannals
Secretary

FIRE MITIGATION FEE MULTI-YEAR FACILITIES AND EQUIPMENT PLAN

FISCAL YEAR 2009/2010

Capital Expenditures – Assets

No proposed expenditures

Capital Improvement – Facility

- Engineering Services Replacement – RSF 3 (75%) \$ 151,235
[Committee APPROVED \(FY 02/03\)](#)
- Architectural Engineering Services Replacement – RSF 3 (75%) \$ 239,501
[Committee APPROVED \(FY 02/03\)](#)
- Temporary Facility – RSF 3 (75%) \$ 104,978
[Committee APPROVED \(FY 02/03\)](#)
- Construction – Replacement of Fairbanks Fire Station – RSF3 (75%) \$2,500,000
[Committee APPROVED \(FY 02/03\)](#)
- Administration Building Remodel (85.4%) \$ 158,985
 - Remodel Prevention Offices
 - Remodel Parking/Building Expansion
[Committee APPROVED \(FY 05/06\)](#)
- Administration Parking Lot and/or New Building 100%) \$2,250,000
[Committee APPROVED \(FY 08/09\)](#)

Capital Vehicle & Apparatus Replacement

No proposed expenditures

FISCAL YEAR 2010/2011

Capital Expenditures – Assets

No Proposed Expenditures

Capital Improvement – Facility

- Construction – Replacement of Fairbanks Fire Station – RSF3 (75%) \$ 500,000
[Committee APPROVED \(FY 02/03\)](#)

Capital Vehicle & Apparatus Replacement

No proposed expenditures

FISCAL YEAR 2011/2012

Capital Expenditures – Assets

No Proposed Expenditures

Capital Improvement – Facility

No Proposed Expenditures

Capital Vehicle & Apparatus Replacement

No proposed expenditures

FIRE MITIGATION FEE MULTI-YEAR FACILITIES AND EQUIPMENT PLAN

FISCAL YEAR 2012/2013

Capital Expenditures – Assets

No Proposed Expenditures

Capital Improvement – Facility

No Proposed Expenditures

Capital Vehicle & Apparatus Replacement

No Proposed Expenditures

FISCAL YEAR 2013/2014

Capital Expenditures – Assets

No Proposed Expenditures

Capital Improvement – Facility

No Proposed Expenditures

Capital Vehicle & Apparatus Replacement

No Proposed Expenditures

Approved: September 9, 2009

Motion by:

Seconded by:

Roll Call Results:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Karlena Rannals
Secretary

STAFF REPORT

NO. 09-18

TO: BOARD OF DIRECTORS
FROM: NICHOLAS PAVONE, FIRE CHIEF
SUBJECT: POTENTIAL IMPACT OF CALPERS EMPLOYER RATES FOR
FY11, FY12, FY13, FY14, FY15
DATE: SEPTEMBER 4, 2009



BACKGROUND

The attached Circular Letter received from CalPERS dated August 25, 2009 is a summary of the steps proposed by CalPERS to mitigate the impact of the recent investment market declines on the District's employer contribution rate.

CURRENT SITUATION

The CalPERS estimated investment returns for FY09 is negative 23.4%; however, the final return will not be known until October. There has been concern expressed by Board and staff as to how the negative investment returns will affect the Fire District. In the circular letter, a factor referenced to determine the Fire District's projected increase is its volatility index (VI). The District's annual valuation report as of June 30, 2007 shows the following volatility index:

| Plan – Benefit Formula | Side Fund – VI | Risk Pool – VI |
|---------------------------|----------------|----------------|
| Miscellaneous – 2.7% @ 55 | 0.00 | 5.1 |
| Safety – 3.0% @ 50 | 0.00 | 9.6 |

Based upon the information provided by CalPERS, the following table is an estimate of the employer rates for future fiscal years. Note, that I took the difference between VI of 4 and VI of 6 for the Miscellaneous contract, and used the VI of 10 for the Safety contract to establish a projected increase.

