



Big Bear Lake Fire Protection District

BIG BEAR LAKE FIRE PROTECTION DISTRICT REGULAR MEETING AGENDA JUNE 7, 2016

Closed Session: 4:00 p.m.

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

Open Session: 5:30 p.m.

Big Bear Lake Civic Center, Hofert Hall
39707 Big Bear Boulevard, Big Bear Lake

BOARD OF DIRECTORS

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

STAFF

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

OPEN SESSION

CLOSED SESSION PUBLIC COMMUNICATIONS: (Any member of the public is entitled to speak on Closed Session Agenda items. If you wish to address any other items listed on the Agenda you must do so during Open Session.)

CLOSED SESSION

PUBLIC EMPLOYEE DISMISSAL - pursuant to Government Code Section 54957

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION - pursuant to Government Code Section 54956.9 (d) (2)
One case

CONFERENCE WITH LABOR NEGOTIATORS - pursuant to Government Code Section 54957.6. Agency Negotiators: Board of Directors, Fire Chief, Senior Finance Officer, Employee Organization: Big Bear Lake Professional Firefighters Association

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.

REPORT ON CLOSED SESSION

ANNOUNCEMENT

The Fire District's Administrative Office will be closed Monday, July 4, 2016 in observance of the 4th of July, and will re-open on Tuesday, July 5, 2016 at 8:00 a.m.

PRESENTATIONS

None.

GENERAL PUBLIC COMMENT: Public comment is permitted only on items not on the posted agenda that are within the subject matter jurisdiction of the Fire District. Please note that State law prohibits the Fire District Board 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

- FP1. Approval of Minutes for the Special Meeting of October 20, 2015**
- FP2. Approval of Minutes for the Special Meeting of April 25, 2016**
- FP3. Proposed Resolution Adopting the Fiscal Year 2016/17 Appropriations Limit for the Big Bear Lake Fire Protection District**

Board consideration of adopting Resolution No. FP2016-XX Establishing the Appropriations Limit for Fiscal Year 2016/17 for the Big Bear Lake Fire Protection District in Accordance With Provisions of Division 9 of Title 1 of the California Government Code.

FP4. Proposed Resolution to Reaffirm the Statement of Investment Policy for Fiscal Year 2016-17

Board consideration of adopting Resolution No. BBFA2016-XXX Adopting the Statement of Investment Policy for Fiscal Year 2016-17.

FP5. Revision of Statement of Reserve Policy

Board consideration of approving revision to Administrative Instruction Number 2016-04, Big Bear Lake Fire Protection District Reserve Policy.

FP6. California Joint Powers Authority (CJPIA) Insurance Cost Allocation MOU

Board consideration of authorizing the Fire Chief to enter into a Memorandum of Understanding among Big Bear area governmental agencies regarding the allocation of liability and workers' compensation costs.

ITEMS REMOVED FROM THE CONSENT CALENDAR

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.

FP7. Public Hearing for Proposed Resolution to Adopt the Fiscal Year 2016/17 Big Bear Lake Fire Protection District Budget

Board consideration of conducting a public hearing and adopting a resolution adopting the Fiscal Year 2016/17 Big Bear Lake Fire Protection District Budget.

DISCUSSION/ACTION ITEMS

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 1st day of June, 2016.

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 48 hours prior to the meeting will enable the Fire District to make reasonable arrangements to ensure accessibility to this meeting.

**BIG BEAR LAKE FIRE PROTECTION DISTRICT
MINUTES FOR THE MEETING OF
OCTOBER 20, 2015**

A Special Meeting of the Big Bear Lake Fire Protection District was called to order by Chairman Herrick at 6:10 p.m., Tuesday, October 20, 2015, at 39707 Big Bear Boulevard, Big Bear Lake, California.

Moment of Silence:

Pledge of Allegiance: Led by Chairman Herrick

Board Members Present: Chairman Rick Herrick
Vice Chairman Randall Putz
Board Member David Caretto
Board Member Bob Jackowski
Board Member Bill Jahn

Board Members Excused: None

Board Members Absent: None

Others Present: Jeff Willis, Fire Chief
Mike Maltby, Battalion Chief
Shirley Holt, Senior Finance Officer
Jeff Mathieu, City Manager
Kathleen Smith, Chief Operations Officer
Dawn Marschinke, Fire Board Secretary

PRESENTATIONS

None.

ANNOUNCEMENTS

The Fire District's Administrative Office will be closed on Wednesday, November 11, 2015 in observance of Veteran's Day and will re-open at 8:00 a.m. on Thursday, November 12, 2015. In addition, the Administrative Office will be closed on Thursday and Friday, November 26-27, 2015 in observance of Thanksgiving. The Fire District's Administrative Office will re-open at 8:00 a.m. on Monday, November 30, 2015.

BOARD MEMBER GENERAL ANNOUNCEMENTS

PUBLIC COMMUNICATIONS

None.

CONSENT CALENDAR

Motion by Board Member Director Putz seconded by Board Member Director Caretto to approve the Consent Calendar as follows:

FP1. Approval of Meeting Minutes from the June 2, 2015 Regular Meeting of the Big Bear Lake Fire Protection District.

Approved.

FP2. Approval of Meeting Minutes from the July 24, 2015 Special Closed Meeting of the Big Bear Lake Fire Protection District.

Approved.

FP3. APPROVAL OF REGULAR BOARD MEETING CALENDAR

Board consideration of approving Resolution No. FP2015-06 to re-establish the day and time for regular board meetings and rescinding resolution No. FP2013-07. The regular meeting dates shall be the first Tuesday of months February, April, June, and October at 5:30 p.m. and shall be held at the City of Big Bear Lake Civic Center, 39707 Big Bear Blvd., Big Bear Lake, CA 92315.

Adopted the following resolution, entitled:

RESOLUTION NO. FP2015-06

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BIG BEAR LAKE FIRE PROTECTION DISTRICT, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, RE-ESTABLISHING THE DAY AND TIME FOR REGULAR BOARD MEETINGS AND RESCINDING RESOLUTION NO. FP2013-07.

The Consent Calendar was approved by the following vote:

AYES: Jackowski, Jahn, Putz, Caretto, Herrick
NOES: None
ABSENT: None
ABSTAIN: None

DISCUSSION/ACTION ITEMS

FP4. Finance Director's Report

Received and filed the report.

ADJOURNMENT

There being no further business to come before the Fire Protection District at this session, Chairman Herrick adjourned the meeting at 6:13 p.m.

Dawn E. Marschinke
Board Secretary

**BIG BEAR LAKE FIRE PROTECTION DISTRICT
MINUTES FOR THE MEETING OF
April 25, 2016**

A Special Workshop of the Big Bear Lake Fire Protection District was called to order by Chairman Herrick at 10:00 a.m., Monday, April 25 2016, at 39707 Big Bear Boulevard, Big Bear Lake, California.

Pledge of Allegiance: Led by Director Jackowski

Board Members Present: Chairman Rick Herrick
Vice Chairman Randall Putz
Board Member David Caretto
Board Member Bob Jackowski
Board Member Bill Jahn

Board Members Excused: None

Board Members Absent: None

Others Present: Jeff Willis, Fire Chief
Mike Maltby, Battalion Chief
Shirley Holt, Senior Finance Officer
Stephen Deitsch, Legal Counsel
Jamie Gustason, Human Resources & Payroll Coordinator
Dawn Marschinke, Fire Board Secretary

PUBLIC COMMUNICATIONS

None.

DISCUSSION/ACTION ITEMS

Senior Finance Officer Holt presented the preliminary Fire Protection District budget for fiscal year 2016-2017 in preparation of a public hearing at the Regular meeting on June 7, 2016.

Board members asked for clarification on Revenue and Expenses.

Ms. Holt responded to their questions.

Ms. Holt explained the increased expense in insurance premiums is attributed to the new methodology of calculations for liability and workers' compensation premiums based on exposure (payroll) and experience (claims). For calculation of claims, the past 5 years of history is used (excluding the most recent coverage period). To calculate for fiscal year 2016-2017, claims were calculated from 2009-2010 to 2013-2014. Payroll exposure was based on calendar year 2014. This new calculation is in a Memorandum of Understanding between cooperating agencies that will be presented to the Board at the Regular meeting of June 7, 2016.

Director Putz asked Ms. Holt to watch for a corresponding decrease in the City of Big Bear Lake's (City) Budget.

Ms. Holt responded that she did not have that information, but can ask the City's Finance department for verifying information.

Chief Willis explained a potential new source of revenue for the Ambulance budget. This will be a Big Bear City Community Services District (CSD) Board action. It is a mechanism for cost recovery for patient transport called Intergovernmental Transfer. This reimbursement could amount to approximately \$100,000. This is currently in process of being set-up.

Chief Willis explained there is a Resolution forthcoming regarding Cost Recovery to the JPA Board that will allow for additional billing of patient insurance for pre-hospital stabilization. Previously, only people that put their hands on a patient could bill for reimbursement. At times, more than the two people in the ambulance are required on-scene to assist with treatment. This will allow billing for these extra personnel.

Director Caretto asked what the Minimum Staffing expense line items are.

Ms. Holt responded that it is overtime (premium) pay.

Chief Willis explained that Minimum Staffing means that if the department drops below that level, a unit is being taken out of service or an employee must be called in to backfill on overtime.

The Board collectively agreed that in the future these line items should be called Overtime to avoid confusion.

Discussion ensued regarding General Support Services and the amount the City charges the Fire Protection District to continue to do work on its behalf. Ms. Holt reported that the City must continue to do SBCERA payroll reporting for the Fire Protection District. This accounts for approximately half of this line item expense. With the exception of the expense for SBCERA reporting, Ms. Holt expects that by July 1, 2016, the Fire

Protection District will be independent of support from the City which means approximately half of these expenses will be eliminated.

Director Herrick asked if the Board would be receiving a balance sheet with unfunded liability.

Ms. Holt responded that it will be provided after the audit which will occur in the next week or so.

