



Big Bear Lake Fire Protection District

BIG BEAR LAKE FIRE PROTECTION DISTRICT SPECIAL MEETING NOTICE & AGENDA JUNE 5, 2017

Open Session: 9:30 a.m.

Big Bear Lake Civic Center, Training Room
39707 Big Bear Boulevard, Big Bear Lake

BOARD OF DIRECTORS

**CHAIRMAN RANDALL PUTZ
VICE CHAIRMAN RICK HERRICK
BOARD MEMBER DAVID CARETTO
BOARD MEMBER BOB JACKOWSKI
BOARD MEMBER BILL JAHN**

STAFF

**FIRE CHIEF JEFF WILLIS
ASSISTANT CHIEF MIKE MALTBY
DISTRICT COUNSEL STEPHEN DEITSCH
SENIOR FINANCE OFFICER SHIRLEY HOLT
BOARD SECRETARY DAWN MARSCHINKE**

NOTICE IS HEREBY GIVEN, that the Board of Directors for the Big Bear Lake Fire Protection District will conduct a Special Meeting on Monday, June 5, 2017, at 9:30 a.m. This meeting will be held at Big Bear Lake Civic Center located at 39707 Big Bear Blvd., Training Room, Big Bear Lake, California; said meeting being called pursuant to Section 54956(a) of the Government Code of the State of California for the purpose of considering the following matter:

OPEN SESSION

CALL TO ORDER

MOMENT OF SILENCE/PLEDGE OF ALLEGIANCE

ROLL CALL

Please Note: The Chair may, at his or her discretion, take items out of order at the meeting in order to facilitate the business of the Board and/or for the convenience of the public.

ANNOUNCEMENTS & UPCOMING EVENTS

None.

PRESENTATIONS

None.

PUBLIC COMMUNICATIONS – Public comment is permitted only on items not on the posted agenda that are within the subject matter jurisdiction of the Authority. Please note that State law prohibits the Fire Authority from taking any action on items not listed on the agenda. There is a three-minute maximum time limit when addressing the Board during this time period.

CONSENT CALENDAR

None.

ITEMS REMOVED FROM THE CONSENT CALENDAR

None.

PUBLIC HEARING

Any person may appear and be heard in support or opposition to the proposals at the time of the meeting. If you challenge the action in court, you may be limited to raising only those issues which you or someone else raised at the public meeting described in the notice or in written correspondence delivered to the Fire Authority at or before the public meeting.

None.

DISCUSSION/ACTION ITEMS

FP1. Consideration of Use of Fund Balance to Pay Down The \$6,508,000 Liability for SBCERA Pool Movement Corresponding to the First Payment of \$593,846

Board consideration of receiving informational presentation, discuss, and provide further direction regarding the amount of reserve or fund balance to use against the \$6,508,000 SBCERA liability.

ADJOURNMENT

I hereby certify under penalty of perjury, under the laws of the State of California, that the foregoing agenda was posted in accordance with the applicable legal requirements. Dated this 2nd day of June 2017.

Dawn E. Marschinke

Dawn E. Marschinke, Board Secretary

The Big Bear Lake Fire Protection District wishes to make all of its public meetings accessible to the public. If you need special assistance to participate in this meeting, please contact Board Secretary Dawn Marschinke at 909/866-7566. Notification 24 hours prior to the meeting will enable the Fire District to make reasonable arrangements to ensure accessibility to this meeting.



AGENDA REPORT

Item No. FP1

MEETING DATE: June 6, 2017

TO: Honorable Chairman and Members of the Fire Protection District

FROM: Shirley Holt, Senior Finance Officer *SH*
Big Bear Fire Authority

SUBJECT: **CONSIDERATION OF USE OF FUND BALANCE TO PAY DOWN THE \$6,508,000 LIABILITY FOR SBCERA POOL MOVEMENT CORRESPONDING TO THE FIRST PAYMENT OF \$593,846**

BACKGROUND

On May 15, 2017, a special meeting of Big Bear Lake Fire Protection District (FPD) was held for the purpose of discussing the movement of the FPD Safety Employees from the County "Other" Safety Pool to the County Safety Pool of San Bernardino County Employee Retirement Association (SBCERA).

At this same meeting, the Board approved moving the safety employees to the County Safety pool and the corresponding \$6,508,000 liability created by the movement. Discussion occurred amongst the Board about the required annual payment in the amount of \$593,846 over a 20-year period that reflects payment of principle and interest against the \$6,508,000 liability.

The Board inquired about the effects of using reserve or fund balance of FPD for the purpose of a lump sum payment and the resulting effects of the annual payment amount and interest saved over time. Through this discussion, staff communicated to the Board that at this point in time it is difficult for staff to calculate the appropriate use of reserves as there are a number of unknown costs regarding consolidation of the Fire Authority.

Most importantly, the Fire Authority has not yet determined which pension system will be used for the fully consolidated agency being that of SBCERA or California Public Employee Retirement System (CalPERS.) There are significant cost factors that will need to be considered by the Fire Authority Board and subsequent cost/benefit effects on its member agencies.

The Fire Protection District Board directed staff to schedule a follow-up Board meeting to discuss the potential use of reserve or fund balance to pay down the \$6,508,000 liability to a lesser amount in the first year of pool movement, thereby reducing the liability, annual payment, and interest paid.

DISCUSSION

The Board has requested a financial analysis of the effect of the use of Fund Balance to pay a portion of the \$6,508,000, in addition to the first annual payment amount of \$593,846 due on July 1, 2017. There are many considerations to using Fund Balance at this time and limited ability to perform accurate financial scenarios. There are three distinct “in-process” projects that could significantly affect the decision to use Fund Balance. These projects are the Master Plan, the represented Safety Members’ Memorandum of Understanding, and the 2018-19 Combined Agencies Budget. Additionally, we have already engaged an actuarial firm to conduct the cost analysis regarding the effects of the SBCERA vs CalPERS pension decision which will be the Board’s expert source of financial information in consideration of one plan over the other. This report is scheduled to be presented to the Board at the August 1, 2017 Board meeting.

RECOMMENDATION

Staff recommends the Board receive informational presentation, discuss, and provide further direction regarding the amount of reserve or fund balance to use against the \$6,508,000 SBCERA liability.