Misc – 2.7% @ 55 - VI = 5.1

| Fiscal Year | Current Employer Rate | Projected Increase | Est. Employer Rate |
|----------------------------|-----------------------|--------------------|--------------------|
| 2009-2010 | 11.476% | | |
| 2010-2011 <i>Projected</i> | 11.500% | | |
| 2011-2012 <i>Projected</i> | 11.750% | 1.25% | 13.00% |
| 2012-2013 <i>Projected</i> | 13.000% | 2.05% | 15.05% |
| 2013-2014 <i>Projected</i> | 15.050% | 2.15% | 17.20% |
| 2014-2015 <i>Projected</i> | 17.200% | 0.05% | 17.25% |

Safety - 3.0% @ 50 - VI = 9.6

| Fiscal Year | Current Employer Rate | Projected Increase | Est. Employer Rate |
|----------------------------|-----------------------|--------------------|--------------------|
| 2009-2010 | 17.983% | | |
| 2010-2011 <i>Projected</i> | 18.000% | | |
| 2011-2012 <i>Projected</i> | 18.250% | 2.40% | 20.650% |
| 2012-2013 <i>Projected</i> | 20.650% | 4.10% | 24.750% |
| 2013-2014 <i>Projected</i> | 24.750% | 4.30% | 29.050% |
| 2014-2015 <i>Projected</i> | 29.050% | 0.60% | 29.650% |

Please remember that these are **only estimates** and we do not know the final return on investments. The employer rate will also differ based on our own pool's demographic experience.

RECOMMENDATION

This document is to provide information only; no action is required from the Board of Directors.



P.O. Box 942709
Sacramento, CA 94229-2709
888 CalPERS (or **888-225-7377**)
Telecommunications Device for the Deaf
No Voice (916) 795-3240
www.calpers.ca.gov

Date: August 25, 2009
Reference No.:
Circular Letter No.: 200-056-09
Distribution: I, IA, IIB, VI
Special:

Circular Letter

TO: ALL PUBLIC AGENCIES

SUBJECT: IMPACT OF ECONOMIC ENVIRONMENT ON EMPLOYER RATES AND NEW BOARD APPROVED SMOOTHING MODIFICATIONS

ATTENTION: FINANCE DIRECTORS, HUMAN RESOURCE DIRECTORS, PUBLIC AGENCY DECISION MAKERS

CalPERS is sending this circular letter as a result of the CalPERS Board of Administration's decision at its June meeting to take steps to mitigate the impact of recent investment market declines on our public agencies' employer contribution rates.

BACKGROUND

As you are no doubt aware the past 18 months have seen significant investment market volatility and asset value declines for all investors, CalPERS included. In an effort to provide an early warning of potential employer rate increases CalPERS issued Circular Letter 310-050-08 on October 6, 2008 in order to inform public agencies of the CalPERS investment policy and strategy during the market decline. That Circular Letter also addressed the impact of financial market volatility on employer contribution rates and on the security of retiree benefits. The dramatic projected increase in employer contribution rates prompted CalPERS to examine our current approach and provide alternatives for consideration that might phase in the impact of investment losses while also allowing some time for the economy to recover.

Although our investment horizon is long term we recognize that investment returns over the short term fluctuate and lead to volatile employer contribution rates. To counter this, CalPERS employs a rate smoothing approach which spreads investment returns over a 15 year period. In addition excess returns or shortfalls and other gains and losses to our pension plans are paid for over a 30 year period which resets annually. We do this because we expect these deviations from the long term average to cancel each other out over time.

FISCAL YEAR 2008/2009 INVESTMENT RESULTS

CalPERS has released preliminary (net of fees) investment returns for the 2008/2009 fiscal year of negative 23.4%. The final return for the year will not be known until October when our final Real Estate and Alternative Investment Management (AIM) investment returns are available. Both the Real Estate and AIM returns lag one quarter as is industry standard. Such an extraordinary one-time event has put enormous strains on our economy, businesses, individuals, and local governments. While our smoothing approach works well during normal economic cycles and has produced very stable employer contribution rates, such a unique event calls for a deviation from the usual approach.

Rest assured that, despite the downturn, retirement benefits are secure and CalPERS has more than enough assets on hand to pay benefits well into the future. CalPERS continues to manage a well diversified portfolio and maintain a prudent, long term investment strategy in order to ensure the financial security for those we serve.

WHAT IS CALPERS GOING TO DO?

To deal with this one time event the CalPERS Board has approved an enhancement to our current smoothing methodology.