Discussion ensued regarding the new expense the Fire Protection District will incur for each meeting the Board holds in Hofert Hall. This is to cover expenses of staff and archiving. The question was raised about holding future Board meetings at the Fire Department. It was pointed out that access for the public is a consideration as well as the joint meetings that are held with the City.

Director Herrick asked if a Reserves line could be added for monies that are sitting in surplus.

Ms. Holt responded that this can be done after Meet & Confer and money is allocated for that.

Discussion took place regarding the prospect of paying down the unfunded liability. Director Herrick expressed his desire to come up with a plan and added that any spare monies should be applied to pension liability at the end of Meet & Confer negotiations.

The Board asked questions about Reserves and Fund Balance.

Holt responded to Board questions.

Discussion regarding opportunity for increase in Revenue based on property tax ensued. Based on current property tax revenues, projections for the future are level. It was suggested that RDA Residual Balance of \$450,000 will disappear at some point and the Fire Protection District will have to make significant adjustments. Chief Willis believes the Residual continues forever. He will confirm with the City.

PUBLIC FORUM FOR CLOSED SESSION:

None.

At the hour of 10:57 a.m., the Fire Board adjourned to Closed Session.

At the hour of 12:04 p.m., the Fire Board reconvened to Open Session.

RESULTS OF CLOSED SESSION

1. PUBLIC EMPLOYEE DISMISSAL pursuant to Government Code Section 54957
2. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION -
pursuant to Government Code Section 54956.9 (d) (2)
One case

Legal Counsel Joe Ortiz reported there is no reportable action on the above referenced items.

ADJOURNMENT

There being no further business to come before the Fire Protection District at this session, Chairman Herrick adjourned the meeting at 12.05 p.m.

Dawn E. Marschinke
Board Secretary



AGENDA REPORT

Item No. **FP3**

MEETING DATE: June 07, 2016

TO: Honorable Chairman and Members of the Fire Protection District

FROM: Shirley Holt, Senior Finance Officer *SH*

PREPARED BY: Stirling Elliott, Financial Analyst

SUBJECT: **PROPOSED RESOLUTION ADOPTING THE FISCAL YEAR 2016/17 APPROPRIATIONS LIMIT FOR THE BIG BEAR LAKE FIRE PROTECTION DISTRICT**

BACKGROUND

Since the 1979 passage of Proposition 4, legislative bodies of taxing agencies are required to adopt an appropriations limit for their agencies. This required action must comply with Article XIII B of the State Constitution and Government Code 7901 et seq. The limit specifies the maximum appropriations that may be funded by proceeds of taxes. The adopted limits are to be adjusted each year by a “change factor” that is tied to growth indicators specified by the State. One indicator is the change in State per capita income. The other is population growth of the City or alternatively, the County. The formula provided by the State calls for conversion of each indicator to a ratio. The two ratios multiplied together produce the factor by which to change the appropriations limit. By applying the change factor to the prior year’s appropriations limit, the new limit is calculated.

The appropriations limit established by Resolution No. FP2015-07 for Fiscal Year 2015/16 is \$9,023,973. This becomes the basis for the Fiscal Year 2016/17 appropriations limit in the proposed resolution (Attachment A – Calculation of Appropriations). The limit to be established by resolution (Attachment B) for Fiscal Year 2016/17 is \$9,596,995.

RECOMMENDATION

It is recommended that the Fire District Board adopt the attached Resolution, FP2016-XX, establishing the appropriations limit for fiscal year 2016/17.

SH/SE

Attachment A: Calculation of Appropriations Limit for FY 2016/17

Attachment B: Proposed Resolution No. FP2016-XX

**BIG BEAR LAKE FIRE PROTECTION DISTRICT
CALCULATION OF APPROPRIATIONS LIMIT FOR FISCAL YEAR 2016-17**

APPROPRITATIONS LIMIT 2015-16		<u>FIRE</u>
		9,023,973
	<u>City</u>	<u>County</u>
Per capita Personal Income (Converted to a ratio)	1.0537	1.0537
Population Growth (Converted to a ratio)	1.0066	1.0093
Combined Factor	1.0607	1.0635
Factor Applied (Higher of City or County)		1.0635
APPROPRITATIONS LIMIT 2016-17		9,596,995

COMPARISON: APPROPRIATIONS LIMIT VS. PROCEEDS OF TAXES

	<u>FIRE</u>
Estimated Proceeds of Taxes 2016-17	4,689,018
Capital Projects Excludable (streets)	-
Total Subject to the Limit	4,689,018
APPROPRITATIONS LIMIT 2016-17	9,596,995
Amount Available from Limit	4,907,977

RESOLUTION NO. FP2016-XX

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BIG BEAR LAKE FIRE PROTECTION DISTRICT, A SUBSIDIARY FIRE PROTECTION DISTRICT OF THE CITY OF BIG BEAR LAKE, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ESTABLISHING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2015/16 FOR THE BIG BEAR FIRE PROTECTION DISTRICT IN ACCORDANCE WITH PROVISIONS OF DIVISION 9 OF TITLE 1 OF THE CALIFORNIA GOVERNMENT CODE

WHEREAS, Article XIII B of the Constitution of the State of California, as proposed by the Initiative Measure approved by the people at the special statewide election held on November 6, 1979 provides that the total annual appropriations subject to limitation of each local government shall not exceed the appropriations limit of such entity for the prior year adjusted for changes in the cost of living and population except as otherwise specifically provided for in said Article; and

WHEREAS, the State legislature added Division 9 (commencing with Section 7900) to Title 1 of the Government Code of the State of California to implement Article XIII B of the California Constitution; and

WHEREAS, Proposition 111, the Traffic and Congestion Relief and Spending Limitation Act of 1990 which was authorized on June 5, 1990, modified the calculation method for the limitation; and

WHEREAS, Section 7910 of the Government Code provides that each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following fiscal year pursuant to Article XIII B at a regularly scheduled meeting or a noticed special meeting. Fifteen days prior to such meeting, documentation used in the determination of the appropriations limit shall be available to the public; and

WHEREAS, Section 7902 (a) and 7902.6 of the Government Code sets forth the method for determining the appropriations limit for each local jurisdiction for the 2016/17 fiscal year; and

WHEREAS, the Board of the Fire Protection District wishes to establish the appropriations limit for fiscal year 2016/17 for the Big Bear Fire Protection District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Big Bear Fire Protection District, as follows:

Section 1. That it is hereby found and determined that the documentation used in the determination of the appropriations limit for the Big Bear Lake Fire Protection District for fiscal year 2016/17 was available to the public in the Finance Division at least fifteen days prior to this date.

Section 2. That the appropriations limit for the Big Bear Lake Fire Protection District as established in accordance with Section 7902 (a) and 7902.6 of the California Government Code for fiscal year 2016/17 is \$9,596,995.

Section 3. That the cost of living factor selected was the California per capita personal income factor, which was an increase of 5.37% for 2015/16.

Section 4. That the population growth factor for 2015/16 was that of the County of San Bernardino, which grew by 0.93%.

PASSED, APPROVED AND ADOPTED this 7th day of June, 2016.

AYES:
NOES:
ABSENT:
ABSTAIN:

Rick Herrick, Chairman

ATTEST:

Dawn Marschinke, Board Secretary

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Resolution No. FP2016-XX

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) ss
CITY OF BIG BEAR LAKE)

I, Dawn E. Marschinke of the Big Bear Lake Fire Protection District Board, do hereby certify that the whole number of members of the said Board is five; that the foregoing resolution, being Resolution No. FP2016-XX was duly passed and adopted by the said Board, approved and signed by the Chairman of said Board, and attested by the Secretary of said Board, all at a meeting of the said Board held on the 7th day of June, 2016, and that the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Witness my hand and the official seal of said District this 7th day of June, 2016.

Dawn E. Marschinke
Board Secretary



AGENDA REPORT

Item No. **FP4**

MEETING DATE: June 7, 2016

TO: Honorable Chairman and Members of the Fire Protection District

FROM: Shirley Holt, Senior Finance Officer *SH*

SUBJECT: **PROPOSED RESOLUTION TO REAFFIRM THE STATEMENT OF INVESTMENT POLICY FOR FISCAL YEAR 2016/17**

BACKGROUND

Pursuant to Government Code 53646, the Statement of Investment Policy shall be reviewed and submitted annually for adoption at a public meeting. The last review and adoption was on June 2, 2015 for Fiscal Year 2015/16 for the Fire Protection District. The attached Statement of Investment Policy (Attachment B) remains unchanged from what was proposed per the Fire Protection District last year. The current pooled cash accounting requires only one LAIF investment account to be used for both the Fire Authority and the Fire Protection District invested funds.

The Statement of Investment Policy addresses investment activity pertaining to funds not needed to meet immediate demands. The policy requires that safety and appropriate liquidity be maintained, with yield becoming a consideration only after these basic safety and liquidity requirements are met. The policy allows for the diversification of investments beyond the California State Local Agency Investment Fund (LAIF) provided emphasis is placed on safety and liquidity over yield. It is important to note that local government funds deposited in LAIF are funds of the local government and cannot be used or borrowed by the State to supplement their cash flow situation.

RECOMMENDATION

Staff recommends that the Board adopt Resolution No. FP2016-XX (Attachment A) Adopting the Statement of Investment Policy for Fiscal Year 2016/17.

RESOLUTION NO. FP2016-XX

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BIG BEAR LAKE FIRE PROTECTION DISTRICT, A SUBSIDIARY FIRE PROTECTION DISTRICT OF THE CITY OF BIG BEAR LAKE, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ADOPTING THE STATEMENT OF INVESTMENT POLICY FOR FISCAL YEAR 2016/17

WHEREAS, it is necessary to adopt an Investment Policy as provided in Government Code Section 5346 for the Big Bear Lake Fire Protection District

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Big Bear Lake Fire Protection District that the attached Statement of Investment Policy be adopted.

PASSED, APPROVED AND ADOPTED this 7th day of June, 2016.

