



Big Bear Fire Authority

**BIG BEAR FIRE AUTHORITY
SPECIAL MEETING AGENDA
JUNE 25, 2013**

ORDER OF BUSINESS:

Open Session - 6:30 p.m. - Hofert Hall, 39707 Big Bear Blvd., Big Bear Lake, CA

BOARD OF DIRECTORS

**CHAIRMAN DAVID CARETTO
VICE CHAIRMAN JOHN GREEN
DIRECTOR RICK HERRICK
DIRECTOR BOB JACKOWSKI
DIRECTOR BILL JAHN
DIRECTOR JEFF NEWSOME
DIRECTOR JAY OBERNOLTE
DIRECTOR KARYN OXANDABOURE
DIRECTOR PAUL TERRY
DIRECTOR LARRY WALSH**

OPEN SESSION.

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.

CALL TO ORDER.

MOMENT OF SILENCE / PLEDGE OF ALLEGIANCE.

ROLL CALL.

PRESENTATIONS.

Badge presentation to Mike Maltby for his promotion to Administrative Services Battalion Chief.

GENERAL PUBLIC COMMENT. Any member of the public is entitled to speak only on items listed on the agenda.

CONSENT CALENDAR.

FA1. Statement of Investment Policy – Discussion and Possible Action

Board consideration of adopting a resolution reaffirming the Statement of Investment policy for Fiscal Year 2013-14.

ITEMS REMOVED FROM THE CONSENT CALENDAR.

PUBLIC HEARING.

Any person may appear and be heard in support or opposition to the proposal 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.

FA2. Public Hearing and Adoption of the Fiscal Year 2013-14 Big Bear Fire Authority Proposed Budget – Discussion and Possible Action

Board consideration of a resolution adopting the Fiscal Year 2013-14 budget.

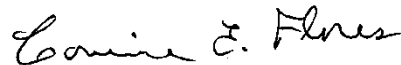
DISCUSSION/ACTION ITEMS.

FA3. Final Report – Feasibility Study to Develop the Big Bear Fire Authority as an Employing Agency – Discussion and Possible Action

Board consideration of receiving and filing the report.

ADJOURN.

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 20th day of June, 2013.



Corinne E. Flores, Board Secretary

The Big Bear Fire Authority 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 Corinne Flores at 909/866-7566. Notification 48 hours prior to the meeting will enable the Fire Authority to make reasonable arrangements to ensure accessibility to this meeting.



BIG BEAR FIRE AUTHORITY AGENDA REPORT

Item No. FA1

MEETING DATE: June 25, 2013

TO: Honorable Chairman and Members of the Fire Authority

FROM: Jeff Willis, Fire Chief 

REVIEWED BY: Kathleen Smith, Authority Treasurer

PREPARED BY: Kelly Ent, Administrative Services Director

SUBJECT: STATEMENT OF INVESTMENT POLICY

BACKGROUND

Pursuant to Government Code 53646, the Investment Policy shall be reviewed and submitted annually for adoption at a public meeting. The last review and adoption was on December 11, 2012 for the 2012-13 Fiscal Year. The attached Statement of Investment Policy (Attachment 2) remains unchanged from last year.

The 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; however, with the recent economic downturn and the uncertainty in the investment market, all investments have remained with LAIF.

By participating in the LAIF, local agencies have the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars, using the investment expertise of the California State Treasurer's Office investment staff. Investments of funds held by Trustees and Paying Agents for long-term debt are guided by various bond indentures. Additional information regarding LAIF can be found on the State Treasurer's website located at <http://www.treasurer.ca.gov/pmia-laif/>

With the State cash flow situation, 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 the attached resolution (Attachment 1) reaffirming the Statement of Investment Policy for Fiscal Year 2013-14.

RESOLUTION NO. BBFA2013-XX

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BIG BEAR
FIRE AUTHORITY, A CALIFORNIA JOINT POWERS AUTHORITY,
ADOPTING THE STATEMENT OF INVESTMENT POLICY FOR
FISCAL YEAR 2013-14**

WHEREAS, the Big Bear Fire Authority exists pursuant to the laws of the state of California and that certain Joint Powers Agreement entered into by and between the Big Bear City Community Services District and the Big Bear Lake Fire Protection District; and

WHEREAS, it is necessary to annually re-adopt the Investment Policy as provided in Government Code Section 5346.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Big Bear Fire Authority does hereby adopt the attached Statement of Investment Policy.

PASSED, APPROVED AND ADOPTED this __ day of June, 2013.

AYES:

NOES:

ABSENT:

ABSTAIN:

David Caretto
Chairman, Board of Directors
Big Bear Fire Authority

ATTEST:

Corinne E. Flores
Secretary
Big Bear Fire Authority

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

I, Corinne E. Flores, Secretary of the Big Bear Fire Authority Board, do hereby certify that the whole number of members of the said Board is ten; that the foregoing resolution, being Resolution No. BBFA2013-XXX 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 ____ day of June 2013, 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 Authority this ____ day of June, 2013.

Corinne E. Flores
Secretary
Big Bear Fire Authority



Big Bear Fire Authority

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 Fire Authority's ("Authority") 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 Authority while enhancing its economic status.

II. POLICY

It is the policy of the Authority to invest public funds in a manner which will safeguard these monies, meet the daily cash flow demands of the Authority, 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 Authority. These funds are accounted for in the Authority'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 Authority Treasurer shall be the "prudent investor" standard and shall be applied in the context of managing an overall portfolio. The Authority 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 Authority's investment activities shall be:

Safety

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

Liquidity

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

Return on Investment

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

Delegation of Authority

Authority to manage the Authority's investment program is derived from the Authority Board. Management responsibility for the investment program is hereby delegated to the Authority Treasurer. The Authority 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 Authority, particularly with regard to the timing of purchases and sales.

Authorized Financial Dealers and Institutions

If the Authority expands its investment vehicles beyond Local Agency Investment Fund (LAIF) accounts, the Authority 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 Authority 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 Authority's investment policy and depository contracts).

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

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

Authorized and Suitable Investments

The Authority is empowered by the California Government Code to, and as a matter of Authority 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 Authority 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 Authority:

- ▶ 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 Authority maintains a bank account with Union Bank. All Authority deposits are collateralized.

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

Safekeeping and Custody

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

Diversification

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

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

Report

The Authority Treasurer shall provide to Authority 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 Authority's investment policy shall be adopted by resolution of the Authority Board. The policy shall be reviewed annually by the Authority Board and any modifications made thereto must be approved by the Authority 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 Authority. 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 (Authority) the securities at an agreed upon price after a stated period of time.

Reverse Repurchase Agreement (REVERSE REPO) - A transaction where the seller (Authority) 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




BIG BEAR FIRE AUTHORITY AGENDA REPORT

Item No. FA2

MEETING DATE: June 25, 2013

TO: Honorable Chairman and Members of the Big Bear Fire Authority

FROM: Jeff Willis, Fire  Chief

REVIEWED BY: Kathleen Smith, Authority Treasurer

PREPARED BY: Kelly Ent, Administrative Services Director

SUBJECT: **PUBLIC HEARING AND ADOPTION OF THE FISCAL YEAR 2013-14 BIG BEAR FIRE AUTHORITY PROPOSED BUDGET**

BACKGROUND

Attached is the Big Bear Fire Authority (“Authority”) proposed budget for Fiscal Year 2013-14. This budget contains the non-labor operating costs of the Big Bear Lake Fire Protection District and the Community Services District, which are shared equally under the Authority budget. The independent districts have each included their share of Authority expenses (\$387,155) in their respective budgets for Fiscal Year 2013-14.

The prior year budget was based on the Shared Services Agreement in place at the time the respective districts adopted their annual operating budget. Since the formation of the Authority, consolidation of the independent fire agencies continues to progress. The Fiscal Year 2013-14 proposed budget has increased over the prior year budget as both districts have migrated operating costs over to the Authority through the consolidation effort. As a result, both agencies are reporting savings through the consolidation of these costs.

To adopt the budget, the Board must conduct a public hearing and adopt a resolution approving the budget. The attached resolution summarizes the total Appropriated Resources and Appropriated Uses included in the proposed budget.

RECOMMENDATION

Staff recommends the Board conduct a Public Hearing and adopt the attached resolution approving and adopting the Fiscal Year 2013-14 budget.

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Attachment 1: Resolution No. BBFA2013-XX Adopting the Big Bear Fire Authority Approved Budget for Fiscal Year 2013-14

Attachment 2: Proposed Fiscal Year 2013-14 Budget

RESOLUTION NO. BBFA2013-XX

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BIG BEAR FIRE AUTHORITY, A CALIFORNIA JOINT POWERS AUTHORITY, ADOPTING THE BIG BEAR FIRE AUTHORITY APPROVED BUDGET FOR FISCAL YEAR 2013-14

WHEREAS, the Big Bear Fire Authority exists pursuant to the laws of the state of California and that certain Joint Powers Agreement entered into by and between the Big Bear City Community Services District and the Big Bear Lake Fire Protection District; and

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

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Big Bear Fire Authority does hereby adopt the approved Fiscal Year 2013-14 budget for the Big Bear Fire Authority; and

BE IT FURTHER RESOLVED, that the appropriated resources and uses are as follows for the Fiscal Year 2013-14 budget:

Fund	Appropriated Resources	Appropriated Uses
Big Bear Fire Authority	779,310	779,310

PASSED, APPROVED AND ADOPTED this day of June, 2013.

AYES:
NOES:
ABSENT:
ABSTAIN:

David Caretto
Chairman, Board of Directors
Big Bear Fire Authority

ATTEST:

Corinne E. Flores
Secretary
Big Bear Fire Authority

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

I, Corinne E. Flores, Secretary of the Big Bear Fire Authority Board, do hereby certify that the whole number of members of the said Board is ten; that the foregoing resolution, being Resolution No. BBFA2013-XXX 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 ____ day of June 2013, 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 Authority this ____ day of June, 2013.

