

AGENDA
EL DORADO HILLS COUNTY WATER DISTRICT
(FIRE DEPARTMENT)
BOARD OF DIRECTORS
SEVEN HUNDRED THIRTY SIXTH MEETING
Thursday, February 18, 2016
6:00 p.m.
(1050 Wilson Blvd., El Dorado Hills, CA)

- I. Call to Order and Pledge of Allegiance
- II. Consent Calendar (All matters on the Consent Calendar are to be approved by one motion unless a Board member requests separate action on a specific item.)
 - A. Approve Minutes of the 735th Special Board meeting held January 21, 2016
 - B. Approve Financial Statements for January 2016

End Consent Calendar
- III. Oral Communications
 - A. EDH Professional Firefighters
 - B. EDH Firefighters Association
 - C. EDH Volunteer Firefighters
 - D. Latrobe Advisory Committee
 - E. Any person wishing to address the Board on any item that is not on the Agenda may do so at this time. No action may be taken on off-agenda items unless authorized by law. Comments shall be limited to three minutes per person and twenty minutes for all comments unless otherwise authorized by the Board.
- IV. Correspondence
- V. Attorney Items
 - A. **Closed Session** pursuant to Government Code Section 54956.9(d)(2); Pending Litigation; One Matter
- VI. Committee Reports
 - A. Administrative Committee (Directors Winn and Hidahl)
 1. Review and update construction progress of Station 84
 2. Update on progress of Community Risk Assessment, Standards of Cover, and Facilities Master Plan
 3. **Closed Session** pursuant to Government Code Section 54957.6, conference with labor negotiators; items under negotiation: Memorandum of Understanding with the El Dorado Hills Professional Firefighters pertaining to wages and benefits; District negotiators are Directors Hidahl and Winn
 4. **Closed Session** pursuant to Government Code Section 54957(b)(1); Public Employee Performance Evaluation; Title: Fire Chief David Roberts
 - B. Fire Committee (Directors Hus and Winn)
 - C. Ad Hoc Committee Reports
 1. Strategic Planning Committee (Directors Hartley and Hidahl)
 - a. Review and approve updated Strategic Plan 2016-2021
 2. Solar Committee (Directors Hus and Hidahl)
 3. Communications Committee (Directors Durante and Winn)
 4. Volunteer Stakeholders Committee (Directors Hidahl and Durante)

5. Training Facility Committee (Directors Hartley and Durante)
6. CSD/Fire Collaboration Committee (Directors Hidahl and Durante)

VII. Operations Report

- A. Operations Report (Receive and file)
- B. Review and update regarding Joint Powers Authority

VIII. Fiscal Items

- A. Discuss Zones of Benefit in the Latrobe service areas
- B. Review and approve 2016-17 Budget for El Dorado County JPA
- C. Update on Final Retiree Health Liability Valuation Report

IX. New Business

- A. Reorganization of Committees
- B. Discuss proposed Verizon Cell Tower at Station 85 and assign to Committee
- C. Review and approve purchase of a Staff Utility Vehicle from Folsom Lake Chevy in the amount of \$80,000.

X. Old Business

XI. Oral Communications

- A. Directors
- B. Staff

XII. Adjournment

Note: Action may be taken on any item posted on this agenda.

This Board meeting is normally recorded.

EL DORADO HILLS COUNTY WATER DISTRICT

SEVEN HUNDRED THIRTY FIFTH MEETING OF THE BOARD OF DIRECTORS

Thursday, January 21, 2016

6:00 p.m.

District Office, 1050 Wilson Boulevard, El Dorado Hills, CA 95762

I. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Vice President Hidahl called the meeting to order at 6:00 p.m. and former Director Zine led the Pledge of Allegiance. Directors in attendance: Durante, Hartley, Hidahl, Hus, and Winn. President Winn arrived at 6:07 p.m. Staff in attendance: Chief Roberts and Director of Finance Braddock. Counsel Cook was also in attendance.

II. PRESENTATIONS

A. **Presentation to retired Chief Financial Officer Connie Bair** – Chief Roberts presented a resolution of appreciation to retired Chief Financial Officer Connie Bair for 32 years of dedicated service to the El Dorado Hills Fire Department.