AYES:

NOES:

ABSENT:

ABSTAIN:

Rick Herrick
Chairman
Board of Directors

ATTEST:

Dawn Marschinke
Secretary
Big Bear Lake Fire Protection District

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) ss
CITY OF BIG BEAR LAKE)

I, Dawn E. Marschinke, Secretary of the Big Bear Lake Fire Protection District, do hereby certify that the whole number of members of the said Board is five; that the foregoing resolution, being Resolution No. FP2016-XX was duly passed and adopted by the said Board, approved and signed by the Chair of said Board, and attested by the Secretary of said Board, all at a meeting of the said Board held on the 7th day of June 2016, and that the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Witness my hand and the official seal of said District this 7th day of June 2016.

Dawn E. Marschinke
Secretary
Big Bear Lake Fire Protection District



Big Bear Lake Fire Protection District

Administrative Instruction

Number: 2012-07
Page 1 of 9

Issued: 12-11-12
Revised:

SUBJECT: STATEMENT OF INVESTMENT POLICY

I. PURPOSE

This statement is intended to provide guidelines for the prudent investment of the Big Bear Lake Fire Protection District's ("District") temporary idle cash and outline the procedures for maximizing the efficiency of the cash management system. The ultimate goal is to safeguard the assets of the District while enhancing its economic status.

II. POLICY

It is the policy of the District to invest public funds in a manner which will safeguard these monies, meet the daily cash flow demands of the District, conform to all state and local statutes governing the investment of public funds, while seeking the highest investment return within the aforementioned constraints.

III. SCOPE

This investment policy applies to all financial assets of the District. These funds are accounted for in the District's Comprehensive Annual Financial Report.

IV. PRUDENCE

Investments shall be made with judgment and care under circumstances then prevailing which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by the District Treasurer shall be the "prudent investor" standard and shall be applied in the context of managing an overall portfolio. The District Treasurer and his/her employees, when exercising due diligence and acting in accordance with the investment policy, shall be relieved of personal responsibility and liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

V. OBJECTIVE

The primary objectives, in priority order, of the District's investment activities shall be:

Safety

Safety of principal is the foremost objective of the investment program. Investments of the District will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

Liquidity

The District's investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements, which might be reasonably anticipated.

Return on Investment

The District's investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the District's investment risk constraints and the cash flow characteristics of the portfolio.

Delegation of Authority

Authority to manage the District's investment program is derived from the District Board. Management responsibility for the investment program is hereby delegated to the District Treasurer. The District Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate employees acting on his or her behalf.

Ethics and Conflicts of Interest

Employees and financial dealers/institutions involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. Such employees and financial dealers/institutions shall disclose to the Fire Chief any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the District, particularly with regard to the timing of purchases and sales.

Authorized Financial Dealers and Institutions

If the District expands its investment vehicles beyond Local Agency Investment Fund (LAIF) accounts, the District Treasurer will compile and maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment services in the State of California. These may include "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by state laws.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the District Treasurer with the following: (e.g. audited financial statements, proof of National Association of Security Dealers certification, trading resolution, proof of state registration, completed broker/dealer questionnaire, certification of having read the District's investment policy and depository contracts).

An annual review of the financial condition and registrations of qualified bidders will be conducted by the District Treasurer.

A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the District invests.

Authorized and Suitable Investments

The District is empowered by the California Government Code to, and as a matter of District policy, may invest in the following types of securities.

- ▶ Securities of the U.S. Government or its agencies
- ▶ Certificates of deposit placed with commercial banks and S&L's
- ▶ Commercial paper
- ▶ Medium term corporate notes
- ▶ Repurchase agreements
- ▶ Passbook savings account demand deposits
- ▶ Money market mutual funds
- ▶ Government sponsored pools and/or government mutual funds

As a matter of practice, the District shall favor the California State Local Agency Investment Fund (LAIF). Common stocks are not authorized for investment.

Investment Pools

A thorough investigation of government sponsored pools and/or mutual funds are required prior to investing. A questionnaire or other method shall be developed to solicit the following information for subsequent review by the District:

- ▶ A description of eligible investment securities, and a written statement of investment policy and objectives.
- ▶ A description of interest calculations and how it is distributed, and how gains and losses are treated.
- ▶ A description of how the securities are safeguarded (including the settlement processes) and how often the securities are priced and the program audited.
- ▶ A description of who may invest in the program, how often, and maximum/minimum deposit/withdrawal.
- ▶ A schedule for receiving statements and portfolio listings.
- ▶ An explanation as to how reserves and retained earnings are utilized by the pool/fund.
- ▶ A fee schedule and when and how fees are assessed.

- ▶ A statement as to whether the pool/fund is eligible for the investment of bond proceeds or whether it accepts such proceeds.

Collateralization

Collateralization will be required on two types of investments: certificates of deposit and repurchase agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be (100%) of market value of principal and accrued interest.

As required by federal statute, banks doing business with governmental entities are required to collateralize deposits. The District maintains a bank account with Union Bank. All District deposits are collateralized.

When collateralizing investments other than bank deposits, collateral will be held by an independent third party with whom the District has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the District and retained.

Safekeeping and Custody

All security transactions, including collateral for repurchase agreements entered into by the District shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian designated by the District Treasurer and evidenced by safekeeping receipts.

Diversification

The District will diversify its investments by security type and institution. With the exception of U.S. Treasury securities and LAIF, no more than 50% of the District's total investment portfolio will be invested in a single security type or with a single financial institution.

Maximum Maturities

To the extent possible, the District will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the District will not directly invest in securities maturing more than five years from the date of purchase.

With District Board approval, reserve funds may be invested in securities exceeding five years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.

Internal Control

The District Treasurer shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

Performance Standards

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

Market Yield (Benchmark):

The District's investment strategy is passive. Given this strategy, the basis used by the District Treasurer to determine whether market yields are being achieved shall be the **6 month U.S. T-Bill**.

Report

The District Treasurer shall provide to District Board an annual report, which provides a clear picture of the status of the current investment portfolio. The management report should include comments on the fixed income markets and economic conditions, discussions regarding restrictions on percentage of investment by categories, possible changes in the portfolio structure going forward, and thoughts on investment strategies.

Schedules in the annual report should include the following:

- ▶ A listing of individual securities held at the end of the reporting period by authorized investment category
- ▶ Average life and final maturity of all investments listed
- ▶ Coupon, discount, or earnings rate
- ▶ Par value, Amortized Book Value, and Market Value
- ▶ Percentage of the portfolio represented by each investment category

Legislative Changes

Any State of California legislative action that further restricts allowable maturities, investment type or percentage allocations will be incorporated into this investment policy and supersede any and all applicable language.

Investment Policy Adoption

The District's investment policy shall be adopted by resolution of the District Board. The policy shall be reviewed annually by the District Board and any modifications made thereto must be approved by the District Board.

VI. GLOSSARY OF TREASURY TERMS

Accrued Interest - Interest earned but not yet received.

Active Deposits - Funds which are immediately required for disbursement.

Amortization - An accounting practice of gradually decreasing (increasing) an asset's book value by spreading its depreciation (accretion) over a period of time.

Asked Price - The price a broker dealer offers to sell securities.

Basis Point - One basis point is one hundredth of one percent (.01).

Bid Price - The price a broker dealer offers to purchase securities.

Bond - A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Book Value - The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or accretion of discount.

Certificate of Deposit - A deposit insured by the FDIC at a set rate for a specified period of time.

Collateral - Securities, evidence of deposit or pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public moneys.

Comprehensive Annual Financial Report (CAFR) - The official annual financial report for the District. It includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with Generally Accepted Accounting Principles (GAAP).

Constant Maturity Treasury (CMT) - An average yield of a specific Treasury maturity sector for a specific time frame. This is a market index for reference of past direction of interest rates for the given Treasury maturity range.

Coupon - The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

Credit Analysis - A critical review and appraisal of the economic and financial conditions or of the ability to meet debt obligations.

Current Yield - The interest paid on an investment expressed as a percentage of the current price of the security.

Custody - A banking service that provides safekeeping for the individual securities in a customer's investment portfolio under a written agreement which also calls for the bank to collect and pay out income, to buy, sell, receive, and deliver securities when ordered to do so by the principal.

Delivery vs. Payment (DVP) - Delivery of securities with a simultaneous exchange of money for the securities.

Discount - The difference between the cost of a security and its value at maturity when quoted at lower than face value.

Diversification - Dividing investment funds among a variety of securities offering independent returns and risk profiles.

Duration - The weighted average maturity of a bond's cash flow stream, where the present value of the cash flows serve as the weights; the future point in time at which on average, an investor has received exactly half of the original investment, in present value terms; a bond's zero-coupon equivalent; the fulcrum of a bond's present value cash flow time line.

Fannie Mae - Trade name for the Federal National Mortgage Association (FNMA), a U.S. sponsored corporation.

Federal Reserve System - The central bank of the U.S. which consists of a seven member Board of Governors, 12 regional banks and 5,700 commercial banks that are members.

Federal Deposit Insurance Corporation (FDIC) - Insurance provided to customers of a subscribing bank which guarantees deposits to a set limit per account.

Fed Wire - A wire transmission service established by the Federal Reserve Bank to facilitate the transfer of funds through debits and credits of funds between participants within the Fed system.

Freddie Mac - Trade name for the Federal Home Loan Mortgage Corporation (FHLMC), a U.S. sponsored corporation.

Ginnie Mae - Trade name for the Government National Mortgage Association (GNMA), a direct obligation bearing the full faith and credit of the U.S. Government.

Inactive Deposits - Funds not immediately needed for disbursement.

Interest Rate - The annual yield earned on an investment, expressed as a percentage.

Investment Agreements - An agreement with a financial institution to borrow public funds subject to certain negotiated terms and conditions concerning collateral, liquidity and interest rates.

Liquidity - Refers to the ability to rapidly convert an investment into cash.

Market Value - The price at which a security is trading and could presumably be purchased or sold.

Maturity - The date upon which the principal or stated value of an investment becomes due and payable.

New Issue - Term used when a security is originally "brought" to market.

Perfected Delivery - Refers to an investment where the actual security or collateral is held by an independent third party representing the purchasing entity.