Corinne E. Flores
Secretary
Big Bear Fire Authority



BIG BEAR FIRE AUTHORITY

FISCAL YEAR 2013-14 PROPOSED BUDGET

Meeting Date: June 25, 2013

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OPERATING BUDGET

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BIG BEAR FIRE AUTHORITY

Acct #	Title	2010-11 Actual	2011-12 Actual	2012-13 Adopted Budget	2012-13 Adjusted Budget	2012-13 Projected Year End	2013-14 Proposed Budget	Proposed- Adjusted Difference	% Diff	Comments
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Fund 222

Revenue

Current Service Charges

3472	Public Training	0	0	0	0	0	5,000	5,000	%	Fee for service
3742	Reimb from FPD - BBFA Costs	0	0	0	214,750	122,350	387,155	172,405	80.3%	FPD, CSD & Authority expenditures pooled beginning FY 2013-14
3743	Reimb from CSD - BBFA Costs	0	0	0	214,750	122,350	387,155	172,405	80.3%	
Total Current Service Charges		0	0	0	429,500	244,700	779,310	349,810	81.4%	

Total Revenue 0 0 0 429,500 244,700 779,310 349,810 81.4%

Expenses

Department 4222

Supplies

1400	Office Expense	0	0	0	4,000	3,000	5,400	1,400	35.0%	
1410	General Household	0	0	0	0	0	29,600	29,600	%	
1420	Fuel	0	0	0	21,000	7,800	66,700	45,700	217.6%	Excludes ambulance
1440	Basic Materials	0	0	0	12,000	8,500	9,000	(3,000)	-25.0%	
1450	Automotive Expense	0	0	0	5,000	4,800	106,550	101,550	2031.0%	\$28K one-time T-281 ladder repair plus pooled costs beginning FY 2013-14 plus suppression and administrative automotive expense (excludes ambulance)
1470	Disaster Supplies	0	0	0	0	0	1,000	1,000	%	
1480	Small Tools	0	0	0	0	100	1,000	1,000	%	
1490	Clothing and Personal Equip	0	0	0	0	400	29,700	29,700	%	
Total Supplies		0	0	0	42,000	24,600	248,950	206,950	492.7%	

Other Services and Charges

2110	Advertising	0	0	0	0	0	1,900	1,900	%	
2120	Data/Telephone Lines	0	0	0	29,000	7,900	46,300	17,300	59.7%	
2129	Communications - Radio	0	0	0	0	0	4,800	4,800	%	
2140	Utilities - Gas	0	0	0	0	0	23,300	23,300	%	
2150	Utilities - Water	0	0	0	0	0	4,500	4,500	%	

Acct #	Title	2010-11 Actual	2011-12 Actual	2012-13 Adopted Budget	2012-13 Adjusted Budget	2012-13 Projected Year End	2013-14 Proposed Budget	Proposed- Adjusted Difference	% Diff	Comments
2160	Utilities - Electric	0	0	0	0	0	49,200	49,200	%	
2170	Printing	0	0	0	0	0	1,800	1,800	%	
2190	Postage Charges	0	0	0	0	0	1,000	1,000	%	
2220	Maint-Buildings and Grounds	0	0	0	6,000	600	11,000	5,000	83.3%	
2230	Maintenance - Equipment	0	0	0	0	0	15,800	15,800	%	
2240	Professional Services	0	0	0	48,500	21,700	20,000	(28,500)	-58.8%	
2244	Professional Services - Legal	0	0	0	40,000	17,800	20,000	(20,000)	-50.0%	
2300	Contractual Services-Govt	0	0	0	0	0	166,700	166,700	%	Dispatch and toll free radio/pager subscripitive services
2317	EE Recruitment Exp.	0	0	0	0	0	14,110	14,110	%	
2600	Insurance	0	0	0	16,000	0	2,500	(13,500)	-84.4%	
2640	Memberships and Dues	0	0	0	8,000	5,200	4,200	(3,800)	-47.5%	
2650	Publications	0	0	0	0	0	3,500	3,500	%	
2660	Travel-Conferences and Meeting	0	0	0	10,000	4,600	8,200	(1,800)	-18.0%	
2670	Education / Training	0	0	0	10,000	7,900	30,000	20,000	200.0%	
2700	Public Training	0	0	0	0	0	5,000	5,000	%	Fee for service paid by class participants; See revenue account #3472
2824	Machinery and Equipment	0	0	0	96,000	44,200	0	(96,000)	-100.0%	
2825	Software/Other Peripherals	0	0	0	15,000	1,200	6,500	(8,500)	-56.7%	
2999	Disaster Expense	0	0	0	0	0	0	0	%	
Total Other Services and Charges		0	0	0	278,500	111,100	440,310	161,810	58.1%	

Capital Outlay

3930	Vehicle Replacement Reserve	0	0	0	39,000	39,000	24,050	(14,950)	-38.3%	Annual set-aside for vehicle replacement (see schedule)
3950	Office Equipment Reserve	0	0	0	15,000	15,000	11,000	(4,000)	-26.7%	Annual set-aside for computer upgrades / replacements
3966	Contingency Reserve	0	0	0	25,000	25,000	25,000	0	0.0%	Annual set-aside for contingencies
3969	Othr Equip Replacement Reserve	0	0	0	30,000	30,000	30,000	0	0.0%	Annual set-aside for cardiac monitors
Total Capital Outlay		0	0	0	109,000	109,000	90,050	(18,950)	-17.4%	

Total Expenses	0	0	0	429,500	244,700	779,310	349,810	81.4%	
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BIG BEAR FIRE AUTHORITY	0	0	0	0	0	0	0	0	%
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**Big Bear Fire Authority
Designated (Reserve) Fund Balance
Fiscal Year 2013-14**

A B C D E F G
(A + B - C) (D + E - F)

Big Bear Fire Authority							
	Beginning Fund Balance 7/1/12	Fiscal Year 2012-13 Contributions	Uses	Fund Balance 6/30/2013	Fiscal Year 2013-14 Contributions	Uses	Projected Fund Balance 6/30/14
Contingency Reserve (1)	-	25,000	-	25,000	25,000	-	50,000
Vehicle Replacement Reserve (2)	-	39,000	-	39,000	24,050	-	63,050
Office Equipment Replacement Reserve	-	15,000	-	15,000	11,000	-	26,000
Other Equipment Reserve	-	30,000	-	30,000	30,000	-	60,000
Designated (Reserve) Fund Balance	-	109,000	-	109,000	90,050	-	199,050
One-time contributions to reserves		-			-		
Recurring contributions to reserves		109,000			90,050		

Reserve Policy	Basis	Target	Trigger *	Projected Balance	Reserve Shortfall	Comments
(1) Basis = Recurring Expenditures Target = 25% of Basis	751,310	187,828	169,045	50,000	137,828	
(2) Basis = Replacement per Vehicle Inventory Target = 50% of Basis	175,024	87,512	78,761	63,050	24,462	Reserve balance at 6/30/2012, prior to the formation of the Authority, remains with the district which owns the vehicles.
* Point at which Board action is required; Trigger allows 10% variance from Target						

BIG BEAR FIRE AUTHORITY

FY 2013-14

Capital Item	Owner	Radio Designator	Year Purchased	Original Cost	Estimated Life (Years)	Replacement Fiscal Year	Estimated Replacement Cost	Annual Set Aside
Pooled Administration Vehicles								
2000 Chevrolet Tahoe	BBC	CA-2921	2000	42,000	12	2012-2013	75,000	1, 3 0
2000 Chevrolet Tahoe	BBC	UT 291A	2000	42,000	12	2012-2013	75,000	1, 3 0
2005 Ford Expedition	BBC	P-3150	2005	35,200	12	2017-2018	75,000	1, 3 0
2006 Ford Explorer	BBL	CH-3100	2006	21,600	12	2018-2019	29,000	2 2,400
2006 Ford Explorer	BBL	FP-281	2006	21,600	12	2019-2020	29,000	1, 2 0
2008 Chevrolet Tahoe	BBC	C-2900	2008	34,800	12	2020-2021	75,000	3 6,250
2010 Dodge 2500	BBC	CA-2920	2010	38,600	12	2020-2021	45,000	3 3,750
2010 Ford Expedition	BBL	CH-3101	2010	46,000	12	2022-2023	75,000	2 6,250
2010 Ford F350	BBL	U-282	2010	48,000	12	2022-2023	65,000	2 5,400
							Calculated Set Aside	\$24,050
							50% Cost Share	\$12,025

1. This vehicle is not scheduled for replacement.
2. Equipment owned by Fire Protection District proposed to be included in Joint Powers Agreement (JPA).
3. Equipment owned by Community Services District proposed to be included in Joint Powers Agreement (JPA).



BIG BEAR FIRE AUTHORITY AGENDA REPORT

Item No. FA3

MEETING DATE: June 25, 2013

TO: Honorable Chairman and Members of the Big Bear Fire Authority

FROM: Jeff Willis, Fire Chief *JW*

SUBJECT: **FINAL REPORT – FEASIBILITY STUDY TO DEVELOP THE
BIG BEAR FIRE AUTHORITY AS AN EMPLOYING AGENCY**

BACKGROUND

As approved by the Board, a work plan was initiated to look at the potential options to consolidate the workforces of the Big Bear City and Big Bear Lake Fire Departments. The stated goal, in essence, is defining potential courses for the Board to consider that allows the Big Bear Fire Authority to become an employing agency. Through this work plan, an ad-hoc committee was established made up of Directors David Caretto, Jeff Newsome, Jay Obernolte, and Paul Terry. The ad-hoc committee has met with Staff, Labor, and consultants (the working group) on three occasions.

DISCUSSION

Attached is the final report from consultants Marcel Turner and Gail Topolinski. This report has been derived through the collective input from the working group. From a practical application stand point, determining salary ranges for each position is relatively simple and straight forward as we have competitive markets to compare bench marks.

The more complicated and difficult decisions are related to retirement systems. There are two distinct systems that can be considered: 1) public sector retirement systems such as CalPERS or SBCERA; 2) private sector retirement systems, which is a defined contribution plan versus the traditional public sector defined benefit plan; or 3) a hybrid plan, which has elements of a defined benefit and/or defined contribution plans. Each has its advantages/disadvantages in terms of employee preference, costs of administration, portability, and recruitment. Further discussion and assessment will be required to select the alternative best suited for the Big Bear Fire Authority. The ultimate decision is also subject to meet and confer requirements.

RECOMMENDATION

Staff recommends the Fire Authority Board receive and file this report.

FINAL REPORT – BIG BEAR FIRE AUTHORITY
(BBFA)

FEASIBILITY STUDY FOR NEWLY CREATED FIRE AUTHORITY
AND THE MERGER OF TWO FIRE AGENCIES

JUNE, 2013

Submitted by
Marcel Turner and Gail Topolinski
Management Consultants

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INTRODUCTION

Marcel Turner/Gail Topolinski, Human Resources Consulting Services (referred herein as the “Consultant”) was retained by the Big Bear Fire Authority (referred herein as the “Authority”) to research the possibility of bringing the fire agency of Big Bear Community Services District (referred herein as the “City”) and Big Bear Lake Fire Protection District (referred herein as the “Lake”) under one retirement system, one benefit program and one compensation program. In addition, the Authority wanted to explore the possibility of allowing current employees of both agencies to remain under their current retirement, benefit and salary structure while creating a fair and equitable retirement, benefit and compensation program for newly hired Authority employees.

PURPOSE OF FEASIBILITY STUDY

The purpose of the study is two-fold. First is to determine how the total compensation package offered by the two agencies compared with those offered by other agencies within its labor market. Total compensation is determined by collecting and analyzing the minimum and maximum base salary and total compensation (base salary and pre-determined employer-paid benefits) data. The second objective was to evaluate the impact of retaining one of the two current retirement plans, allowing employees to remain in their current plans and/or provide for new employees to participate in the Authority’s preferred retirement plan.

SURVEY PURPOSE AND SCOPE

The purpose of conducting a Total Compensation Survey in this study was to:

- Identify the market value of core classifications;
- Identify benefits that have a major impact on the employer’s cost of employee compensation.
- Provide a framework for the establishment of ranges for the classification structure at the newly established Big Bear Fire Authority; and;
- Identify cost effective marketplace strategies.

This report is based on salary and benefits in effect as of January 1, 2013. This analysis is a “snapshot” of the labor market at that point in time. In addition, a review of the retirement plans available for the newly formed entity is conducted to identify available retirement plan options.

In order to conduct the total compensation study, the following tasks were completed:

- Review and finalization of the project scope, including the determination of survey classes and the labor market agencies selected by the Authority to be surveyed.
- Development of the compensation survey parameters and survey instrument and distribution of the survey instrument to the selected labor market agencies. The survey instrument included a brief description of each classification and requested the hourly minimum and maximum salary for each class. The survey instrument also included information on selected components of total compensation.
- Review and analysis of all compensation and benefit data submitted by the labor market agencies. The Consultant gathered and reviewed labor market agency salary schedules,

organization charts, classification specifications, benefits summaries, MOUs and related documentation to ensure the data collected and the proposed comparable positions were accurate.