III. CONSENT CALENDAR

- A. **Approve minutes of the 733rd meeting held December 10, 2015**
- B. **Approve minutes of the 734th Special Board meeting held December 23, 2015**
- C. **Approve Financial Statements for December 2015**
- D. **Ratify fourteenth payment to SW Allen Construction Inc. for Station 84 in the amount of \$34,103**
- E. **Ratify fifteenth payment to SW Allen Construction Inc. for Station 84 in the amount of \$205,752**

Director Durante made a motion to approve the consent calendar, seconded by Director Hartley and unanimously carried.

IV. ORAL COMMUNICATIONS

- A. **EDH Professional Firefighters** – No report
- B. **EDH Firefighters Association** – No report
- C. **EDH Volunteer Firefighters** – No report
- D. **Latrobe Advisory Committee** – No report
- E. **Public Comment** – None

V. SPECIAL PRESENTATION

A. **Presentation from Interact Business Group regarding the El Dorado Hills Fire Department Training Center Strategic Business Plan** – Representatives from Interact Business Group summarized their findings in the El Dorado Hills Fire Department Training Center Strategic Business Plan.

Director Durante reported that this item is still being discussed at the committee level and they are not ready to make a recommendation to the Board. Director

Hus expressed his concern that there are other options for the committee to look at and present to the Board.

Members of the public presented their concerns about unfunded liabilities, the accuracy of the estimated cost to build a training center, the best use of the money, the ongoing maintenance and operational cost to use the potential training center, the training hour calculations in the report, and the insufficient analysis of what is needed for the El Dorado Hills Fire Department to fully and efficiently train.

VI. CORRESPONDENCE – None

Vice President Hidahl requested that **Closed Session Item VII-A, Closed Session Item VIII-A.4 and Closed Session Item VIII-A.5** be moved on the agenda after **Item XII. Old Business** and the Board concurred.

Director Hus submitted a letter to Interact Business Group with questions about the El Dorado Hills Fire Department Training Center Strategic Business Plan. The questions and responses from Interact Business Group Inc. were included in the Board Packet.

VII. ATTORNEY ITEMS

A. Closed Session pursuant to Government Code Section 54956.9(d)(2); Pending Litigation; One Matter

VIII. COMMITTEE REPORTS

A. Administrative Committee (Directors Hidahl and Winn)

- 1. Review and update construction progress of Station 84** – Chief Roberts reported that the punch list of remaining work is being completed, but there is a delay due to weather on replacing the concrete. He stated that the open house is scheduled for February 27.
- 2. Review and approve updated Rules and Regulations** – Chief Roberts explained there are minor changes to the Rules and Regulations and each change is highlighted in the draft presented in the Board Packet. Director Hus asked if vapor products were included in the tobacco use policy and the question was referred to legal counsel for research.

Director Hidahl made a motion to approve updated Rules and Regulations subject to legal counsel's conclusion regarding the tobacco use policy, seconded by Director Durante, and unanimously carried.

- 3. Review and discuss contract for Community Risk Assessment, Standards of Cover, and Facilities Master Plan** – Chief Roberts reported that the contract with Citygate has been finalized and they are starting to compile data. He added that Citygate would like to meet with the Board members to get their input as they get started.

- C. **Review and approve updated Strategic Plan 2016-2021** – Chief Roberts stated that every year the Strategic Plan is presented to the Board with updated goals for approval and summarized the changes. Director Hus asked that the document be referred back to committee and no action taken at this time so that the Board can be more involved in developing goals for the Department. Director Durante suggested that a new Ad Hoc committee be established to discuss the Strategic Plan and the Board concurred.

X. FISCAL ITEMS

- A. **Discuss changes in reserve accounts from prior fiscal year** – Director of Finance Braddock recommended that the discussion of changes in the reserve accounts from the prior fiscal year be referred back to the Fire Committee for further discussion and analysis.

XI. NEW BUSINESS

- A. **Reorganization of Board and Committees** – Director Durante requested that this item be deferred to the February Board meeting allowing time for the Directors to communicate to President Hidahl which committees each would like to be a part of.
- B. **Election of Board President and Vice President for 2016**

President Winn made a motion to Nominate Director Hidahl for Board President, seconded by Director Hartley, and carried. (Ayes: 4; Noes; 1- Hus.)

Director Hus made a motion to Nominate Director Durante for Board President. Director Durante deferred nomination to Director Hidahl.