Portfolio - Collection of securities held by an investor.

Primary Dealer - A group of government securities dealers that submit daily reports of market activity and security positions held to the Federal Reserve Bank of New York and are subject to its informal oversight.

Purchase Date - The date in which a security is purchased for settlement on that or a later date.

Rate of Return - The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Repurchase Agreement (REPO) – A transaction where the seller (bank) agrees to buy back from the buyer (District) the securities at an agreed upon price after a stated period of time.

Reverse Repurchase Agreement (REVERSE REPO) - A transaction where the seller (District) agrees to buy back from the buyer (bank) the securities at an agreed upon price after a stated period of time.

Risk - Degree of uncertainty of return on an asset.

Safekeeping - see custody.

Sallie Mae - Trade name for the Student Loan Marketing Association (SLMA), a U.S. sponsored corporation.

Secondary Market - A market made for the purchase and sale of outstanding issues following the initial distribution.

Settlement Date - The date on which a trade is cleared by delivery of securities against funds.

Treasury Bills - U.S. Treasury Bills which are short-term, direct obligations of the U.S. Government issued with original maturities of 13 weeks, 26 weeks and 52 weeks; sold in minimum amounts of \$10,000 in multiples of \$5,000 above the minimum Issued in book entry form only. T-bills are sold on a discount basis.

U.S. Government Agencies - Instruments issued by various US Government Agencies most of which are secured only by the credit worthiness of the particular agency.

Yield - The rate of annual income return on an investment, expressed as a percentage. It is obtained by dividing the current dollar income by the current market price of the security.

Yield to Maturity - The rate of income return on an investment, minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

Yield Curve - The yield on bonds, notes or bills of the same type and credit risk at a specific date for maturities up to thirty years.

JEFF WILLIS
Fire Chief

December 11, 2012
Date



AGENDA REPORT

Item No. **FP5**

MEETING DATE: June 7, 2016

TO: Honorable Chairman and Members of the Fire Protection District

FROM: Shirley Holt, Senior Finance Officer *SH*

SUBJECT: **REVISION TO THE RESERVE POLICY OF BIG BEAR LAKE
FIRE PROTECTION DISTRICT**

BACKGROUND

Pursuant to Government Accounting Standards Board Statement Number 54 (GASB 54), Fund Balance Reporting and Government Fund Type Definitions, effective for financial statement periods beginning after June 15, 2010, this policy formalizes the Reserve policy of the Big Bear Lake Fire Protection District as described in Administrative Instruction Number: 2016-04 (attached).

DISCUSSION

Since the formation of the Big Bear Fire Authority in 2012, the expenses have been shared equally between the Big Bear City Community Services District (CSD) and the Big Bear Lake Fire Protection District (FPD) and reimbursed to the Fire Authority as its sole source of revenue. The proposed revision to the Fire Protection District reserve policy is to end funding of reserve contributions within the Fire Protection District and shift the funding of future reserve commitments for the combined member agencies to the Fire Authority. The reserve amounts will be identified per the Fire Authority reserve policy during the budget process and may be funded based on the excess revenue over expenses in the proposed budgets and/or existing reserve fund balances available within the member agencies. 2016/17 FPD Reserve Balances (attached).

RECOMMENDATION

Staff recommends that the Board approve the revision of Administrative Instruction Number: 2016-04, Big Bear Lake Fire Protection District Reserve Policy.

Attachment A: Revised Reserve Policy
Attachment B: Redlined Reserve Policy



Big Bear Lake Fire Protection District

Administrative Instruction

Number: 2016-04
Page 1 of 4

Issued: 12-11-12
Revised: 07-01-16

SUBJECT: RESERVE POLICY

I. PURPOSE

This document establishes the policy and administrative process for the Big Bear Lake Fire Protection District fund balance designations.

II. POLICY

Pursuant to Government Accounting Standards Board Statement Number 54 (GASB 54), Fund Balance Reporting and Government Fund Type Definitions, effective for financial statement periods beginning after June 15, 2010, this policy formalizes the reserve policy as described below:

Non-spendable Fund Balance: The non-spendable fund balance category cannot be spent either because it is not in a spendable form (e.g. Reserve for inventories) or it is the result of a legal or contractual requirement to be maintained intact. The Authority Treasurer or his/her designee is responsible for establishing and maintaining the Non-Spendable Fund Balance in accordance with Generally Accepted Accounting Principles as well as the legal and contractual requirements that are the basis for this fund balance categorization.

Restricted Fund Balance: The restricted fund balance category contains fund balance constraints externally imposed (e.g. debt covenants, grant requirements, contributor specifications) or imposed by law (e.g. constitutional provisions enabling legislation). Enabling legislation as defined in GASB 54 authorizes the collection of payment for a specific purpose. The Authority Treasurer or his/her designee is responsible for establishing and maintaining the Restricted Fund Balance in accordance with Generally Accepted Accounting Principles as well as the externally and legally imposed constraints that are the basis for this fund balance categorization. The undesignated fund balance for the Big Bear Fire Authority falls into this category (can only be used for Authority purposes).

Unrestricted Fund Balance: The unrestricted fund balance category contains fund balances that do not meet the criteria for categorization as non-spendable or restricted.

Within the category of unrestricted, there are three subcategories: Committed, Assigned, and Unassigned.

Committed: The committed fund balance subcategory is established and utilized pursuant to the formal action of the governing body prior to the end of the fiscal year (June 30). Examples of fund balances categorized as committed include contingency reserves, replacement reserves, and infrastructure improvement reserves. Contributions and uses of reserves during a fiscal period are initially established by resolution during the budget adoption process and are reevaluated and modified during the mid-year budget review with the adoption of a resolution approving mid-year budget adjustments. Budgeted contributions and uses may also be adjusted throughout the year with the consent of a simple majority of the governing body. Regardless of when formal action is made, any recommendation to establish a contribution or use of committed reserves requires formal authorization of the governing body. For each type of committed fund balance, the table below shows the targeted fund balance and appropriate uses established by this policy:

Contingency Reserve – Disaster	No new contributions beginning FY 2015-16	To ensure continuity of operations due to unplanned events or cash flow purposes.
Replacement Reserve – Authority Vehicles & Equipment	No new contributions beginning FY 2015-16	<p>To repair, replace, upgrade or acquire safety vehicles and fire apparatus. The basis for determining the budgeted contributions is the Annual Set Aside calculation based on estimated replacement cost of existing vehicles and equipment.</p> <p>The contribution to reserves for equipment used for fire / incident assignments will be determined and placed into reserves at the end of the fiscal year only if revenue is generated from assignments. The maximum contribution will be equal to the estimated replacement cost.</p> <p>Replacement Reserves for other equipment have been established for radio, paramedic, office / computer and other equipment. Contributions to be made in years when a Authority operating surplus is available after fully funding all other categories of committed Authority reserves.</p>

Authority Fire Facility Reserve	No new contributions beginning FY 2015-16	To repair, replace or upgrade facility structures and fixtures.
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It is the intent of the governing body to maintain each of the committed fund balances at the established reserve target. It is also recognized that uses of reserves temporarily reduces the balance. During the annual budget and mid-year budget processes, the governing body will replenish reserves from the receipt of reimbursements from outside sources (e.g. grant proceeds, emergency management reimbursements) or the generation of recurring surplus resulting in undesignated funds which can be used for replenishment.

Recognizing that the timing of funds available to replenish committed fund balances may not occur within a given fiscal period, this policy establishes a commitment to replenish uses of reserves to the target level within three (3) years of use, unless the governing body grants an extension. The governing body may choose to grant an extension when the timing of a reimbursement from outside parties will occur outside the three-year timeframe or undesignated funds are not available to commit. Upon granting an extension, the governing body shall establish a timeline under which replenishment must take place and the priority of replenishment should it be necessary to spread limited funds among the various types of committed fund balance.

In the event, the committed reserve balance at the end of the fiscal year is below target by 10% and undesignated funds are not available to commit and/or reimbursement of funds from an outside party is not likely to be received within three (3) years, the governing body shall devise a plan to replenish reserves to the target level.

Assigned: The assigned fund balance subcategory contains amounts that are intended to be used for a specific purpose but are neither restricted nor committed. Funds reserved for encumbrances and compensated absences are examples of assigned fund balances. Unlike the other fund balance designations, assigned fund balances do not require formal action of the governing body to establish or adjust. The governing body, by way of policy adoption, assigns authority for determining such assignments to a management position; in this case, the Authority Treasurer or his/her designee has been assigned such authority.

Unassigned: The unassigned fund balance subcategory is the residual (undesignated) fund balance in the general operating fund. This portion of the fund balance has not been restricted, limited or assigned to a specific purpose. The general operating fund is the only fund that will report a positive unassigned fund balance. The other governmental funds may report a negative unassigned fund balance if expenditures exceed the amounts restricted, committed, or assigned for the specific purpose for which the fund exists.

Recognition Criteria: For financial reporting purposes, it is necessary to establish the recognition criteria for uses of restricted and unrestricted fund balances. This policy establishes that expenditures are considered to be incurred when restricted and unrestricted fund balances are used, regardless of whether the unrestricted fund balance is categorized as committed, assigned, or unassigned. For example, the use of vehicle replacement reserves to purchase a replacement vehicle will be considered an expenditure at the time of purchase, at which time, the use of reserved fund balances will be transferred out to cover the expenditure. Likewise, the use of contingency reserves for cash flow purposes will be transferred out to cover operating expenditures and will be considered expended at the time of transfer.

JEFF WILLIS
Fire Chief

June 7th, 2016
Date



Big Bear Lake Fire Protection District

Administrative Instruction

Number: 2016-04

Page 1 of 4

Issued: 12-11-12

Revised: ~~07-01-16~~

SUBJECT: RESERVE POLICY

I. PURPOSE

This document establishes the policy and administrative process for the Big Bear Fire Authority (“Authority”) fund balance designations.