- Based upon a detailed review of the data, the Consultant contacted each labor market agency to request clarification of compensation or benefits issues in order to ensure the data was accurate.

COMPENSATION STUDY PARAMETERS

The first step in conducting a compensation survey is to determine the basic parameters for the survey. The parameters for this study included:

- Confirmation of the Authority's market placement
- Labor market agencies to be surveyed
- Benchmark classes to be surveyed
- Scope of the survey
- Benefits to be surveyed

Authority's Labor Market Placement

The Authority's placement in the labor market is a reflection of its goals and objectives in recruiting and retaining qualified staff. The selection of labor market agencies and the labor market position (the point in the labor market at which the Authority wishes to set its compensation; e.g., market median, mean, or another percentile) are two critical policy decisions when developing a compensation philosophy and plan.

Because the Authority is a newly formed entity and does not currently have an established compensation policy, the labor market data sheets presented in Appendix A provide an analysis relative to the 50th percentile (median) of the market. The labor market median is the data point at which half of the data (excluding the Authority's data) is higher and half of the data (excluding the Authority's data) is lower.

Labor Market Agencies

The appropriate labor market was determined on the basis of the following criteria.

Agency Size

In general, agencies that employ relatively similar numbers of employees may have similar financial resources and demands. Since it is not possible to find agencies that have exactly the same number of employees, the goal is to provide a balanced mix of larger and smaller agencies, thereby minimizing the "skewing" effect when either of these is used exclusively.

Geographic Proximity

Employers located in geographically close proximity to the Authority can be competitors in the recruitment market for most positions. When an agency provides specialized services and there may be few competitive agencies within the local area, it is appropriate to compare compensation with employers in an expanded recruiting area. In this case a 100 mile distance was utilized when identifying labor market competitors.

Industry

Agencies that provide the same types of services are most likely to have similar types of job classes. The size of the service area was also considered.

The agencies identified jointly between the Authority and the Consultant as its labor market included:

Fire Agency Name	Agency Characteristics				Justification
	Miles to BBFA	Regular Staffing	# of Stations	Sq Miles served	
Apple Valley Fire Protection District	45	40	7	206	stand alone
Chino Valley Independent Fire District	72	100+	6	80	stand alone
City of Cathedral City FD	89	36	3	21.7	service area/size distance/service area/size
City of Colton FD	42	47	4	16	distance/service area/size
City of Ontario FD	61	128	9	50	major competitor
City of Palm Springs FD	82	53	4	95	Seasonal environment
City of Rancho Cucamonga FD	53	120	7	50	major competitor
City of Redlands FD	36	59	5	36.4	distance/service area
City of Rialto FD	43	74	3	22	distance/service area/size
City of Riverside FD	48	225	14	81.5	major competitor
San Bernardino County FD	40	705	58	17,432	major competitor

Survey Classifications

In order to ensure that adequate benchmark data was collected from the labor market agencies, the classes listed below were surveyed.

- Firefighter
- Firefighter/Paramedic
- Fire Engineer
- Fire Captain
- Fire Prevention Inspector
- Apprentice, EMS Coordinator, Billing Clerk and Safety Officer had insufficient data for a market comparison.
- Financial Analyst
- Fire Chief Secretary
- Accounting Specialist

Survey Scope

The data collected from each agency and for each survey classification included the following:

- Title of each comparable classification
- Minimum and maximum base salary
- Number of positions budgeted for the comparable class
- Fringe benefits paid by the employer
 - Cash add-on benefits
 - ♦ Longevity pay; Paramedic/EMT pay; Uniform allowance
 - ♦ Deferred compensation contributions
 - ♦ Employer pickup of employee retirement contributions
 - Health program contributions
 - ♦ Medical; Dental; Vision; Long-term disability; Life insurance
 - Social security
 - Employer retirement contribution.

SURVEY REVIEW PROCESS

BASIS FOR RECOMMENDATIONS

All eleven agencies comprising the Authority's labor market responded to the survey request. Data was collected on base salary and the benefits provided for each survey classification from each of the selected labor market agencies. The data collected is presented in the labor market data sheets in Appendix A. If an organization reported no match to a benchmark or if a review of the duties and responsibilities assigned to the reported class indicated that the assignment was too narrow or too broad, the designation of "No Match" was placed on the data sheet.

Using the market median minimizes the possibility of data being skewed by higher or lower paying agencies.

When there is not comparable data for a classification from at least five agencies, a reliable summary statistic cannot be computed. Since a typical labor market may be comprised of eight to twelve agencies, it is preferable to have survey classes with six or more comparables, thereby providing a wider range of data from which to assess market trends.

In most studies, it is common to have some classes for which limited market data exists. A compensation plan is developed through the external market data and internal relationships. In the absence of sufficient labor market data for a particular class, a salary recommendation is based upon internal equity with other classes.

RESULTS OF SURVEY ANALYSIS

Base Salary

Base salary at the median provides a framework for the establishment of a salary structure. The minimum, the maximum or a blend of the labor market results can be used as one or more of the parameters to assign a salary range to a classification. MOUs that included the Fire Prevention Inspector varied from agency to agency. Some agencies include this class in the Fire Safety units while others include it with miscellaneous/general unit. Regardless of whether the class is included in Fire Safety or General Units it was included as a comparable in the overall labor market survey comparison. But, it is not included in the following tables. The class of Firefighter was not included in the following tables since the Authority does not plan to include it in the new class structure.

A summary of the base salary study results at both the minimum and maximum for the Fire Safety benchmark classes and the benchmark Support classes are contained in Table 1-4, which displays the following information:

- The title of the survey benchmark classification.
- The current City and Lake monthly salary for the survey classification.
- The labor market median monthly salary. This calculation is based upon the monthly salary for each of the comparable classes. The middle of that range of data is then computed to provide the median amount.
- The percentage (+/-) change required for the City and the Lake's monthly rate to match the market median.

Table 1. Base Salary Survey Results at Minimum – Fire Safety Classes

Survey Benchmark Classification	Big Bear Community Service District – Fire Department			Big Bear Lake Fire Protection District		
	Monthly Minimum	Labor Market Median	Percent +/- To Match Market	Monthly Minimum	Labor Market Median	Percent +/- To Match Market
Firefighter/Paramedic	4,108	4,918	19.7%	5,016	4,918	-2.0%
Fire Engineer	5,322	5,615	5.5%	5,809	5,615	-3.3%
Fire Captain	6,193	6,678	7.8%	6,741	6,678	-0.9%

Table 2. Base Salary Survey Results at Maximum – Fire Safety Classes

Survey Benchmark Classification	Big Bear Community Service District – Fire Department			Big Bear Lake Fire Protection District		
	Monthly Maximum	Labor Market Median	Percent +/- To Match Market	Monthly Maximum	Labor Market Median	Percent +/- To Match Market
Firefighter/Paramedic	5,322	6,073	14.1%	6,254	6,073	-2.9%
Fire Engineer	5,967	6,949	16.5%	7,241	6,949	-4.0%
Fire Captain	7,166	8,152	13.8%	8,404	8,152	-3.0%

Table 3. Base Salary Survey Results at Minimum – Support Classes

Survey Benchmark Classification	Big Bear Community Service District – Fire Department			Big Bear Lake Fire Protection District		
	Monthly Minimum	Labor Market Median	Percent +/- To Match Market	Monthly Minimum	Labor Market Median	Percent +/- To Match Market
Financial Analyst	4,539	5,137	13.2%	4,718	5,137	8.9%
Fire Chief Secretary	n/a	3,913	n/a	n/a	3,913	n/a
Accounting Specialist	n/a	3,636	n/a	3,985	3,636	-8.8%

Table 4. Base Salary Survey Results at Maximum - Support Classes

Survey Benchmark Classification	Big Bear Community Service District – Fire Department			Big Bear Lake Fire Protection District		
	Monthly Maximum	Labor Market Median	Percent +/- To Match Market	Monthly Maximum	Labor Market Median	Percent +/- To Match Market
Financial Analyst	5,569	6,751	21.2%	5,735	6,751	17.7%
Fire Chief Secretary	n/a	4,994	n/a	n/a	4,994	n/a
Accounting Specialist	n/a	4,461	n/a	4,846	4,461	-7.9%

Based on the results of the base salary data it is feasible for the Authority to utilize the median of the labor market as the minimum of the ranges for both the Fire Safety and Support classes and establish a 25% range span with a 5% 5-step structure.

Benefit Programs

In order to provide the Authority with an assessment of the value of the benefit programs within its labor market, a total compensation study was conducted of all benefit components outlined in the section of this report titled “COMPENSATION STUDY PARAMETERS.”

The benefits used to calculate total compensation include the following:

- Longevity pay at the highest value (regardless of years of service).
- Employer paid paramedic and EMT pay
- Employer-paid uniform allowance.
- Employer deferred compensation contributions.
- Employer pickup of employees’ contributions to retirement.
- Employer contributions to premiums for medical, dental, and vision insurance.
- Employer contribution to premium for life insurance coverage.
- Employer contribution to premiums for long-term disability insurance.
- Employer Social Security/Medicare plan contributions.
- Employer retirement plan contributions.

Total compensation is a combination of the base pay and the employer paid cost for benefits. Table 5-8 display the results of the total compensation calculations for both the minimum and maximum for the Fire Safety benchmark classes and the benchmark Support classes.

Table 5. Total Compensation Survey Results at Minimum – Fire Safety Classes

Survey Benchmark Classification	Big Bear Community Service District – Fire Department			Big Bear Lake Fire Protection District		
	Monthly Minimum	Labor Market Median	Percent +/- To Match Market	Monthly Minimum	Labor Market Median	Percent +/- To Match Market
Firefighter/Paramedic	8,481	8,664	2.2%	10,705	8,664	-19.1%
Fire Engineer	10,184	8,859	-13.0%	12,329	8,859	-28.1%
Fire Captain	11,407	10,060	-11.8%	13,853	10,060	-27.4%

Table 6. Total Compensation Survey Results at Maximum – Fire Safety Classes

Survey Benchmark Classification	Big Bear Community Service District – Fire Department			Big Bear Lake Fire Protection District		
	Monthly Maximum	Labor Market Median	Percent +/- To Match Market	Monthly Maximum	Labor Market Median	Percent +/- To Match Market
Firefighter/Paramedic	10,558	10,690	1.2%	13,568	10,690	-21.2%
Fire Engineer	11,508	11,399	-1.0%	15,263	11,399	-25.3%
Fire Captain	13,275	13,045	-1.7%	17,260	13,045	-24.4%

Table 7. Total Compensation Survey Results at Minimum – Support Classes

Survey Benchmark Classification	Big Bear Community Service District – Fire Department			Big Bear Lake Fire Protection District		
	Monthly Minimum	Labor Market Median	Percent +/- To Match Market	Monthly Minimum	Labor Market Median	Percent +/- To Match Market
Financial Analyst	7,188	6,765	-5.9%	8,193	6,765	-17.4%
Fire Chief Secretary	n/a	5,227	n/a	n/a	5,227	n/a
Accounting Specialist	n/a	5,410	n/a	6,739	5,410	-21.4%

Table 8. Total Compensation Survey Results at Maximum – Support Classes

Survey Benchmark Classification	Big Bear Community Service District – Fire Department			Big Bear Lake Fire Protection District		
	Monthly Maximum	Labor Market Median	Percent +/- To Match Market	Monthly Maximum	Labor Market Median	Percent +/- To Match Market
Financial Analyst	9,153	8,438	-7.8%	9,944	8,438	-15.1%
Fire Chief Secretary	n/a	6,649	n/a	n/a	6,649	n/a
Accounting Specialist	n/a	6,756	n/a	8,106	6,756	-16.7%

Based on the results of the total compensation salary data it is obvious that benefit costs comprise a large portion of total compensation. Therefore, a closer review of each of the components that make up the benefits is required.