Director Hartley made a motion to Nominate Director Durante for Vice President, seconded by Director Hidahl, and unanimously carried.

- C. **Review and establish meeting date(s) for 2016** – After a discussion, it was decided that the third Thursday of the month worked well for the regularly scheduled Board meetings.

President Hidahl asked if the County Water District has the powers to contract for supplemental law enforcement in a given jurisdiction and Counsel Cook responded that he would research the answer.

- XII. OLD BUSINESS** – Director Hidahl stated that the Board Policy Manual revision needs to be address in an Admin Committee meeting in the near future. He also stated that there is a large parcel in the Hills of El Dorado and the community is concerned about defensible space. Chief Lilienthal responded that the parcel in question has been a problem for the Department because nobody owns the property and seemingly the only solution would be for the surrounding residents to fund fuel mitigation in that area. Director Winn recommended the Department talk with the Conservation Corp.

The Board adjourned to discuss Closed Session Item VII-A, Closed Session Item VIII-A.4 and Closed Session Item VIII-A.5 at 8:30 p.m.

The meeting reconvened at 9:43 p.m. The Board took no action during closed session and all items were referred back to committee.

XIII. ORAL COMMUNICATIONS

- A. Directors** – Director Durante stated that the February Dinner is scheduled for February 20 at 6:00 p.m. with a theme of Mad Men.
- B. Staff** – Chief Roberts stated that there are five new hires getting ready to go through an internal academy and he reminded the Board about the house training burn starting Thursday, January 28.

XIV. ADJOURNMENT

Director Winn made a motion to adjourn the meeting, seconded by Director Hus, and unanimously carried.

The meeting adjourned at 9:46 p.m.

Approved:

John Hidahl, President

Jessica Braddock, Board Secretary

El Dorado Hills Fire Department
Revenue and Expense Summary
For the Period Ending January 31, 2016



	Full Year Budget FY15/16	Actual January 2016	Actual YTD January 31, 2016	Variance YTD Actual to Full Year Budget	(Target 58.3%) YTD Actual % of Full Year Budget	Notes/Comments
Revenue						
3240 · Tax Revenue						
3260 · Secured Tax Revenue	14,285,616	173,943	7,759,727	(6,525,889)		
3270 · Unsecured Tax Revenue		1,914	269,528	269,528		
3280 · Homeowners Tax Revenue		50,511	72,159	72,159		
3320 · Supplemental Tax Revenue	135,000	23,840	70,373	(64,627)		
3330 · Sacramento County Revenue		79	229	229		
3335 · Latrobe Revenue				-		
3335.2 · Latrobe Special Tax		256,651	(712)	(712)		
3335.3 · Latrobe Base Transfer	256,651	-	256,651	-		
3340 · Property Tax Administration Fee		-	(316,739)	(316,739)		
Total 3240 · Tax Revenue	14,677,267	506,938	8,111,215	(6,566,052)	55%	
3506 · Misc. Revenue, Fire Prev. Fees	-	510	54,177	54,177	100%	
3510 · Misc. Operating Revenue						
3511 · Contributions	25,000	-	8,100	(16,900)	32%	Grant Received
3512 · JPA Revenue	804,000	-	456,496	(347,504)	57%	
3513 · Rental Income (Cell site)	24,000	-	12,031	(11,969)	50%	
3515 · OES/Mutual Aid Reimbursement	400,000	222,400	817,441	417,441	204%	Extreme fire season
3520 · Interest Earned	40,000	10,251	23,736	(16,264)	59%	
3510 · Misc. Operating Revenue - Other	86,000	40	16,793	(69,207)	20%	
Total 3510 · Misc. Operating Revenue	1,379,000	232,690	1,334,597	(44,403)	97%	
3550 · Development Fee						
3560 · Development Fee Revenue	1,075,000	773,682	1,115,102	40,102	104%	
3561 · Development Fee Interest	-	620	4,877	4,877	100%	
Total 3550 · Development Fee	1,075,000	774,302	1,119,979	44,979	104%	
3570 · Loss/Gain on Sale of Assets	-	-	27,430	27,430	100%	Auction of vehicles in August 2015
Total Revenue	\$ 17,131,267	\$ 1,514,440	\$ 10,647,398	\$ (6,483,869)	62%	

El Dorado Hills Fire Department
Revenue and Expense Summary
For the Period Ending January 31, 2016