- Use a 3-year phase in of the 2008 – 2009 investment loss and allow some time for the economy to recover. This phased in approach will be achieved by temporarily relaxing the constraints on the smoothed value of assets around the actual market value. This corridor which constrains the smoothed value of assets will be allowed to expand and then contract with the following conditions.
 1. Increase the corridor limits for the actuarial value of assets from 80%-120% of market value to 60%-140% of market value on June 30, 2009 which impacts the 2011 – 2012 contribution rate
 2. Reduce the corridor limits for the actuarial value of assets to 70%-130% of market value on June 30, 2010 which impacts the 2012 – 2013 contribution rate
 3. Return to the 80%-120% of market value corridor limits for the actuarial value of assets on June 30, 2011 and thereafter which impacts the 2013 – 2014 and fiscal years beyond contribution rates
- Isolate the asset loss outside of the 80% - 120% corridor and pay for it with a disciplined fixed and certain 30 year amortization schedule. It is prudent for 2008-2009 Fiscal Year investment losses to be subject to a more stringent funding schedule and that they should be paid for in full at the end of the 30 years. In this way we will not rely on future investment returns to pay for 2008-2009 investment losses.

HOW WILL THIS AFFECT YOUR AGENCY?

Below we provide a table that can be used to gauge your agency's expected increase in employer contribution rate under the new smoothing approach due to the recent investment losses. (Note that the increase in employer contribution rates below would be added to your current rate.)

The illustrated rates are for a generic public agency based on its volatility index. The volatility index (VI) is the agency's assets divided by payroll and provides a measure of how sensitive an agency's contribution rate will be due to investment returns. (For pooled plans the VI is the volatility index of the entire pool). Your agency's volatility index is provided in your annual actuarial report but a rule of thumb is that a typical miscellaneous plan has a volatility of between 2.5 and 5, an AB616 formula (2.5% @ 55, 2.7% @ 55 and 3% @ 60) miscellaneous plan between 4 and 6 and that of a safety plan between 5 and 10. The chart below shows the projected increase in employer contribution rates for fiscal years 2011-2012 through 2014-2015 assuming CalPERS earns 7.75% after 2008-2009. As an extreme example we have included a plan with a volatility index of 15.

Projected Increase in Employer Contribution Rate for Public Agencies

| Fiscal Year | VI of 4 | VI of 6 | VI of 8 | VI of 10 | VI of 15 |
|-------------|---------|---------|---------|----------|----------|
| 2011 - 2012 | 1.0% | 1.5% | 1.9% | 2.4% | 3.7% |
| 2012 - 2013 | 1.6% | 2.5% | 3.3% | 4.1% | 6.1% |
| 2013 - 2014 | 1.7% | 2.6% | 3.4% | 4.3% | 6.4% |
| 2014 - 2015 | 0.2% | 0.3% | 0.4% | 0.6% | 0.8% |

Again, these increases are cumulative. For example, suppose your agency's plan has a volatility index of 4. Referring to the table above, under the VI of 4 column, you can expect to see a 1.0% of payroll increase in your current employer contribution rate for FY 2011-2012, an additional 1.6% increase in FY 2012-2013, another 1.7% increase in FY 2013-2014. The cumulative expected increase in your employer contribution rate at the end of the three fiscal years is the sum of these individual increases or 4.3% in this case. Because of our 15 year smoothing method, additional losses will continue to be recognized, but not as severely as the first three years. Without future investment gains, your rate will continue to increase by about .2% per year for 15 years.

As identified above, preliminary investment returns do not include the quarter lag for Real Estate and Alternative Investment Management (AIM). However, we have built additional conservatism into the chart above to reflect additional losses which we anticipate will be incorporated into the final return. We have used a negative 28% return to generate the chart above.

Please be aware these are only estimates and we do not know the final return on investments. Your employer rate will also differ due to your own demographic experience or if you are in a pool, due to the pool's demographic experience.

As of the most recent actuarial valuation there are only three public agencies with volatility indexes greater than 15. If your particular agency has a volatility index greater than 15 or if you have other questions you may want to contact your CalPERS plan actuary.

In short the new method will provide short-term relief to local government and school employers while strengthening the long-term financial health of the pension fund.

If you wish to discuss these issues further, please contact your CalPERS actuary at **888 CalPERS** or (888-225-7377).

Ronald L. Seeling, Chief Actuary
Actuarial & Employer Services Branch