Benefit costs are displayed separately for the minimum, the maximum and for each of the class groupings of Fire Safety and Support. Tables 9-12 compare the value of the benefit package on a monthly basis as a percent of total compensation.

Table 9. Benefits as % of Total Compensation at Minimum – Fire Safety Classes

Class Title		Base Rate at Minimum	Employer's Cost of Benefits	Total Compensation	Benefits as % of Total Compensation
Firefighter Paramedic	City	4,108	4,373	8,481	51.5%
	Lake	5,016	5,689	10,705	53.1%
	Market at 50 th percentile	4,918	3,637	8,664	41.9%
Fire Engineer	City	5,322	4,862	10,184	47.7%
	Lake	5,809	6,520	12,329	52.8%
	Market at 50 th percentile	5,615	3,419	8,859	38.5%
Fire Captain	City	6,193	5,214	11,407	45.7%
	Lake	6,741	7,112	13,853	51.3%
	Market at 50 th percentile	6,678	3,775	10,060	37.5%

Table 10. Benefits as % of Total Compensation at Maximum – Fire Safety Classes

Class Title		Base Rate at Maximum	Employer's Cost of Benefits	Total Compensation	Benefits as % of Total Compensation
Firefighter Paramedic	City	5,322	5,236	10,558	49.5%
	Lake	6,254	7,314	13,568	53.9%
	Market at 50 th percentile	6,073	4,617	10,690	43.1%
Fire Engineer	City	5,967	5,541	11,508	48.1%
	Lake	7,241	8,022	15,263	52.5%
	Market at 50 th percentile	6,949	4,178	11,399	36.6%
Fire Captain	City	7,166	6,109	13,275	46.0%
	Lake	8,404	8,856	17,260	51.3%
	Market at 50 th percentile	8,152	4,689	13,045	35.9%

Table 11. Benefits as % of Total Compensation at Minimum – Support Classes

Class Title		Base Rate at Minimum	Employer's Cost of Benefits	Total Compensation	Benefits as % of Total Compensation
Financial Analyst	City	4,539	2,649	7,188	36.8%
	Lake	4,718	3,475	8,193	42.4%
	Market at 50 th percentile	5,137	1,832	6,765	27.0%
Fire Chief Secretary	City	n/a	n/a	n/a	n/a
	Lake	n/a	n/a	n/a	n/a
	Market at 50 th percentile	3,913	1,768	5,227	33.8%
Acct'g Specialist	City	n/a	n/a	n/a	n/a
	Lake	3,985	2,754	6,739	40.8%
	Market at 50 th percentile	3,636	1,774	5,410	32.7%

Table 12. Benefits as % of Total Compensation at Maximum – Support Classes

Class Title		Base Rate at Minimum	Employer's Cost of Benefits	Total Compensation	Benefits as % of Total Compensation
Financial Analyst	City	5,569	3,584	9,153	39.1%
	Lake	5,735	4,209	9,944	42.3%
	Market at 50 th percentile	6,751	2,089	8,438	24.7%
Fire Chief Secretary	City	n/a	n/a	n/a	n/a
	Lake	n/a	n/a	n/a	n/a
	Market at 50 th percentile	4,994	2,034	6,649	30.5%
Acct'g Specialist	City	n/a	n/a	n/a	n/a
	Lake	4,846	3,260	8,106	40.2%
	Market at 50 th percentile	4,461	2,114	6,756	31.2%

Based on the benefit percentages as part of total compensation, it is evident that the current benefit levels at both fire agencies are higher than the median for the labor market. A review of the individual benefits will identify those benefits that have the greatest impact on cost to the current fire departments.

SUPPLEMENTAL SURVEY COMPONENTS

This section outlines benefits provided by the surveyed agencies that were included in the total compensation analysis. Detailed benefit information is displayed in the tables contained in Appendix A. Survey components requiring special attention are addressed below.

Health Benefits

Responses from the eleven agencies pertaining to employer paid health/dental/vision premiums are as follows:

Health Premium Rate (Medical, Dental and Vision)

- Health premium rates contained in the total compensation calculation are the highest cost factor.
- The combined rates vary from as low as \$515 (minimum CalPERS contribution plus \$400) to as high as \$1,617 per month.
- The median premium of the combined labor market is \$1,015 per month.
- The City pays \$1,593 per month and the Lake \$1,635 per month.

Conclusion

The health/dental/vision insurance premiums and the health plan design could include a cap on the amount the Authority is willing to pay in premiums for each of the medical offerings or establish a cafeteria plan that allows the employee to spend the money among the offerings they select. Rates could be lower due to limitation on employer contributions and payment towards benefits preferred/selected by employees.

Life Insurance Coverage

Premiums vary depending upon the amount of the coverage. Of the eleven agencies responding to this question:

- One agency offers a life insurance policy of \$250,000/\$100,000 including AD&D at a rate of \$46.50 per month paid by the employer.
- The lowest coverage is \$10,000 @ \$26 per month (employer paid).
- San Bernardino County does not pay for life insurance but does offer a life insurance option that may be purchased by the employee.
- Life insurance of \$25,000 at the City is internally funded while the Lake pays \$6.75 for a \$25,000 policy as of January 1, 2013. The Lake increased the policy to \$50,000 effective March 1, 2013 at a cost of \$10.00 per month.

Conclusion

While rates are reasonable the Authority will want to evaluate competitive rates via benefit RFPs.

Long-Term Disability (LTD) Coverage

Of the eleven nine agencies responding to this question:

- Three agencies offer LTD at rate under \$20 per month.
- The remaining eight agencies do not offer this coverage paid by the employer.
- Neither the City nor the Lake offer LTD.

Conclusion

The Authority could make long-term disability coverage available at employee cost or may want to consider paying for long-term disability insurance for its employees.

Longevity Pay

For the purpose of the total compensation calculation longevity pay added to the base at the highest value regardless of the years of service was used in the data analysis. Of the eleven agencies, that responded to this question:

- A majority of the agencies do not offer any form of longevity pay.
- Apple Valley offers 2.5% at year 11 and 12 for all employees hired prior to July, 2011; no longer available for new hires.
- Cathedral City offers longevity of 5% at 15 and 20 years for all employees.
- Chino Valley offers longevity added to the base rate at each interval of 2.5% at 10, 15, 20 and 25 years for all employees.
- Redlands offers longevity of 5% at 20 years for all employees.
- Ontario offers longevity added to the base rate at each interval of 5% at 10 years, 7.5% at 20 years and another 7.5% at 25 years for only Fire Safety employees; no longevity is offered for support staff.

-
- The City and the Lake offer longevity pay added to the base of 2.5% at 15 and 20 years for all employees.
 - The Lake does have a lump sum longevity policy in the amount of 1% and 2% depending upon the number of years of service between 5 and 15 years.

Conclusion

The retirement option the Authority selects may impact the decision to include or not include longevity pay in its compensation plan.

Paramedic/EMT Pay

Of the eleven agencies responding to this question:

- Five agencies pay a paramedic stipend to all levels of Fire Safety as long as the employee is certified.
- Two agencies include the stipend into the base salary for Firefighter/Paramedic and offer a stipend for higher levels for maintaining their certification.
- Four agencies only pay the stipend if the employee is assigned paramedic duties.
- The stipends range from \$150 to \$1293 per month; the median being \$550/month.
- The City pays \$750 and the Lake pays \$500/month.

Conclusion

The Authority can pay a stipend to those who are regularly assigned paramedic duties at one rate and the same or a different rate for those who maintain their certification but are not regularly assigned paramedic duties.

Uniform Allowance

Of the eleven agencies responding to this question:

- Ten out of the eleven agencies provide some amount of uniform allowance.
- The amounts vary from as low as \$37.50 per month to \$125 per month.
- The median for the labor market is \$70.00 per month.
- The City provides an allowance of \$50 per month while the Lake provides \$25 per month.

Conclusion

The Authority may want to consider providing an allowance aligned to the labor market median.

Deferred Compensation

Of the eleven agencies that responded to this question:

- Three agencies contribute to a deferred compensation plan from a low as \$25 per year to \$100 and \$300 per month, respectively.

Conclusion

Depending on the retirement plan the Authority could offer some form of a deferred compensation plan. This practice is in line with the labor market.

Analysis of Retirement Plans

In order to provide the Authority with an explanation of how retirement plans compare with the market, the Consultant collected data on retirement costs. Individual survey agency responses are presented in Appendix B.

California Public Employee Retirement System (CalPERS)/San Bernardino County Employee' Retirement Association (SBCERA) and the Portion Paid by the Employer

Of the eleven agencies responding, ten are CalPERS agencies and one participates in SBCERA. The City is a member of CalPERS and the Lake is a member of SBCERA.

- All eleven agencies pick up some level of the employee's contribution to the retirement system.
 - Agencies participating in CalPERS contribute from 19.7% at Apple Valley to 37.4% at Rialto of earnable compensation; San Bernardino County contributes 36.4% to SBCERA.
 - Four agencies do not pick up any of the employee's obligation; five pick up an entire 9%; one picks up 4.5%. San Bernardino County picks up 1%.
 - The City contributes 32.6% to CalPERS and 0% of the employee obligation.
 - The Lake contributes 51.73% to SBCERA and picks up 10.37% of the employee's obligation for a total of 61.1%.
- All eleven agencies participate in Social Security and or Medicare.
 - Ten out of the eleven agencies pick up the required-by-law Medicare Tax; one agency has negotiated that the 1.45% Medicare Tax Rate is an employee obligation. One agency does participate in Social Security at the full rate of 7.65% but the employer only picks up the 1.45% required-by-law portion.
 - The City participates in Social Security at the full rate and picks up the full 7.65% amount.
 - The Lake only picks up the 1.45% required-by-law.

Rules and regulations regarding participation in both SBCERA and CalPERS are included in Appendix B.

Conclusion

It is evident that the cost associated with the two defined benefit retirement plans is high. Of the two plans CalPERS is the most popular in the surveyed labor market.

Retirement Contributions

Employer retirement contributions of surveyed agencies (as noted in Table 13) for Fire Safety range from a low of 19.702% to a high of 37.486%. Employee contributions range from 0% to 9%. Only four of the eleven agencies contribute to a deferred contribution – 457 Plan.

Contributions range from \$25.00 to \$3,600 per year. For support classifications (Table 14), employer contributions range from a high of 22.515 % to a low of 12.627%. Employees pay between 0% and 8% in contributions.

It should be noted under the Public Employees’ Pension Reform Act that new employee contributions will be an equal sharing of normal costs between employees and employers. Certain allowances are provided to this provision based on existing MOUs.

All surveyed agencies except for one participate in Medicare and contribute 1.45%.

The City participates fully in social security at a rate of 6.2% plus the 1.45% Medicare contribution and for Fire Safety contributes 32.689% towards pensions. For Support Classes the City contribution rate is 16.88%. The Lake does not fully participate in social security, but pays the 1.45% Medicare contribution and provides for Safety Pension Contributions of 51.73% and for Support Classes 25.77%.

All Agencies except San Bernardino County and the Lake are in CalPERS. San Bernardino County and the Lake are in SBCERA.