II. POLICY

Pursuant to Government Accounting Standards Board Statement Number 54 (GASB 54), Fund Balance Reporting and Government Fund Type Definitions, effective for financial statement periods beginning after June 15, 2010, this policy formalizes the reserve policy as described below:

Non-spendable Fund Balance: The non-spendable fund balance category cannot be spent either because it is not in a spendable form (e.g. Reserve for inventories) or it is the result of a legal or contractual requirement to be maintained intact. The Authority Treasurer or his/her designee is responsible for establishing and maintaining the Non-Spendable Fund Balance in accordance with Generally Accepted Accounting Principles as well as the legal and contractual requirements that are the basis for this fund balance categorization.

Restricted Fund Balance: The restricted fund balance category contains fund balance constraints externally imposed (e.g. debt covenants, grant requirements, contributor specifications) or imposed by law (e.g. constitutional provisions enabling legislation). Enabling legislation as defined in GASB 54 authorizes the collection of payment for a specific purpose. The Authority Treasurer or his/her designee is responsible for establishing and maintaining the Restricted Fund Balance in accordance with Generally Accepted Accounting Principles as well as the externally and legally imposed constraints that are the basis for this fund balance categorization. The undesignated fund balance for the Big Bear Fire Authority falls into this category (can only be used for Authority purposes).

Unrestricted Fund Balance: The unrestricted fund balance category contains fund balances that do not meet the criteria for categorization as non-spendable or restricted. Within the category of unrestricted, there are three subcategories: Committed, Assigned, and Unassigned.

Committed: The committed fund balance subcategory is established and utilized pursuant to the formal action of the governing body prior to the end of the fiscal year (June 30). Examples of fund balances categorized as committed include contingency reserves, replacement reserves, and infrastructure improvement reserves. Contributions and uses of reserves during a fiscal period are initially established by resolution during the budget adoption process and are reevaluated and modified during the mid-year budget review with the adoption of a resolution approving mid-year budget adjustments. Budgeted contributions and uses may also be adjusted throughout the year with the consent of a simple majority of the governing body. Regardless of when formal action is made, any recommendation to establish a contribution or use of committed reserves requires formal authorization of the governing body. For each type of committed fund balance, the table below shows the targeted fund balance and appropriate uses established by this policy:

Contingency Reserve – Disaster	<p>Equal to 3 months (25%) annual operating costs. No new contributions beginning FY 2015-16</p>	To ensure continuity of operations due to unplanned events or cash flow purposes.
Replacement Reserve – Authority Vehicles & Equipment	<p>No new contributions beginning FY 2015-16</p> <p>Equal to 50% of the depreciated cost of existing safety vehicles & fire apparatus.</p> <p>Equal to estimated replacement cost of existing fire / incident response equipment.</p> <p>Equal to flat amount of \$250,000 for other equipment.</p>	<p>To repair, replace, upgrade or acquire safety vehicles and fire apparatus. The basis for determining the budgeted contributions is the Annual Set Aside calculation based on estimated replacement cost of existing vehicles and equipment.</p> <p>The contribution to reserves for equipment used for fire / incident assignments will be determined and placed into reserves at the end of the fiscal year only if revenue is generated from assignments. The maximum contribution will be equal to the estimated replacement cost.</p> <p>Replacement Reserves for other equipment have been established for radio, paramedic, office / computer and other equipment. Contributions to be made in years when an Authority operating surplus is available after fully funding all other categories of committed Authority reserves.</p>

Authority Fire Facility Reserve	No new contributions beginning FY 2015-16. Equal to 25% of the original cost of existing buildings.	To repair, replace or upgrade facility structures and fixtures.
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It is the intent of the governing body to maintain each of the committed fund balances at the established reserve target. It is also recognized that uses of reserves temporarily reduces the balance. During the annual budget and mid-year budget processes, the governing body will replenish reserves from the receipt of reimbursements from outside sources (e.g. grant proceeds, emergency management reimbursements) or the generation of recurring surplus resulting in undesignated funds which can be used for replenishment.

Recognizing that the timing of funds available to replenish committed fund balances may not occur within a given fiscal period, this policy establishes a commitment to replenish uses of reserves to the target level within three (3) years of use, unless the governing body grants an extension. The governing body may choose to grant an extension when the timing of a reimbursement from outside parties will occur outside the three-year timeframe or undesignated funds are not available to commit. Upon granting an extension, the governing body shall establish a timeline under which replenishment must take place and the priority of replenishment should it be necessary to spread limited funds among the various types of committed fund balance.

In the event, the committed reserve balance at the end of the fiscal year is below target by 10% and undesignated funds are not available to commit and/or reimbursement of funds from an outside party is not likely to be received within three (3) years, the governing body shall devise a plan to replenish reserves to the target level.

Assigned: The assigned fund balance subcategory contains amounts that are intended to be used for a specific purpose but are neither restricted nor committed. Funds reserved for encumbrances and compensated absences are examples of assigned fund balances. Unlike the other fund balance designations, assigned fund balances do not require formal action of the governing body to establish or adjust. The governing body, by way of policy adoption, assigns authority for determining such assignments to a management position; in this case, the Authority Treasurer or his/her designee has been assigned such authority.

Unassigned: The unassigned fund balance subcategory is the residual (undesignated) fund balance in the general operating fund. This portion of the fund balance has not been restricted, limited or assigned to a specific purpose. The general operating fund is the only fund that will report a positive unassigned fund balance. The other governmental funds may report a negative unassigned fund balance if expenditures

exceed the amounts restricted, committed, or assigned for the specific purpose for which the fund exists.

Recognition Criteria: For financial reporting purposes, it is necessary to establish the recognition criteria for uses of restricted and unrestricted fund balances. This policy establishes that expenditures are considered to be incurred when restricted and unrestricted fund balances are used, regardless of whether the unrestricted fund balance is categorized as committed, assigned, or unassigned. For example, the use of vehicle replacement reserves to purchase a replacement vehicle will be considered an expenditure at the time of purchase, at which time, the use of reserved fund balances will be transferred out to cover the expenditure. Likewise, the use of contingency reserves for cash flow purposes will be transferred out to cover operating expenditures and will be considered expended at the time of transfer.

JEFF WILLIS
Fire Chief

December 11, 2012
Date



AGENDA REPORT

Item No. **FP6**

MEETING DATE: June 7, 2016

TO: Honorable Chairman and Members of the Fire Protection District

FROM: Jeff Willis, Fire Chief *JW*

PREPARED BY: Shirley Holt, Sr. Finance Officer *SH*

SUBJECT: **CJPIA INSURANCE COST ALLOCATION MOU**

BACKGROUND

The Fire Authority is a member of California Joint Powers Authority (CJPIA), as is the City of Big Bear Lake (BBL) and Big Bear City Community Services District (CSD), for the purpose of carrying liability and workers' compensation insurance. As an entity of BBL, Big Bear Lake Fire Protection District (FPD) and Big Bear Lake Department of Water and Power (DWP) are covered through CJPIA as well. As an entity of CSD, Big Bear City Community Services District Fire (CSDF) is covered through CJPIA.

The consolidation of Fire Departments, and the difficulty in allocating liability and workers' compensation contributions specific to fire services created the need for a better cost allocation solution. Representatives of all these agencies have met with CJPIA and came to a mutually agreed upon method of allocation as defined in the attached Memorandum of Understanding (MOU).

DISCUSSION

The sole purpose of the MOU is to provide a mechanism for voluntary cost sharing among the six agencies. Exhibit 1, Cost Allocation, reflects the portion of the 2016-17 annual contribution for which each agency is responsible. The cost allocation methodology is based on each party's weighted percentage of total payroll exposure and total incurred claims experience. The MOU covers the period July 1, 2016 through June 30, 2017. It is expected that the same or similar cost allocation methodology will be applied to future years, but remains the option of all parties if they wish to continue the agreement each year.

RECOMMENDATION

Staff recommends the FPD Board authorize the Fire Chief to enter into a MOU among Big Bear area governmental agencies regarding the allocation of liability and workers' compensation costs.

Memorandum of Understanding

Among Big Bear Area Government Agencies
Regarding the Allocation of
Liability and Workers' Compensation Costs
April 21, 2016

1. Parties

This Memorandum of Understanding ("MOU") is a voluntary cost sharing agreement by and between the following Big Bear area government agencies:

1. BBL City of Big Bear Lake
2. DWP Big Bear Lake Department of Water and Power
3. FPD Big Bear Lake Fire Protection District
4. CSD Big Bear City Community Services District
5. CSDF Big Bear City Community Services District Fire
6. BBFA Big Bear Fire Authority

2. Purpose

The purpose of this MOU is to establish mutually agreed upon methodology for the allocation of liability and workers' compensation costs among the Big Bear area government agencies named above. The necessity of this MOU arose primarily as a result of the planned reconfiguration and consolidation of fire protection services under the centralized control of the BBFA, while the named parties have also simultaneously chosen to maintain pre-existing employer-employee relationships, despite the consolidation, for reasons related to California pension law compliance.

As of April 21, 2016, only three of the six parties named above were recognized as standalone Members of the California JPIA: (1) City of Big Bear Lake, (2) Big Bear City Community Services District, and (3) Big Bear Fire Authority. Historically, the remaining three parties have received coverage for liability and workers' compensation as subordinate affiliates, or departments, within one of the Member entities: DWP and FPD were considered departments of the City of Big Bear Lake, and CSDF was considered a department of the CSD. This MOU does not change, modify, or amend in any way, any agreement currently in force between the California JPIA and the named parties, nor does this agreement bind or establish the recognition of any new entity by the California JPIA. This MOU is solely by and between the named parties, and solely for the purpose of voluntary cost sharing.

3. Role of California JPIA

As it relates to this MOU, the California JPIA and its representatives serve as independent advisors to the named parties. California JPIA representatives were requested by the named parties to provide professional and technical consulting

Memorandum of Understanding

Among Big Bear Area Government Agencies
Regarding the Allocation of
Liability and Workers' Compensation Costs
April 21, 2016

services, and to make recommendations with regard to the allocation of costs for liability and workers' compensation coverage. The California JPIA is not a party to this MOU.