Table 13. Retirement Contributions – Fire Safety Classes

AGENCY	FIRE SAFETY CLASSES Employer (ER) Pickup Employee (EE) Share				Social Security/ Medicare	Total %	Deferred Comp Per yr
	Total EE contribution	EE Pays	ER Pickup	ER contribution	ER Soc Sec Rate	ER	ER Contrib -ution
Apple Valley	9%	9%	0%	19.702%	1.45%	21.152%	\$0
Chino Valley	9%	0%	9%	22.744%	1.45%	33.194%	\$0
Cathedral City	9%	9%	0%	23.684%	1.45%	25.134%	\$1,200
Colton	9%	9%	0%	27.015%	0%	27.015%	\$0
Ontario	9%	0%	9%	25.94%	1.45%	36.390%	\$3,600
Palm Springs	9%	0%	9%	32.959%	1.45%	43.409%	\$0
Rancho Cucamonga	9%	0%	9%	24.7%	1.45%	35.150%	\$0
Redlands	9%	4.5%	4.5%	26.87%	1.45%	32.820%	\$25
Rialto	9%	9%	0%	37.486%	1.45%	38.936%	\$720
Riverside	9%	0%	9%	25.091%	1.45%	35.541%	\$0
San Bernardino County	8%	7%	1%	36.39%	1.45%	38.840%	\$0
City	9%	9%	0%	32.689%	7.65%	40.339%	\$0
Lake	10.37%	0%	10.37%	51.73%	1.45%	63.550%	\$0

Table 14. Retirement Contributions – Support Classes

AGENCY	SUPPORT CLASSES Employer (ER) Pickup Employee (EE) Share				Social Security/ Medicare	Total %	Deferred Comp Per yr
	Total EE contribution	EE Pays	ER Pickup	ER contribution	ER Soc Sec Rate	ER	ER Contribution
Apple Valley	8%	8%	0%	22.515%	1.45%	23.965%	\$0
Chino Valley	8%	0%	8%	13.914%	1.45%	23.364%	\$0
Cathedral City	7%	7%	0%	13.155%	1.45%	14.605%	\$1,200
Colton	8%	8%	0%	13.086%	0%	13.086%	\$0
Ontario	8%	0%	8%	12.627%	1.45%	22.077%	\$3,600
Palm Springs	8%	0%	8%	18.8%	1.45%	28.250%	\$0
Rancho Cucamonga	8%	0%	8%	13.91%	1.45%	23.360%	\$0
Redlands	7%	0%	7%	13.024%	1.45%	21.474%	\$25
Rialto	8%	8%	0%	19.575%	1.45%	21.025%	\$720
Riverside	8%	0%	8%	18.277%	1.45%	27.727%	\$0
San Bernardino County	8%	8%	0%	17.12%	1.45%	18.570%	\$0
City	8%	8%	0%	16.88%	7.65%	24.530%	\$0
Lake	9%	4.5%	4.5%	25.77%	1.45%	31.720%	\$0

It may be noted from the charts above that the average contribution for Fire Safety Retirement Contributions is 33.416 % and 21.59 % for support personnel.

FEASIBILITY STUDY CONCLUSIONS

TOTAL COMPENSATION ANALYSIS

1. The total compensation survey results provide the framework for the establishment of a salary structure based on the 50th percentile (median) of the salary ranges (minimum and maximum) of the eleven labor market agencies.
2. The benefit packages offered by the eleven labor market agencies vary slightly in all survey components except retirement.
3. The retirement component is based on either CalPERS or SBCERA's required employer contribution rate calculated on earnable compensation (base, longevity, paramedic/EMT and uniform pay) as defined by the retirement providers.
4. A 40% benefit level for Fire Safety classes is more in line with the labor market while a 30% for Support classes.

RETIREMENT ANALYSIS

In evaluating the feasibility of bringing two fire agencies under one retirement system, one benefit system and one compensation plan and exploring the possibility of employees of the two agencies to remain under their current plans, a number of factors and considerations were evaluated and discussed.

Reciprocity

The first was the application of reciprocity to allow employees to transfer from one pension plan to another which allows for reciprocity. CalPERS and SBCERA both provide for reciprocity. See Appendix B for highlights.

Plan Selection

A second consideration in selecting a single plan over the existing two pension plans would be the terms and conditions associated with a plan termination and its associated costs. Estimates to terminate Fire Safety employees from SBCERA ranged in the area of \$30M (within a margin of 20%) and costs to terminate from CalPERS ranged in the same general area of \$30M depending on the discount rate applied at the time of termination.

Additionally, there exist under Other Post Employment Benefit provisions certain obligations towards retiree medical for CalPERS retirees who meet eligibility rules. A recent survey of GASB 45 and 43 obligations projected "pay as you go" obligations in the range of \$342K per year with an overall existing obligation (side fund) of \$1.2M. See Appendix B for further details/calculations.

Public Employees' Pension Reform Act of 2013

A third factor influencing pension costs and contributions is the Public Employees' Pension Reform Act of 2013. The Act provides in part for reduced benefit levels for new hires after 1/1/2013; modifications to the employer member contributions and cost sharing; calculation of final compensation; caps on pensionable compensation; working after retirement; limits on retroactive benefit enhancements and excess compensation limits to name some of the key provisions of PEPR. Further details on PEPR may be obtained from the CalPERS and SBCERA web sites.

Employees may remain in their current plans, may be transferred between agencies and could be brought in under the BBFA organization. However, the options selected need to be carefully evaluated and implemented to respect the rules of reciprocity, meet service demands, avoid significant pension plan obligations and costs while respecting meet and confer requirements.

The next phase of implementation as noted below could be considered. Based on a review of retirement plans and market trends there are least three options that could be further considered:

Option I: Establish a version of the CalPERS defined benefit retirement plan with limitations to the participation in the CalPERS health programs that require retiree medical benefits. The substitute for a lack of a retiree medical program, a retirement medical trust (VEBA Plan) could be established to provide for both employer and employee contributions via cash infusion or sick leave conversion provisions.

Option II: Establish a hybrid retirement offering that combines a streamlined version of the CalPERS defined benefit retirement plan with a defined contribution component funded by both the employer and employee.

Option III: Establish defined contribution plan(s) with components that attract and retain qualified employees. This could be accomplished by providing social security coverage, deferred compensation plans with an agency match (457 Plan) or a money purchase plan (401A) where the employer contributes in addition to a 457 match.

IMPLEMENTATION STRATEGIES

- Approach the compensation policy goal over more than one fiscal year by setting the market at a percentile low enough the first year to meet the ability to pay and adjust gradually until the preferred market placement is met.
- Enlarge the range spread of the salary schedule to include a greatest number of Fire Safety employees who will transfer into the Authority.
- Adjust individuals within the newly established range based on characteristics such as years of service, credentials, accomplishments and/or other agency values.

A well designed compensation plan would make it possible for the Authority to successfully merge the two fire departments without adversely impacting the current employees and maintaining financial accountability.

NEXT PHASE

Upon approval of the compensation policy BBFA will need to accomplish the following:

- Design and implement a BBFA organization plan
- Establish Agency specific policies and procedures
- Develop job descriptions for all the classifications
- Design and implement a benefit package
- Establish a salary schedule
- Determine the placement of transferees into the compensation plan
- Hire transfer staff into Authority
- Setup for payroll and benefit administration.
- Train new staff consistent with Agency policies and procedures

APPENDIX A: TOTAL COMPENSATION SURVEY FINDINGS

BIG BEAR FIRE AUTHORITY TOTAL COMPENSATION SURVEY – as of January, 2013 – sorted high to low

FIREFIGHTER - MINIMUM													
AGENCIES	Class Title	Monthly Base Rate at Min	Med Prem	ER Rtmt Contrbtn	ER Emp Rtmt Pickup	Soc Sec	Def Comp	Life Ins Prem	LTD Prem	PM/ EMT Pay	Unifm Pay	ER's Cost of Benefits	Total Comp Value
BB LAKE	Firefighter	5,016	1,635	2,608	523	73	0	7	0	0	25	4,871	9,887
Ontario	Firefighter	4,713	1,537	1,359	471	76	300	20	20	425	100	4,307	9,020
Palm Springs	Firefighter	4,779	1,617	1,616	441	72	0	12	0	0	125	3,882	8,661
Rancho	Firefighter	4,996	1,238	1,252	456	73	0	6	0	0	73	3,099	8,095
Redlands	Firefighter	4,918	946	1,333	223	72	2	6	0	0	42	2,623	7,541
Riverside	Firefighter	4,754	890	1,217	436	70	0	26	10	95	0	2,744	7,498
Colton	Firefighter	4,954	990	1,357	0	0	0	25	0	0	70	2,442	7,396
SB County	Firefighter	4,319	1,144	1,585	44	63	0	0	0	0	38	2,873	7,192
Rialto	Firefighter	4,322	1,000	1,651	0	64	0	9	0	0	83	2,808	7,130
Apple Valley	Firefighter	4,415	515	884	0	65	0	4	0	0	71	1,539	5,954
Cathedral City	No Match											0	0
Chino Valley	No Match											0	0
BB CITY	No Match											0	0
MEDIAN (50th Percentile)		4,754										2,808	7,498
BB LAKE												BB LAKE	
% (+/-) to match 50th percentile		-5.2%										-42.3%	-24.2%

BIG BEAR FIRE AUTHORITY TOTAL COMPENSATION SURVEY – as of January, 2013 – sorted high to low

FIREFIGHTER MAXIMUM														
AGENCIES	Class Title	Monthly Base Rate at Max	Long-vity Pay	Med Prem	ER Rtmt Contrbtn	ER Emp Rtmt Pickup	Soc Sec	Def Comp	Life Ins Prem	LTD Prem	PM/ EMT Pay	Unifm Pay	ER's Cost of Benefits	Total Comp Value
Ontario	Firefighter	5,729	2,392	1,537	2,243	778	125	300	20	20	425	100	7,940	13,669
BB LAKE	Firefighter	6,254	313	1,635	3,410	684	96	0	7	0	0	25	6,169	12,423
Palm Springs	Firefighter	5,824	0	1,617	1,961	535	86	0	12	0	0	125	4,336	10,160
Riverside	Firefighter	6,366	0	890	1,629	584	94	0	26	10	127	0	3,361	9,727
Rancho	Firefighter	6,073	0	1,238	1,518	553	89	0	6	0	0	73	3,477	9,550
Redlands	Firefighter	5,978	299	946	1,698	284	92	2	6	0	0	42	3,368	9,346
Rialto	Firefighter	5,792	0	1,000	2,202	0	85	60	9	0	0	83	3,440	9,232
SB County	Firefighter	5,528	0	1,144	2,025	56	81	0	0	0	0	38	3,343	8,871
Colton	Firefighter	6,012	0	990	1,643	0	0	0	25	0	0	70	2,728	8,740
Apple Valley	Firefighter	5,652	344	515	1,195	0	88	0	5	0	0	71	2,218	7,870
Cathedral City	No Match												0	0
Chino Valley	No Match												0	0
BB CITY	No Match												0	0
MEDIAN (50th Percentile)		5,824											3,361	9,232
BB LAKE													BB LAKE	
% (+/-) to match 50th percentile		-6.9%											-45.5%	-28.6%

BIG BEAR FIRE AUTHORITY TOTAL COMPENSATION SURVEY – as of January, 2013 – sorted high to low