4. Coverage Types

This MOU specifically and only addresses the allocation of liability and workers' compensation coverage costs. It does not address all risk property, earthquake or any other lines of coverage, but may be expanded to do so in the future.

5. Duration of Agreement

This MOU specifically addresses cost allocation for 2016-17, which coincides with the fiscal year and coverage year that begins July 1, 2016 and continues through June 30, 2017. Exhibit 1 (attached) demonstrates the cost allocation methodology by applying it to 2016-17; however it is expected that the same (or similar) cost allocation methodology will also be applied to subsequent years, indefinitely, or until the named parties collectively agree to change or discontinue this arrangement.

6. Cost Allocation Methodology

The cost allocation methodology is based on each party's weighted percentage of total payroll (exposure) and total incurred claims (experience). Liability claims are weighted 75% and workers' compensation claims are weighted 85%. The percentages were derived from the approximate portion of annual contribution cost that is composed of funding for retained losses. For the liability program, cost components are as follows: 75% funding for retained losses, 15% excess and reinsurance premiums, and 10% overhead, training, and risk management support services. For the workers' compensation program, cost components are as follows: 85% funding for retained losses, 4% excess and reinsurance premiums, and 11% overhead, training, and risk management support services. If the Authority makes future adjustments to the weighting of the above annual contribution cost components, this cost allocation methodology may, at the California JPIA's sole discretion, be adjusted in the same manner.

7. Payroll Data

The payroll data in Exhibit 1 is stated as Medicare Wages from calendar year 2014, which was used for the purpose of calculating (or projecting) coverage costs for 2016-17. In subsequent years the most recent available complete calendar year of payroll

Memorandum of Understanding
Among Big Bear Area Government Agencies
Regarding the Allocation of
Liability and Workers' Compensation Costs
April 21, 2016

data will be used. Typically, payroll data is two years in arrears. Each party reserves the right to annually review and inspect payroll data to ensure its accuracy.

8. Loss Data

The loss data, or total incurred claim values, utilized in Exhibit 1 is a five year total from coverage years 2009-10 through 2013-14, valued as of September 30, 2015. This is the same data set that was used in the California JPIA's calculation of the 2016-17 annual contributions. The rolling five year sample provides a smoothing mechanism, which helps to prevent extreme volatility from year to year. In subsequent years, the oldest year in the five year look-back will fall off and a new year will replace it, such that it is a continuously rolling five years of loss data that is used in the calculation.

The loss data is not currently limited on a per occurrence basis. This makes the calculation more sensitive to large losses, and is reflective of the parties' intention to allow claims experience to significantly impact the calculation. Each party reserves the right to review and propose changes to this aspect of the cost allocation methodology in the future; although, all parties must agree in order for proposed changes to take effect.

9. Prospective Nature of Cost Allocation

The cost allocation methodology stated herein is prospective in nature; meaning, past payroll and past claims experience was used to allocate the liability and workers' compensation cost associated with the upcoming fiscal year. The timing of the calculation is intended to coincide with budget development timelines and provide the named parties with liability and workers' compensation cost estimates about six months prior to the start of the fiscal year. Subsequent (actual) claim development may vary substantially from the historical five year sample of loss data used in this cost allocation.

10. Billing and Accounting Process

The California JPIA will continue to bill for coverage, as it has in the past, only the three parties that are recognized as standalone Members: (1) City of Big Bear Lake, (2) Big Bear City Community Services District, and (3) Big Bear Fire Authority. The remaining parties: DWP, FPD, and CSDF will not receive invoices.

In addition to sending out three annual contribution invoices, the California JPIA will provide an exhibit each year, similar to Exhibit 1, which details the cost allocation among all six parties, as supplemental information. This supplemental information will be sent to all six parties.

Memorandum of Understanding

Among Big Bear Area Government Agencies
Regarding the Allocation of
Liability and Workers' Compensation Costs
April 21, 2016

Each party agrees to remit payment on a timely basis of their allocated share of the liability and workers' compensation cost directly to the California JPIA.

Retrospective adjustments will not be netted against other charges on the invoice, but rather, handled separately between the California JPIA and the three recognized Members. In cases where the retrospective adjustment is a refund to the Member, the California JPIA will mail a check for the full amount of the refund. In cases where the retrospective adjustment is an additional deposit due, the California JPIA will send a separate invoice to the Member. Subsequently, it will be the responsibility of the Member (if the parties desire) to refund or invoice its affiliated agencies for their appropriate share of the retrospective adjustment.

Exhibit 1

Cost allocation exhibit for 2016-17 (enclosed)

Memorandum of Understanding

Among Big Bear Area Government Agencies
Regarding the Allocation of
Liability and Workers' Compensation Costs
April 21, 2016

BBL
City of Big Bear Lake

Print Name

Signature

DWP
Department of Water and Power

Print Name

Signature

FPD
Fire Protection District

Print Name

Signature

CSD
Big Bear City Community
Services District

Print Name

Signature

CSDF
Big Bear City Community
Services District Fire

Print Name

Signature

BBFA
Big Bear Fire Authority

Print Name

Signature

Payroll Reconfiguration
Calendar 2014 Medicare Wages

Exhibit 1a

Corrected 4/13/16

	Payroll Used for the Annual Contribution Calculation 2016-17		Payroll Reconfigured Based on the Original Employer		Old Payroll Prior to Correction	Change
	\$	%	\$	%		
(1) BBL	\$ 8,714,674	65.1%	\$ 4,190,497	31.3%	5,552,280	(1,361,783)
(2) DWP		0.0%	\$ 2,425,048	18.1%	1,366,727	1,058,321
(3) FPD		0.0%	\$ 2,099,129	15.7%	1,795,667	303,462
(4) CSD	\$ 3,931,058	29.4%	\$ 2,194,982	16.4%	2,361,256	(166,274)
(5) CSDF		0.0%	\$ 2,324,938	17.4%	2,158,664	166,274
(6) BBFA	\$ 731,976	5.5%	\$ 143,114	1.1%	143,114	-
Total	\$ 13,377,708	100.0%	\$ 13,377,708	100.0%	13,377,708	-

Cost Allocation Proposal
 Big Bear Government Agencies
 Coverage Period: 7/1/2016 - 6/30/2017

Exhibit 1b

weight applied to liability claims 75%

Liability Insurance Expense								
	Payroll		Claims		Annual Contribution		Cost Allocation Proposal	
	\$	%	\$	%	\$	%	\$	%
(1) BBL	\$ 4,190,497	31.3%	\$ 1,227,966	83.0%	\$ 541,186	69.2%	\$ 548,021	70.0%
(2) DWP	\$ 2,425,048	18.1%	\$ 51,443	3.5%			\$ 55,847	7.1%
(3) FPD	\$ 2,099,129	15.7%	\$ -	0.0%			\$ 30,691	3.9%
(4) CSD	\$ 2,194,982	16.4%	\$ 72,955	4.9%	\$ 203,209	26.0%	\$ 61,011	7.8%
(5) CSDF	\$ 2,324,938	17.4%	\$ 127,944	8.6%			\$ 84,708	10.8%
(6) BBFA	\$ 143,114	1.1%	\$ -	0.0%	\$ 37,975	4.9%	\$ 2,092	0.3%
Total	\$ 13,377,708	100.0%	\$ 1,480,308	100.0%	\$ 782,370	100.0%	\$ 782,370	100.0%

weight applied to workers' compensation claims 85%

Workers' Compensation Insurance Expense								
	Payroll		Claims		Annual Contribution		Cost Allocation Proposal	
	\$	%	\$	%	\$	%	\$	%
(1) BBL	\$ 4,190,497	31.3%	\$ 157,161	10.0%	\$ 398,436	58.4%	\$ 89,762	13.2%
(2) DWP	\$ 2,425,048	18.1%	\$ 285,418	18.1%			\$ 123,366	18.1%
(3) FPD	\$ 2,099,129	15.7%	\$ 521,030	33.0%			\$ 207,404	30.4%
(4) CSD	\$ 2,194,982	16.4%	\$ 555,120	35.2%	\$ 242,318	35.5%	\$ 220,657	32.4%
(5) CSDF	\$ 2,324,938	17.4%	\$ 59,628	3.8%			\$ 39,677	5.8%
(6) BBFA	\$ 143,114	1.1%	\$ -	0.0%	\$ 41,205	6.0%	\$ 1,093	0.2%
Total	\$ 13,377,708	100.0%	\$ 1,578,357	100.0%	\$ 681,959	100.0%	\$ 681,959	100.0%

The attached MOU provides an explanation of the data used in this exhibit.



AGENDA REPORT

Item No. FP7

MEETING DATE: June 7, 2016

TO: Honorable Chairman and Members of the Fire Protection District

FROM: Shirley Holt, Senior Finance Officer *SH*

SUBJECT: **PUBLIC HEARING FOR PROPOSED RESOLUTION TO ADOPT THE FISCAL YEAR 2016/17 BIG BEAR LAKE FIRE PROTECTION DISTRICT BUDGET**

BACKGROUND

Since the formation of the Big Bear Fire Authority in 2012, the operating expenses for the Fire Authority have been shared equally between Community Services District (CSD) and Big Bear Lake Fire Protection District (FPD) and reimbursed to the Fire Authority. The 2016/2017 Fire Protection District budget is presenting the property taxes, RDA and other revenues of the FPD as first funding operations of the FPD, then funding fifty percent of the Ambulance operating deficit and fifty percent of the Fire Authority operations.

DISCUSSION

2015/2016 was the first full year of operations for the Fire Authority and the operational support from the FPD to the Fire Authority changed from \$837,469 in the current budget year to \$830,389 in the budget for fiscal year 2016/2017. No reduction in fund balance is required from member agencies to fund Ambulance Services or Fire Authority operations as in the prior fiscal year.

Staff intends to create a three to five-year strategic plan and associated financial projections to identify and implement a sustainable operational platform. The long term goal is to maintain appropriate reserve levels and operate effectively within the parameters of future revenues necessary from each member District.

FISCAL IMPACT

The proposed 2016/17 FPD budget requires funding in the total amount of \$5,103,688, including \$315,403 for Ambulance Services and \$830,389 for Fire Authority Operations.

RECOMMENDATION

Staff recommends that the Board adopt the Fiscal Year 2016/2017 Fire Protection District Budget set forth in Resolution FP2016-XX.

RESOLUTION NO. FP2016-XX

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BIG BEAR LAKE FIRE PROTECTION DISTRICT, A SUBSIDIARY FIRE PROTECTION DISTRICT OF THE CITY OF BIG BEAR LAKE, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ADOPTING THE BIG BEAR LAKE FIRE PROTECTION DISTRICT APPROVED BUDGET FOR FISCAL YEAR 2016/2017

WHEREAS, the Big Bear Lake Fire Protection District held a budget conference and a public hearing on the proposed budget.

NOW, THEREFORE, BE IT RESOLVED, that the Big Bear Lake Fire Protection District does hereby adopt the approved budget for the Big Bear Lake Fire Protection District; and

BE IT FURTHER RESOLVED that the appropriated sources and uses are as follows for the Fiscal Year 2016/17 budget:

Fund	Appropriated Sources	Appropriated Uses
Fire Operating Fund	5,184,148	5,103,688
HUFI	901,104	901,104

PASSED, APPROVED AND ADOPTED this 7th day of June, 2016.

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

Rick Herrick, Chairman

ATTEST:

Dawn Marschinke, Board Secretary

FIRE PROTECTION DISTRICT OPERATING FUND

	2013-14	2014-15	2015-16	2015-16	2016-17
Revenue	Actual	Actual	Adopted Budget	Projected Year End	Proposed Budget
Property Taxes					
Current Secured Taxes	3,495,916	3,621,880	3,695,400	3,481,073	3,806,033
RDA Residual Balance RR09	365,386	138,819	369,332	379,790	379,790
RDA Residual Balance RR10	65,696	24,847	65,176	73,533	73,530
Current Unsecured Taxes	158,972	159,679	198,900	198,900	202,880
Suppl Roll Prtx Current Year	37,371	45,614	3,500	5,849	5,970
Unitary Tax	101,686	72,036	98,800	98,800	104,275
Prior Year Taxes	(291)	(1,452)	2,000	2,767	2,820
Suppl Roll Prtx Prior Year	14,338	18,979	20,000	20,000	20,400
Penalties On Taxes	4,177	4,553	5,000	5,000	5,100
RDA Sharing Agreement RR09	73,970	80,376	52,400	48,319	48,320
RDA Sharing Agreement RR10	12,726	14,717	9,300	8,721	8,720
Homeowners Exemption	45,716	43,598	0	21,177	31,180
Total Property Taxes	4,375,662	4,223,647	4,519,808	4,343,928	4,689,018
Subventions and Grants					
Misc awards from Federal Gov	16,642	13,400	49,000	0	0
Total Subventions and Grants	16,642	13,400	49,000	0	0
Licenses and Permits					
New Construction Plan	630	63	0	0	0
Uniform Fire Code Permits	3,240	731	0	0	0
Fire Service Fees	4,453	4,426	0	0	0
Emergency Services	11,396	608	0	0	0
Total Licenses and Permits	19,719	5,827	0	0	0

FIRE PROTECTION DISTRICT OPERATING FUND

	2013-14 Actual	2014-15 Actual	2015-16 Adopted Budget	2015-16 Projected Year End	2016-17 Proposed Budget
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Use of Money and Property

Interest On Bank Deposits	10,548	12,486	0	2,000	2,000
Other Interest	18	3	0	0	0
Rent Income-Bear Mtn	3,750	3,750	0	0	0
Rent/Options - Cell Tower	30,703	34,890	0	0	0
Change in Fair Market Value	201	412	0	0	0
Total Use of Money and Property	45,221	51,541	0	2,000	2,000

Contribution Revenue

Suppression Admin Salaries - from Amb	0	0	0	0	87,390
Suppression Admin Benefits - from Amb	0	0	0	0	64,130
Suppression Salaries & Benefits from CSD	0	0	0	135,600	135,600
Suppression Salaries & Benefits from Amb	0	0	537,000	752,400	0
Suppression Admin Salaries - from BFA	0	0	0	0	58,260
Suppression Admin Benefits - from BFA	0	0	0	0	42,750
Total Contribution Revenue	0	0	537,000	888,000	388,130

Current Services

Miscellaneous Revenue	530	50	0	0	0
Ambulance Cost Recovery Revenue	0	0	0	0	100,000
Reimb Costs from CSD (Fund 221)	347,248	209,456	0	38,063	0
Mutual Aid Revenue	202,193	203,659	319,000	5,000	5,000
Total Current Services	549,972	413,165	319,000	43,063	105,000

Before Transfers

	5,007,216	4,707,580	4,887,808	4,388,991	5,184,148
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Interfund Transfers

Transfer In-Fire (Fund 221)	295,512	652,170	0	0	0
Transfer In-Reserves	0	0	551,312	551,312	0
Transfer In-Fire Supp (335)	0	4,073	0	0	0
Total Interfund Transfers	295,512	656,243	551,312	551,312	0

Total Revenue

	5,302,728	5,363,823	5,439,120	4,940,303	5,184,148
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FIRE PROTECTION DISTRICT OPERATING FUND

	2013-14	2014-15	2015-16	2015-16	2016-17
	Actual	Actual	Adopted Budget	Projected Year End	Proposed Budget

Expenditures

	2013-14	2014-15	2015-16	2015-16	2016-17
	Actual	Actual	Adopted Budget	Projected Year End	Proposed Budget
Salaries and Benefits					
Salaries	1,522,088	1,318,338	1,244,837	1,327,204	1,401,609
Overtime	398,298	408,568	1,087,800	482,891	463,000
Wages Part-Time-PCF	34,516	31,770	0	0	0
Holiday Pay	0	0	0	0	5,278
Training Pay	0	0	0	0	0
Uniform Allowance	0	0	0	0	0
Paid Time Off Earned	0	0	0	0	46,810
Vacation Leave Earned	0	0	0	0	0
Sick Leave Earned	0	0	0	0	0
Comp Leave Earned	0	0	0	0	1,023
Personal/Admin Leave Earned	0	0	0	0	1,500
Medical Insurance	0	0	0	0	246,830
Dental Insurance	0	0	0	0	19,610
Vision Insurance	0	0	0	0	4,370
Life Insurance	0	0	0	0	1,140
SBCERA Expense	0	0	0	0	977,770
Workers Compensation Insurance	0	0	75,000	75,000	207,404
Medicare ER	0	0	0	0	21,430
Direct Benefits	1,082,906	1,030,691	1,336,979	1,336,979	0
Direct Benefits (Fund 221)	126,595	89,782	0	0	0
Direct Benefits - Cafeteria	31,582	24,304	0	0	21,430
Minimum Staffing by CSD	168,344	159,789	0	292,488	292,490
Shared Labor	295,512	652,170	0	0	0
Total Salaries and Benefits	3,659,841	3,715,413	3,744,616	3,514,562	3,766,305
Supplies					
Special Dept Expense	0	4,361	0	0	0
Clothing and Personal Equipt	8,194	0	0	0	0
Total Supplies	8,194	4,361	0	0	0

FIRE PROTECTION DISTRICT OPERATING FUND

	2013-14 Actual	2014-15 Actual	2015-16 Adopted Budget	2015-16 Projected Year End	2016-17 Proposed Budget
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Professional Services					
Professional Services	7,891	5,243	6,500	6,500	6,500
Professional Services - Legal	7,419	417	15,000	15,000	25,000
General Support Services	0	0	0	0	39,600
IT Support Services	0	0	8,175	0	0
Total Professional Services	15,310	5,660	29,675	21,500	71,100

Other Expenditures					
Insurance - Liability	244,684	239,970	155,900	155,900	30,691
Rents and Leases	0	13,508	0	0	6,800
Board Stipend	3,000	2,400	1,500	2,000	3,000
Property Tax Collect Charges	44,394	46,423	0	10,000	30,000
Travel-Conferences and Meeting	2,104	0	0	312	0
Authority Reserves Contrib	0	0	713,247	713,247	0
Share of Fire Authority exp	390,191	679,435	837,469	837,469	830,389
Share of Ambulance exp	0	0	0	0	315,403
Share of Fire District Adminis	0	0	258,038	258,038	0
Authority Capital Exp	0	0	235,675	235,675	0
Administration Overhead	239,500	239,500	0	0	0
Federal Grant Expenditures	33,438	0	0	0	0
Chipping Contribution to BFA (222)	0	0	0	0	50,000
Total Other Expenditures	957,311	1,221,237	2,201,829	2,212,641	1,266,283

Before Transfers	4,640,655	4,946,671	5,976,120	5,748,703	5,103,688
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Interfund Transfers					
Transfer Out-Cap Project (325)	0	4,073	0	0	0
Transfer Out-HUFI (994)	0	0	0	0	0
Transfer Out-Dist Admin (221)	295,512	652,170	0	0	0
Total Interfund Transfers	295,512	656,243	0	0	0

Total Expenditures	4,936,167	5,602,914	5,976,120	5,748,703	5,103,688
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Excess Revenue over Expenses	366,561	(263,533)	(537,000)	(808,400)	80,460
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BIG BEAR LAKE FPD GRANT FUND

	2013-14	2014-15	2015-16	2015-16	2016-17
	Actual	Actual	Adopted Budget	Projected Year End	Proposed Budget

Revenue

Shake Shingle DR-1884 HMGP

Shake Shingle DR-1884 HMGP	59,435	116,299	774,610	310,035	450,101
Citizen Participation	0	45,055	0	99,158	181,513
Total Shake Shingle DR-1884 HMGP	59,435	161,354	774,610	409,192	631,614

Shake Shingle LPDM08 Project 15

SBCF Reimb LPDM08 Project 15	0	405,149	422,578	102,638	269,490
Total Shake Shingle LPDM08 Pr 15	0	405,149	422,578	102,638	269,490

Shake Shingle DR-1731 HMGP (Grant Closed)