FIREFIGHTER/PARAMEDIC - MINIMUM													
AGENCIES	Class Title	Monthly Base Rate at Min	Med Prem	ER Rtmt Contrbtn	ER Emp Rtmt Pickup	Soc Sec	Def Comp	Life Ins Prem	LTD Prem	PM/EMT Pay	Unifm Pay	ER's Cost of Benefits	Total Comp Value
BB LAKE	FF/PM	5,016	1,635	2,866	575	80	0	7	0	500	25	5,689	10,705
Ontario	FF w/PM cert	4,713	1,537	1,584	550	89	300	20	20	1,293	100	5,492	10,205
Chino Valley	FF/PM	6,398	1,015	1,496	592	95	0	47	0	150	29	3,424	9,822
Palm Springs	FF w/PM cert	4,779	1,617	1,853	506	82	0	12	0	717	125	4,910	9,689
Rancho	FF w/PM cert	4,996	1,238	1,460	532	86	0	6	0	843	73	4,238	9,234
Redlands	FF/PM	4,918	946	1,586	266	86	2	6	0	942	42	3,874	8,792
Riverside	FF/PM	4,754	890	1,432	514	83	0	26	10	955	0	3,910	8,664
Colton	FF/PM	5,690	990	1,613	0	0	0	25	0	213	70	2,911	8,601
Cathedral City	FF/PM	5,234	1,674	1,268	0	78	100	1	16	0	120	3,256	8,490
BB CITY	FF/PM	4,108	1,593	1,604	0	375	0	0	0	750	50	4,373	8,481
Rialto	FF/PM	5,012	1,000	1,910	0	74	0	9	0	0	83	3,077	8,089
SB County	FF w/PM cert	4,319	1,144	1,785	49	71	0	0	0	550	38	3,637	7,956
Apple Valley	FF/PM	4,415	515	992	0	73	0	4	0	550	71	2,205	6,620
MEDIAN (50th Percentile)		4,918										3,637	8,664
BB LAKE												BB LAKE	
% (+/-) to match 50th percentile		-2.0%										-36.1%	-19.1%
BB CITY												BB CITY	
% (+/-) to match 50th percentile		19.7%										-16.8%	2.2%

BIG BEAR FIRE AUTHORITY TOTAL COMPENSATION SURVEY – as of January, 2013 – sorted high to low

FIREFIGHTER/PARAMEDIC MAXIMUM														
AGENCIES	Class Title	Monthly Base Rate at Max	Long-vity Pay	Med Prem	ER Rtmt Contrbbtn	ER Emp Rtmt Pickup	Soc Sec	Def Comp	Life Ins Prem	LTD Prem	PM/EMT Pay	Unifm Pay	ER's Cost of Benefits	Total Comp Value
Ontario	FF w/PM cert	5,729	2,392	1,537	2,468	856	138	300	20	20	1,293	100	9,124	14,853
BB LAKE	FF/PM	6,254	313	1,635	3,772	756	106	0	7	0	700	25	7,314	13,568
Chino Valley	FF/PM	7,776	807	1,015	1,993	789	127	0	47	0	150	29	4,956	12,732
Palm Springs	FF w/PM cert	5,824	0	1,617	2,249	614	99	0	12	0	874	125	5,588	11,412
Cathedral City	FF/PM	6,362	1,191	1,674	1,817	0	111	100	1	19	0	120	5,034	11,396
Riverside	FF/PM	6,366	0	890	1,837	659	106	0	26	10	955	0	4,483	10,849
Rancho	FF w/PM cert	6,073	0	1,238	1,726	629	101	0	6	0	843	73	4,617	10,690
Redlands	FF/PM	5,978	299	946	1,951	327	105	2	6	0	942	42	4,619	10,597
BB CITY	FF/PM	5,322	266	1,593	2,088	0	489	0	0	0	750	50	5,236	10,558
Rialto	FF/PM	6,717	0	1,000	2,549	0	99	60	9	0	0	83	3,801	10,518
Colton	FF/PM	6,917	0	990	1,945	0	0	0	25	0	213	70	3,242	10,159
SB County	FF w/PM cert	5,528	0	1,144	2,225	61	89	0	0	0	550	38	4,106	9,634
Apple Valley	FF/PM	5,652	344	515	1,304	0	96	0	5	0	550	71	2,884	8,536
MEDIAN (50th Percentile)		6,073											4,617	10,690
BB LAKE													BB LAKE	
% (+/-) to match 50th percentile		-2.9%											-36.9%	21.2%
BB CITY													BB CITY	
% (+/-) to match 50th percentile		14.1%											-11.8%	1.2%

BIG BEAR FIRE AUTHORITY TOTAL COMPENSATION SURVEY – as of January, 2013 – sorted high to low

FIRE ENGINEER - MINIMUM													
AGENCIES	Class Title	Monthly Base Rate at Min	Med Prem	ER Rtmt Contrbtn	ER Emp Rtmt Pickup	Soc Sec	Def Comp	Life Ins Prem	LTD Prem	PM/ EMT Pay	Unifm Pay	ER's Cost of Benefits	Total Comp Value
BB LAKE	Fire Engineer	5,809	1,635	3,380	678	95	0	7	0	700	25	6,520	12,329
Palm Springs	Fire Engineer	5,600	1,617	2,182	596	96	0	12	0	896	125	5,523	11,123
Riverside	Fire Engineer	6,550	890	1,759	631	102	0	26	10	459	0	3,875	10,425
Ontario	Fire Engineer	5,615	1,537	1,593	553	89	300	20	20	425	100	4,636	10,251
Rancho	Fire Engineer	5,717	1,238	1,638	597	96	0	6	0	843	73	4,492	10,209
BB CITY	Fire Engineer	5,322	1,593	2,001	0	468	0	0	0	750	50	4,862	10,184
Chino Valley	Fire Engineer	6,456	1,015	1,543	611	98	0	47	0	300	29	3,643	10,099
Cathedral City	Fire Engineer	5,528	1,674	1,338	0	82	100	1	17	0	120	3,331	8,859
Redlands	Fire Engineer	5,797	946	1,569	263	85	2	6	0	0	42	2,912	8,709
Rialto	Fire Engineer	5,266	1,000	2,055	0	79	60	9	0	132	83	3,419	8,685
Colton	Fire Engineer	5,725	990	1,623	0	0	0	25	0	213	70	2,920	8,645
SB County	Fire Engineer	4,953	1,144	1,834	50	73	0	0	0	50	38	3,189	8,142
Apple Valley	Fire Engineer	4,986	515	1,105	0	81	0	4	0	550	71	2,326	7,312
MEDIAN (50th Percentile)		5,615										3,419	8,859
BB LAKE												BB LAKE	
% (+/-) to match 50th percentile		-3.3%										-47.6%	-28.1%
BB CITY												BB CITY	
% (+/-) to match 50th percentile		5.5%										-29.7%	-13.0%

BIG BEAR FIRE AUTHORITY TOTAL COMPENSATION SURVEY – as of January, 2013 – sorted high to low

FIRE ENGINEER MAXIMUM														
AGENCIES	Class Title	Monthly Base Rate at Max	Long-vity Pay	Med Prem	ER Rtmt Contrbtn	ER Emp Rtmt Pickup	Soc Sec	Def Comp	Life Ins Prem	LTD Prem	PM/EMT Pay	Unifm Pay	ER's Cost of Benefits	Total Comp Value
BB LAKE	Fire Engineer	7,241	362	1,635	4,308	864	121	0	7	0	700	25	8,022	15,263
Palm Springs	Fire Engineer	6,825	1,088	1,617	2,987	816	131	0	12	0	1,024	125	7,799	14,624
Ontario	Fire Engineer	6,826	1,613	1,537	2,325	807	130	300	20	20	425	100	7,276	14,102
Chino Valley	Fire Engineer	7,846	815	1,015	2,045	809	130	0	47	0	300	29	5,190	13,036
Cathedral City	Fire Engineer	6,719	1,258	1,674	1,918	0	117	100	1	20	0	120	5,208	11,927
Rancho	Fire Engineer	6,949	0	1,238	1,943	708	114	0	6	0	843	73	4,925	11,874
BB CITY	Fire Engineer	5,967	298	1,593	2,310	0	541	0	0	0	750	50	5,541	11,508
Riverside	Fire Engineer	7,221	0	890	1,939	695	112	0	26	10	505	0	4,178	11,399
Rialto	Fire Engineer	7,057	0	1,000	2,743	0	106	60	9	0	176	83	4,178	11,235
Redlands	Fire Engineer	7,046	352	946	1,999	335	108	2	6	0	0	42	3,789	10,835
Colton	Fire Engineer	6,959	0	990	1,956	0	0	0	25	0	213	70	3,254	10,213
SB County	Fire Engineer	6,338	0	1,144	2,338	64	93	0	0	0	50	38	3,727	10,065
Apple Valley	Fire Engineer	6,383	389	515	1,457	0	107	0	5	0	550	71	3,094	9,477
MEDIAN (50th Percentile)		6,949											4,178	11,399
BB LAKE													BB LAKE	
% (+/-) to match 50th percentile		-4.0%											-47.9%	-25.3%
BB CITY													BB CITY	
% (+/-) to match 50th percentile		16.5%											-24.6%	-1.0%

BIG BEAR FIRE AUTHORITY TOTAL COMPENSATION SURVEY – as of January, 2013 – sorted high to low

FIRE CAPTAIN - MINIMUM													
AGENCIES	Class Title	Monthly Base Rate at Min	Med Prem	ER Rtmt Contrbtn	ER Emp Rtmt Pickup	Soc Sec	Def Comp	Life Ins Prem	LTD Prem	PM/ EMT Pay	Unifm Pay	ER's Cost of Benefits	Total Comp Value
BB LAKE	Fire Captain	6,741	1,635	3,862	774	108	0	7	0	700	25	7,112	13,853
Riverside	Fire Captain	7,579	890	2,035	730	118	0	26	10	531	0	4,339	11,918
Palm Springs	Fire Captain	6,678	1,543	2,352	642	103	0	8	0	334	125	5,108	11,786
Ontario	Fire Captain	6,640	1,537	1,859	645	104	300	20	20	425	100	5,009	11,649
Rancho	Fire Captain	6,707	1,238	1,883	686	111	0	6	0	843	73	4,840	11,547
BB CITY	Fire Captain	6,193	1,593	2,286	0	535	0	0	0	750	50	5,214	11,407
Chino Valley	Fire Captain	7,432	1,015	1,765	699	113	0	47	0	300	29	3,967	11,399
Colton	Fire Captain	6,839	990	1,924	0	0	0	25	0	213	70	3,221	10,060
Cathedral City	Fire Captain	6,483	1,674	1,564	0	96	100	1	19	0	120	3,574	10,057
Redlands	Fire Captain	6,786	946	1,835	307	99	2	6	0	0	42	3,236	10,022
Rialto	Fire Captain	6,107	1,000	2,378	0	92	60	9	0	153	83	3,775	9,882
SB County	Fire Captain	5,892	1,144	2,176	60	87	0	0	0	50	38	3,554	9,446
Apple Valley	Fire Captain	5,932	515	1,291	0	95	0	5	0	550	71	2,527	8,459
MEDIAN (50th Percentile)		6,678										3,775	10,060
BB LAKE												BB LAKE	
% (+/-) to match 50th percentile		-0.9%										-46.9%	-27.4%
BB CITY												BB CITY	
% (+/-) to match 50th percentile		7.8%										-27.6%	-11.8%

BIG BEAR FIRE AUTHORITY TOTAL COMPENSATION SURVEY – as of January, 2013 – sorted high to low

FIRE CAPTAIN MAXIMUM														
AGENCIES	Class Title	Monthly Base Rate at Max	Long-vity Pay	Med Prem	ER Rtmt Contrbtn	ER Emp Rtmt Pickup	Soc Sec	Def Comp	Life Ins Prem	LTD Prem	PM/ EMT Pay	Unifm Pay	ER's Cost of Benefits	Total Comp Value
BB LAKE	Fire Captain	8,404	420	1,635	4,940	990	138	0	7	0	700	25	8,856	17,260
Ontario	Fire Captain	8,071	1,907	1,537	2,724	945	152	300	20	20	425	100	8,130	16,201
Chino Valley	Fire Captain	9,034	938	1,015	2,343	927	149	0	47	0	300	29	5,748	14,782
Palm Springs	Fire Captain	8,139	0	1,543	2,858	780	126	0	8	0	407	125	5,847	13,986
Cathedral City	Fire Captain	7,880	1,476	1,674	2,244	0	137	100	1	23	0	120	5,777	13,657
Rancho	Fire Captain	8,152	0	1,238	2,240	816	131	0	6	0	843	73	5,347	13,499
BB CITY	Fire Captain	7,166	358	1,593	2,721	0	637	0	0	0	750	50	6,109	13,275
Riverside	Fire Captain	8,356	0	890	2,243	805	130	0	26	10	585	0	4,689	13,045
Rialto	Fire Captain	8,183	0	1,000	3,175	0	123	60	9	0	205	83	4,656	12,839
Redlands	Fire Captain	8,248	412	946	2,338	392	126	2	6	0	0	42	4,264	12,512
Colton	Fire Captain	8,312	0	990	2,322	0	0	0	25	0	213	70	3,619	11,931
SB County	Fire Captain	7,540	0	1,144	2,776	76	111	0	0	0	50	38	4,194	11,734
Apple Valley	Fire Captain	7,593	462	515	1,709	0	126	0	6	0	550	71	3,439	11,032
MEDIAN (50th Percentile)		8,152											4,689	13,045
BB LAKE														BB LAKE
% (+/-) to match 50th percentile		-3.0%											-47.1%	-24.4%
BB CITY														BB CITY
% (+/-) to match 50th percentile		13.8%											-23.3%	-1.7%

BIG BEAR FIRE AUTHORITY TOTAL COMPENSATION SURVEY – as of January, 2013 – sorted high to low

FIRE PREVENTION INSPECTOR - MINIMUM													
AGENCIES	Class Title	Monthl y Base Rate at Min	Med Prem	ER Rtmt Contrbtn	ER Emp Rtmt Pickup	Soc Sec	Def Comp	Life Ins Prem	LTD Prem	PM/ EMT Pay	Unifm Pay	ER's Cost of Benefits	Total Comp Value
Rancho	Fire Inspector	5,717	1,238	0	597	96	0	6	0	843	73	2,853	8,570
BB CITY	Fire Prevention Inspector	4,257	1,593	1,392	0	326	0	0	0	0	0	3,310	7,567
SB County	Fire Prevention Specialist	4,600	1,094	1,674	46	67	0	2	35	0	0	2,918	7,518
Chino Valley	Fire Inspector (NFS)	4,940	1,015	693	398	72	0	47	33	0	40	2,298	7,238
Riverside	Fire Safety Inspector II (NFS)	4,829	980	885	387	70	0	2	0	0	13	2,337	7,166
Ontario	Fire Safety Specialist (NFS)	4,391	1,173	559	354	64	0	5	0	0	33	2,188	6,579
Rialto	Fire Inspector (NFS)	4,322	1,000	862	0	64	0	9	0	0	83	2,019	6,341
Apple Valley	Fire Inspector I/II	3,647	515	732	0	54	0	4	0	0	71	1,376	5,023
Cathedral City	No Match											0	0
Colton	No Match											0	0
Palm Springs	No Match											0	0
Redlands	No Match											0	0
BB LAKE	No Match											0	0
NFS: Not Fire Safety													
MEDIAN (50th Percentile)		4,600										2,019	6,341
BB CITY												BB CITY	
% (+/-) to match 50th percentile		8.1%										-39.0%	-16.2%

BIG BEAR FIRE AUTHORITY TOTAL COMPENSATION SURVEY – as of January, 2013 – sorted high to low

FIRE PREVENTION INSPECTOR MAXIMUM														
AGENCIES	Class Title	Monthly Base Rate at Max	Long-vity Pay	Med Prem	ER Rtmt Contrbtn	ER Emp Rtmt Pickup	Soc Sec	Def Comp	Life Ins Prem	LTD Prem	PM/ EMT Pay	Unifm Pay	ER's Cost of Benefits	Total Comp Value
Rancho	Fire Inspector	6,949	0	1,238	0	708	114	0	6	0	843	73	2,982	9,931
BB CITY	Fire Prevention Inspector	5,276	264	1,593	1,811	0	424	0	0	0	0	0	4,091	9,367
Chino Valley	Fire Inspector (NFS)	6,004	623	1,015	928	533	97	0	47	40	0	40	3,322	9,326
SB County	Fire Prevention Specialist	5,886	0	1,094	2,142	59	85	0	2	35	0	0	3,417	9,303
Riverside	Fire Safety Inspector II (NFS)	5,867	0	980	1,075	470	85	0	2	0	0	13	2,625	8,492
Rialto	Fire Inspector (NFS)	5,792	0	1,000	1,150	0	85	80	9	0	0	83	2,408	8,200
Ontario	Fire Safety Specialist (NFS)	5,337	0	1,173	678	430	78	0	5	0	0	33	2,397	7,734
Apple Valley	Fire Inspector I/II	5,134	312	515	1,087	0	80	0	5	0	0	71	2,070	7,204
Cathedral City	No Match												0	0
Colton	No Match												0	0
Palm Springs	No Match												0	0
Redlands	No Match												0	0
BB LAKE	No Match												0	0
NFS: Not Fire Safety														
MEDIAN (50th Percentile)		5,867											2,397	7,734
BB CITY													BB CITY	
% (+/-) to match 50th percentile		11.2%											-41.4%	-17.4%

BIG BEAR FIRE AUTHORITY TOTAL COMPENSATION SURVEY – as of January, 2013 – sorted high to low

FINANCIAL ANALYST - MINIMUM													
AGENCIES	Class Title	Monthly Base Rate at Min	Med Prem	ER Rtmt Contrbtn	ER Emp Rtmt Pickup	Soc Sec	Def Comp	Life Ins Prem	LTD Prem	PM/ EMT Pay	Unifm Pay	ER's Cost of Benefits	Total Comp Value
Cathedral City	Management Analyst	5,811	1,674	764	0	84	100	2	17	0	0	2,642	8,453
BB LAKE	Financial Analyst	4,718	1,389	1,574	412	89	0	12	0	0	0	3,475	8,193
Ontario	Financial Analyst	5,609	1,218	708	449	81	50	7	31	0	0	2,545	8,154
Rancho	Budget Analyst	5,261	822	732	421	76	0	6	0	0	0	2,057	7,318
Rialto	Sr. Admin Analyst	5,137	1,000	1,006	0	74	0	9	0	0	0	2,090	7,227
BB CITY	Financial Analyst	4,539	1,567	735	0	347	0	0	0	0	0	2,649	7,188
SB County	Budget Analyst II	4,961	908	941	0	72	0	2	0	0	0	1,923	6,884
Riverside	Management Analyst	4,472	1,051	817	358	65	0	2	0	0	0	2,293	6,765
Colton	Admin Analyst I / II	4,364	990	571	0	0	0	25	15	0	0	1,601	5,965
Apple Valley	No Match											0	0
Chino Valley	No Match											0	0
Palm Springs	No Match											0	0
Redlands	No Match											0	0
MEDIAN (50th Percentile)		5,137										1,832	6,765
BB LAKE													BB LAKE
% (+/-) to match 50th percentile		8.9%										-47.3%	-17.4%
BB CITY													BB CITY
% (+/-) to match 50th percentile		13.2%										-30.9%	-5.9%

BIG BEAR FIRE AUTHORITY TOTAL COMPENSATION SURVEY – as of January, 2013 – sorted high to low

FINANCIAL ANALYST MAXIMUM														
AGENCIES	Class Title	Monthly Base Rate at Max	Long-vity Pay	Med Prem	ER Rtmt Contrbtn	ER Emp Rtmt Pickup	Soc Sec	Def Comp	Life Ins Prem	LTD Prem	PM/ EMT Pay	Unifm Pay	ER's Cost of Benefits	Total Comp Value
Cathedral City	Management Analyst	7,064	1,323	1,674	1,103	0	122	100	2	21	0	0	4,345	11,409
BB LAKE	Financial Analyst	5,735	290	1,389	1,910	500	107	0	12	0	0	0	4,209	9,944
Ontario	Financial Analyst	6,818	0	1,218	861	545	99	50	7	38	0	0	2,818	9,636
Rialto	Sr. Admin Analyst	6,884	0	1,000	1,348	0	100	100	9	0	0	0	2,557	9,441
Rancho	Budget Analyst	6,751	0	822	939	540	98	0	6	0	0	0	2,406	9,157
BB CITY	Financial Analyst	5,569	557	1,567	992	0	469	0	9	0	0	0	3,584	9,153
Riverside	Management Analyst	5,991	0	1,051	1,095	479	87	0	2	0	0	0	2,715	8,706
SB County	Budget Analyst II	6,349	0	908	1,204	0	92	0	2	0	0	0	2,206	8,555
Colton	Admin Analyst I / II	5,834	0	990	763	0	0	0	25	20	0	0	1,798	7,632
Palm Springs	No Match												0	0
Redlands	No Match												0	0
Apple Valley	No Match												0	0
Chino Valley	No Match												0	0
MEDIAN (50th Percentile)		6,751											2,089	8,438
BB LAKE														BB LAKE
% (+/-) to match 50th percentile		17.7%											-50.4%	-15.1%
BB CITY														BB CITY
% (+/-) to match 50th percentile		21.2%											-41.7%	-7.8%

BIG BEAR FIRE AUTHORITY TOTAL COMPENSATION SURVEY – as of January, 2013 – sorted high to low

FIRE CHIEF SECRETARY - MINIMUM													
AGENCIES	Class Title	Monthly Base Rate at Min	Med Prem	ER Rmtm Contrbntn	ER Emp Rmtm Pickup	Soc Sec	Def Comp	Life Ins Prem	LTD Prem	PM/EMT Pay	Unifm Pay	ER's Cost of Benefits	Total Comp Value
Palm Springs	Administrative Assistant	4,705	1,683	885	376	68	0	13	1	0	0	3,025	7,730
Cathedral City	Admin Assistant II	4,553	1,674	599	0	66	100	1	14	0	0	2,454	7,007
Ontario	Sr. Admin Assistant	3,913	1,218	494	313	57	50	7	22	0	0	2,161	6,074
Rancho	Sr. Admin Secretary	4,021	822	559	322	58	0	6	0	0	0	1,768	5,789
Rialto	Executive Assistant	3,727	1,000	730	0	54	0	9	0	0	0	1,793	5,520
Riverside	Sr. Admin Assistant	3,268	1,051	597	261	47	0	1	0	0	0	1,959	5,227
Colton	Admin Assistant	3,249	990	425	0	0	0	25	11	0	0	1,451	4,700
Apple Valley	No Match											0	0
Chino Valley	No Match											0	0
Redlands	No Match											0	0
SB County	No Match											0	0
BB LAKE	No Match											0	0
BB CITY	No Match											0	0
MEDIAN (50th Percentile)		3,913										1,768	5,227

BIG BEAR FIRE AUTHORITY TOTAL COMPENSATION SURVEY – as of January, 2013 – sorted high to low