Shake Shingle DR-1731 HMGP	25,210	99,540	39,551	33,559	0
Citizen Participation/Contrib	2,824	39,935	0	6,464	0
Total Shake Shingle DR 1731-HMGP	28,034	139,475	39,551	40,022	0

Shake Shingle LPDM08 Project 02 (Grant Closed)

SBCF Reimb LPDM08 Project 15	345,028	121,983	0	0	0
Total Shake Shingle LPDM08 Pr 02	345,028	121,983	0	0	0

Shake Shingle LPDM08 Planning (Grant Closed)

SBCF Reimb LPDM08 Project 15	16,283	0	0	0	0
Total Licenses and Permits	16,283	0	0	0	0

Chipping 14USFSA0006 (Grant Closed)

Chipping 14USFSA0006	0	87,024	112,476	105,160	0
Citizen Participation 14USFSA0006	0	193,603	5,897	191,795	0
Program Chipping Rev 14USFSA0006	0	1,690	0	4,000	0
Total Chipping 14USFSA0006	0	282,317	118,373	300,955	0

Total Revenue	448,780	1,110,278	1,355,112	852,808	901,104
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BIG BEAR LAKE FPD GRANT FUND

	2013-14	2014-15	2015-16	2015-16	2016-17
	Actual	Actual	Adopted Budget	Projected Year End	Proposed Budget
Expenses					
Internal Services/Admin					
Salaries	74,891	89,099	0	43,702	83,564
Salaries - Overtime	0	1,116	0	0	0
Wages Part-Time	0	0	0	0	0
Holiday Pay	0	0	0	1,500	0
Medical Insurance	0	0	0	1,291	11,483
Dental Insurance	0	0	0	111	615
Vision Insurance	0	0	0	0	97
Life Insurance	0	0	0	16	90
SBCERA Expense	0	0	0	7,682	29,645
Medicare ER	0	0	0	268	1,128
Salary Adj to Funded Amt	(103,692)	(147,034)	0	(64,126)	(95,143)
Direct Benefits	36,296	47,285	0	0	0
Direct Benefits - Cafeteria	11,139	12,054	0	9,686	0
Telephone	0	206	0	0	0
Postage Charges	99	0	0	0	0
Professional Services	784	1,125	0	0	0
Insurance	0	0	0	0	0
Vehicle Costs	(120)	(95)	0	0	0
Cost Share Match	25,104	84,328	0	101,886	149,029
Total Services/Admin	44,500	88,083	0	102,016	180,508

Shake Shingle DR-1884 HMGP (Dept 4278)

Salary Adj to Funded Amt	39,812	17,291	96,627	11,096	79,988
Office Expense	39	32	168	0	88
Special Dept Expense	9,539	2,286	0	1,294	0
Telephone	2,447	468	4,532	777	3,495
Printing	260	149	351	99	167
Photocopy	399	0	1,500	0	0
Postage Charges	115	208	755	138	617

BIG BEAR LAKE FPD GRANT FUND

	2013-14 Actual	2014-15 Actual	2015-16 Adopted Budget	2015-16 Projected Year End	2016-17 Proposed Budget
Professional Services	27,960	0	29,364	11,390	21,142
Homeowner Reimbursement	0	109,167	589,513	240,900	312,330
Contractual Services	0	3,135	0	26,426	0
Insurance	8,475	0	0	0	0
Vehicle Costs	10	0	825	30	795
Cost Share Match	(22,264)	(44,447)	(252,523)	(95,457)	(149,029)
Homeowner Contribution	0	45,055	286,455	99,158	181,513
Total Shake Shingle DR-1884 HMGP	66,792	133,343	757,567	295,851	451,106

Shake Shingle LPDM08 Project 15 (Dept 4280)

Salary Adj to Funded Amt	133	35,217	51,126	11,237	18,622
Office Expense	65	42	368	37	353
Telephone	0	1,190	4,480	2,190	1,789
Printing	0	371	2,936	91	2,621
Postage Charges	0	714	0	74	0
Professional Services	0	290	3,085	309	1,314
Homeowner Reimbursement	0	372,625	350,525	76,917	243,090
Contractual Services	0	3,059	0	16,014	0
Vehicle Costs	0	0	1,701	0	1,701
Total Shake Shingle LPDM08 Project 15	198	413,507	414,221	106,869	269,490

Shake Shingle DR-1731 HMGP (Grant Closed)

Salary Adj to Funded Amt	4,435	37,499	3,645	3,645	0
Office Expense	0	57	0	0	0
Telephone	0	777	14	14	0
Printing	34	111	0	0	0
Postage Charges	69	483	0	0	0
Professional Services	19,716	165	512	0	0
Homeowner Reimbursement	0	84,296	15,082	15,082	0
Contractual Services	0	0	0	512	0
Vehicle Costs	1	7	0	0	0
Cost Share Match	(2,819)	(39,880)	(6,429)	(6,429)	0
Homeowner Contribution	2,824	36,127	6,464	6,464	0
Total Shake Shingle DR-1731 HMGP	24,260	119,640	19,288	19,287	0

BIG BEAR LAKE FPD GRANT FUND

	2013-14	2014-15	2015-16	2015-16	2016-17
	Actual	Actual	Adopted Budget	Projected Year End	Proposed Budget

Shake Shingle LPDM08 Project 02 (Grant Closed)

Salary Adj to Funded Amt	45,927	8,283	0	0	0
Office Expense	43	0	0	0	0
Special Dept Expense	548	140	0	0	0
Telephone	1,959	263	0	0	0
Printing	631	41	0	0	0
Postage Charges	749	53	0	0	0
Professional Services	691	0	0	0	0
Homeowner Reimbursement	361,725	43,537	0	0	0
Insurance	2,329	0	0	0	0
Vehicle Costs	91	0	0	0	0
Total Shake Shingle LPDM08 Project 02	414,695	52,316	0	0	0

Shake Shingle LPDM08 Planning (Grant Closed)

Salary Adj to Funded Amt	3,659	0	0	0	0
Printing	31	0	0	0	0
Insurance	3,788	0	0	0	0
Total Shake Shingle LPDM08 Planning	7,479	0	0	0	0

Chipping 14USFSA0006 (Grant Closed)

Salary Adj to Funded Amt	9,725	48,745	16,030	13,427	0
Office Expense	0	220	1,780	0	0
Safety Supplies	0	15	985	0	0
Advertising	862	4,332	5,806	5,248	0
Telephone	321	769	2,910	451	0
Printing	8	351	141	60	0
Photocopy	0	0	1,000	0	0
Maintenance - Equipment	0	0	1,000	58	0
Professional Services - Legal	0	589	410	0	0
Contractual Services	2,402	38,584	59,013	71,905	0
Education/Training	145	1,354	501	0	0
Vehicle Costs	0	88	1,412	0	0
Cost Share Match	0	193,603	5,897	191,795	0
Total Chipping 14USFSA0006	13,463	288,652	96,885	282,946	0

Total Expenses	571,386	1,095,540	1,287,961	806,970	901,104
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Excess Revenue over Expenses	(122,607)	14,739	67,151	45,838	0
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FIRE PROTECTION DISTRICT
RESERVE FUNDS BALANCE
Fiscal Year 2016-2017

Reserve Fund	Beginning Fund Balance 7/1/15		Fiscal Year 2015-16		Fiscal Year 2016-17		Ending Fund Balance 6/30/16	Projected Fund Balance 6/30/17	Increase/ (Decrease)
	Balance		Contributions	Uses	Contributions	Uses			
Vehicle Replacement	1,329,155				1,329,155		1,329,155	\$ 1,329,155	\$ -
Contingency	1,615,500			551,312	1,064,188		1,064,188	\$ 1,064,188	\$ -
Other Equipment	287,088				287,088		287,088	\$ 287,088	\$ -
Facility Reserve-Fire Station	987,468				987,468		987,468	\$ 987,468	\$ -
	\$ 4,219,211	\$ -	\$ -	\$ 551,312	\$ 3,667,899	\$ -	\$ 3,667,899	\$ 3,667,899	\$ -

CURRENT RESERVE POLICY

Vehicle Replacement- No Contributions as of FY215-16
Contingency No Contributions as of FY215-16
Other Equipment No Contributions as of FY215-16
Facility Reserve-Fire Station No Contributions as of FY215-16

Target	Projected Balance	Reserve (Shortfall)
1,329,155	1,329,155	-
1,064,188	1,064,188	-
287,088	287,088	-
987,468	987,468	-

FIRE PROTECTION DISTRICT

Vehicle Inventory List

2016-2017

Capital Item	Radio Designator	Year Purchased	Original Cost	Estimated Life (Years)	Estimated Replacement Cost
Pooled Administration Vehicles					
2001 Dodge Pickup	U-281	2001	24,207	20	43,930
2006 Ford Explorer	U-281A	2006	21,600	20	40,400
2010 Ford F250	U-281B	2015	37,136	20	59,280
2010 Ford Expedition XL	BC-2805	2010	46,000	15	79,180
2011 Ford F350	BC-2807	2010	48,000	15	67,000
					\$ 289,790

LARGE UTILITY					
1950 FWD Engine	E-283A	1950			
1989 Seagrave Engine	Retired	1989	176,563	25	561,000
2001 E-One Ladder Truck	T-281	2001	443,048	20	686,460
2003 Pierce International 7400	BE-281	2003	222,369	20	475,065
2005 KME Engine	E-281	2005	337,857	20	490,238
2002 Sandpiper Trailer	IS-281	2008	15,000	20	26,828
2005 Pierce International WT	WT-281	2004	180,317	30	300,798
2006 Pierce International Rescue	R-281	2006	283,250	20	384,581
2009 Ford F550 Type IV Engine	BP-281	2011	118,325	10	193,800
2005 Bandit 250 Chipper	BC-281	2005	27,162		
2001 GMC Dump Truck		2006	7,000		
2000 Polaris Sport Tour Snow Mobile	SnoMo-282	2010			
2000 Polaris Sport Tour Snow Mobile	SnoMo-283	2010			
1980 Avon Runabout Inflatable Boat		2008			
					\$ 3,118,769