FIRE CHIEF SECRETARY MAXIMUM														
AGENCIES	Class Title	Monthly Base Rate at Max	Long-vity Pay	Med Prem	ER Rtmt Contrbtn	ER Emp Rtmt Pickup	Soc Sec	Def Comp	Life Ins Prem	LTD Prem	PM/ EMT Pay	Unifm Pay	ER's Cost of Benefits	Total Comp Value
Cathedral City	Admin Assistant II	5,535	1,037	1,674	728	0	80	100	2	17	0	0	3,638	9,173
Palm Springs	Administrative Assistant	5,731	0	1,683	1,077	458	83	0	13	1	0	0	3,315	9,046
Rancho	Sr. Admin Secretary	5,160	0	822	718	413	75	0	6	0	0	0	2,034	7,194
Rialto	Executive Assistant	4,994	0	1,000	978	0	72	100	9	0	0	0	2,159	7,153
Ontario	Sr. Admin Assistant	4,758	0	1,218	601	381	69	50	7	27	0	0	2,352	7,110
Riverside	Sr. Admin Assistant	4,381	0	1,051	801	350	64	0	2	0	0	0	2,268	6,649
Colton	Admin Assistant	3,949	79	990	517	0	0	0	25	14	0	0	1,624	5,573
Apple Valley	No Match												0	0
Chino Valley	No Match												0	0
Redlands	No Match												0	0
SB County	No Match												0	0
BB LAKE	No Match												0	0
BB CITY	No Match												0	0
MEDIAN (50th Percentile)		4,994											2,034	6,649

BIG BEAR FIRE AUTHORITY TOTAL COMPENSATION SURVEY – as of January, 2013 – sorted high to low

ACCOUNTING SPECIALIST - MINIMUM													
AGENCIES	Class Title	Monthly Base Rate at Min	Med Prem	ER Rtmt Contrbtrn	ER Emp Rtmt Pickup	Soc Sec	Def Comp	Life Ins Prem	LTD Prem	PM/ EMT Pay	Unifm Pay	ER's Cost of Benefits	Total Comp Value
BB LAKE	Accounting Technician	3,985	1,389	1,027	269	58	0	12	0	0	0	2,754	6,739
Palm Springs	Account Specialist	3,636	1,544	684	291	53	0	12	0	0	0	2,583	6,219
Chino Valley	Accounting Technician	4,026	1,015	560	322	58	0	47	27	0	0	2,029	6,055
Cathedral City	Accounting Technician	3,633	1,674	478	0	53	28	1	11	0	0	2,244	5,877
Ontario	Administrative Specialist	3,670	1,218	463	294	53	50	7	21	0	0	2,106	5,776
Riverside	Accounting Technician	3,675	1,051	672	294	53	0	2	0	0	0	2,072	5,747
Rialto	Accounting Technician	3,636	1,000	712	0	53	0	9	0	0	0	1,774	5,410
Rancho	Account Technician	3,621	822	504	290	53	0	6	0	0	0	1,674	5,295
Apple Valley	Secretary II	3,811	515	858	0	55	0	4	0	0	0	1,432	5,243
Colton	Accounting Technician II	3,425	990	448	0	0	0	25	12	0	0	1,475	4,900
Redlands	Accounting Technician II	2,946	746	384	206	43	0	6	0	0	17	1,401	4,347
SB County	Fiscal Specialist	2,671	908	506	0	39	0	2	0	0	0	1,456	4,127
BB CITY	No Match											0	0
MEDIAN (50th Percentile)		3,636										1,774	5,410
BB LAKE													BB LAKE
% (+/-) to match 50th percentile		-8.8%										-35.6%	-21.4%

BIG BEAR FIRE AUTHORITY TOTAL COMPENSATION SURVEY – as of January, 2013 – sorted high to low

ACCOUNTING SPECIALIST MAXIMUM														
AGENCIES	Class Title	Monthly Base Rate at Max	Long-vity Pay	Med Prem	ER Rtmt Contrbtn	ER Emp Rtmt Pickup	Soc Sec	Def Comp	Life Ins Prem	LTD Prem	PM/ EMT Pay	Unifm Pay	ER's Cost of Benefits	Total Comp Value
BB LAKE	Accounting Technician	4,846	245	1,389	1,312	229	74	0	12	0	0	0	3,260	8,106
Chino Valley	Accounting Technician	4,895	508	1,015	752	432	78	0	47	33	0	0	2,865	7,760
Cathedral City	Accounting Technician	4,416	827	1,674	690	0	76	28	1	13	0	0	3,309	7,725
Palm Springs	Account Specialist	4,435	0	1,544	834	355	64	0	12	1	0	0	2,809	7,244
Rialto	Accounting Technician	4,872	0	1,000	954	0	71	80	9	0	0	0	2,114	6,986
Apple Valley	Secretary II	4,879	297	515	1,165	0	75	0	4	0	0	0	2,057	6,936
Riverside	Accounting Technician	4,465	0	1,051	816	357	65	0	2	0	0	0	2,291	6,756
Ontario	Administrative Specialist	4,461	0	1,218	563	357	65	50	7	26	0	0	2,286	6,747
Rancho	Account Technician	4,647	0	822	646	372	67	0	6	0	0	0	1,914	6,561
Colton	Accounting Technician II	4,164	0	990	545	0	0	0	25	14	0	0	1,574	5,738
Redlands	Accounting Technician II	3,581	179	746	490	263	55	0	6	0	0	17	1,755	5,336
SB County	Fiscal Specialist	3,425	0	908	586	0	50	0	2	0	0	0	1,546	4,972
BB CITY	No Match												0	0
MEDIAN (50th Percentile)		4,461											2,114	6,756
BB LAKE													BB LAKE	
% (+/-) to match 50th percentile		-7.9%											-35.2%	-16.7%

APPENDIX B: PENSION PLANS

Feasibility Study - Reciprocity

- You cannot transfer ("roll over") contributions earned in a public retirement system to and/or from another retirement system. You may be eligible to establish reciprocity with the new system.
- Reciprocity allows you to link public retirement systems to preserve and enhance your total retirement benefits.
- It provides you portability by allowing you to leave your retirement contributions on deposit, regardless of your length of service, and to take a deferred retirement.
- The service credit earned in one system may be used to meet the service credit requirements for vesting and/or retirement eligibility in another system.
- To calculate benefit amount, each system will only use the years of service credit earned with their system.
- The highest final average compensation from either system may be used by both (or all) systems to determine the employee's retirement benefit.
- To establish reciprocity between eligible public retirement systems, employees must meet the following requirements:
 - Elect to establish reciprocity with an eligible public retirement system. It is not automatic.
 - The time between leaving one public retirement system and entering another cannot exceed six months, or 180 days.
 - There cannot be any overlapping service credit. There must be a clean break in service from the previous system before entering the new one.
 - Per Public Retirement Journal – A new employee with reciprocity from another pension system (where membership was established prior to January 1, 2013) must be provided the benefit plan offered by the employer in effect December 31, 2012.

Questions & Answers on Pension Plan Participation – SBCERA

- All employees of the BBFA, if a plan sponsor of SBCERA, would have to be members of SBCERA. Per Government Code 31557, all officers and employees of an SBCERA employer must be members in SBCERA.
- The only benefit formula available for Safety Members of SBCERA at this time are 3% @50 for Tier 1 members (prior to 1/1/13) or 2.7% @57 (hired on or after 1/1/2013).
- The City of Big Bear Lake is the safety plan sponsor. The plan is included in the "Safety Other" actuarial information with Crest Forest Fire Protection District and Barstow Fire Protection District.
- Is there an unfunded liability with this unit? Yes, there is an unfunded liability with "Safety Other." However, SBCERA requires precise scenarios to determine how to proceed with the actuary. BBFA and/or City of Big Bear Lake are responsible for funding the cost of the actuarial studies.
- Assuming BBFA meets the standards to become an SBCERA plan sponsor, it would take time to be placed on the Board Agenda. It would take approximately 2-3 months thereafter to work out administrative details. This does not include time associated with actuarial studies.

- The manner of leaving SBCERA membership is set by Government Code section 31564 and the manner of calculating the employers unfunded actuarial liability is described by Government Code section 31564.2.
- *All officers and employees of any district who have become members of the association as provided in Section 31557, may be withdrawn by a resolution of the governing body declaring all of the district's employees withdrawn from the association; provided, the governing body has first received a written petition signed by a majority of its officers and employees requesting that the district's officers and employees be withdrawn from the association.*
- Requires actuarial studies and pay off of liabilities in lump sum
- Takes time (six + months)
- Meet and confer
- Termination costs are higher than unfunded liability

Hypothetical Termination Liability – SBCERA – Safety Other Plan – BBLPD

	BBLPD	Barstow Fire	Crest Forest
Active	16	19	23
Retired/Deferred	15	21	12
Disabilities	<u>6</u>	<u>4</u>	<u>5</u>
<u>Total</u>	37	44	40
Termination	\$30M	\$35M	\$33M

Note – Applied average termination costs for BF and CF (\$68M/84 to derive BBLP termination estimate (\$809.5K per participant) i.e. \$809.5K X 37 = \$30M

CF – Retired/Deferred combined

Disabilities for BBLPD - 6 – Prorated remaining 9 between BF & CF – Total 15

Q & As' on Pension Plan/Benefits Participation – CalPERS

- You can participate in CalPERS retirement plan without participating in CalPers medical.
- If you participate in CalPERS medical you must allow retirees to continue coverage. The Agency must pay a portion of that coverage.
- Agency's options: 1. The minimum contribution and 2. The unequal method.
- The minimum contribution is set yearly by CalPERS (currently \$115 per month).

- Most agencies select the minimum contribution option.
- It would take approximately 9-12 months to become a plan sponsor.
- If you do not have CalPERS medical, the decision regarding retiree health coverage is up to the agency.
- According to the CalPers Valuation for BBCSD as of 06/30/2011, hypothetical termination costs for Safety were projected at \$23.4M. However the discount rate applied of 4.82% is much higher than the 3.25% - 3.8% that would be applied in an actuarial study to calculate plan termination. A more appropriate termination cost would be in excess of \$30M when applying a lower discount rate.

According to Calpensions

- **High cost of leaving CalPERS may get higher** - The CalPERS board may make it more costly for struggling local governments to close their pension plans. A pending change is driven in part by unusually low interest rates and the fear of an unlikely, but now not inconceivable, collapse of a large employer like the bankrupt city of San Bernardino.
- The cost of closing a pension fund jumped last year when the CalPER5 board lowered the earnings forecast for closed funds to 3.8 percent, well below the 7.5 percent used for most CalPERS funds.
- The board continued work last week on a new investment allocation for closed funds that could drop the earnings forecast to less than 2 percent, which would push the closing cost for employers even higher.
- Closed fund investments would be switched to some of the lowest-risk bonds with very low yields. The higher 7.5 percent earnings forecast for most funds (which critics contend is overly optimistic) is based on stocks and other riskier investments.
- As the board of the California Public Employees Retirement System moves to ensure that closed funds do not run out of money, employers have to pay more to close a pension plan.

Hypothetical Termination Liability – CalPERS – Safety Plan BBCSD

<u>Valuation Date</u>	<u>HTL</u>	<u>MVA</u>	<u>UTL</u>	<u>TFR</u>	<u>DR</u>
06/30/2011	\$23,390,504	\$11,456,802	\$11,933,702	49%	4.82%*

+ “Pay as you go” retiree medical - \$341, 878 per year

+ Side Fund Obligation of \$1.1 M

Rate is based on June 30, 2011 30-year US Treasury Stipend Coupon Rate.

Key: HTL = Hypothetical Termination Liability

MVA = Market Value of Assets

UTL = Unfunded Termination Liability

TFR = Termination Funded Ratio

DR = Discount Rate