	Full Year Budget FY15/16	Actual January 2016	Actual YTD January 31, 2016	Variance YTD Actual to Full Year Budget	YTD Actual % of Full Year Budget	Notes/Comments
					(Target 58.3%)	
Expense						
6000 · Salaries & Wages						
6001 · Salaries & Wages, Fire	5,727,313	411,033	3,080,003	2,647,310	54%	
6011 · Education Pay	404,100	29,122	216,731	187,369	54%	
6016 · Salaries & Wages, Clerical/Misc	600,851	38,847	303,394	297,457	50%	
6017 · Volunteer Pay	115,000	65,200	65,200	49,800	57%	
6018 · Director Pay	16,000	1,400	10,100	5,900	63%	
6019 · Overtime						
6019.1 · Overtime, Operational	1,450,000	(87,077)	624,122	825,878	43%	Reclassification in January to Outside Aid OT
6019.2 · Overtime, Outside Aid	400,000	191,144	663,124	(263,124)	166%	Extreme fire season
6019.3 · Overtime, JPA	100,000	6,134	69,937	30,063	70%	Offset by JPA Revenue above
Total 6019 · Overtime	1,950,000	110,201	1,357,184	592,816	70%	
6020 · P.E.R.S. Retirement	2,270,041	127,965	1,421,955	848,086	63%	Includes lump sum unfunded liability payment in July (\$482k)
6031 · Life Insurance	6,895	889	3,618	3,277	52%	
6032 · P.E.R.S. Health Benefits	1,343,892	110,616	843,599	500,293	63%	
6033 · Disability Insurance	14,040	1,053	7,235	6,806	52%	
6034 · Health Cost of Retirees	746,000	46,121	629,874	116,126	84%	Includes annual OPEB lump sum payment in July (\$300k)
6040 · Dental/Vision Expense	169,200	7,641	76,550	92,650	45%	
6050 · Unemployment Insurance	18,248	12,271	14,172	4,076	78%	
6060 · Vacation & Sick Expense Reserve	100,000	-	21,017	78,983	21%	
6070 · Medicare	130,893	8,638	72,445	58,448	55%	
Total 6000 · Salaries & Wages	13,612,473	970,999	8,123,076	5,489,397	60%	
6100 · Clothing & Personal Supplies	77,900	18,309	64,367	13,533	83%	
6110 · Communications						
6111 · Business Phones	69,740	6,282	39,401	30,339	56%	
6112 · Dispatch Services	108,700	10,448	10,448	98,252	10%	Vendor behind on billing. Q1 payment made in January 2016
Total 6110 · Communications	178,440	16,730	49,849	128,591	28%	

El Dorado Hills Fire Department
Revenue and Expense Summary
For the Period Ending January 31, 2016



	Full Year Budget FY15/16	Actual January 2016	Actual YTD January 31, 2016	Variance YTD Actual to Full Year Budget	(Target 58.3%) YTD Actual % of Full Year Budget	Notes/Comments
6120 · Housekeeping	23,300	2,876	22,095	1,205	95%	
6130 · Insurance						
6131 · General Insurance	62,000	(422)	50,115	11,885	81%	Paid full year premium in October 2015. Favorable to budget. Annual Policy Deposit Increase & Annual Surcharges paid in Jan-16
6132 · Workers Compensation	759,282	150,011	483,103	276,179	64%	
Total 6130 · Insurance	821,282	149,589	533,218	288,064	65%	
6140 · Maintenance of Equipment						
6141 · Tires	25,000	-	8,762	16,238	35%	
6142 · Parts & Supplies	10,000	2,789	11,957	(1,957)	120%	
6143 · Outside Work	110,500	1,327	16,897	93,603	15%	
6144 · Equipment Maintenance	142,950	3,684	78,588	64,362	55%	
6145 · Radio Maintenance	5,700	624	4,877	823	86%	
Total 6140 · Maintenance of Equipment	294,150	8,423	121,081	173,069	41%	
6150 · Maintenance, Structures & Ground	99,310	2,069	34,428	64,882	35%	
6160 · Medical Supplies						
6161 · Medical Supplies	3,900	-	8,608	(4,708)	221%	Defibrillators funded with grant received
Total 6160 · Medical Supplies	3,900	-	8,608	(4,708)	221%	
6170 · Dues and Subscriptions	9,110	171	6,222	2,888	68%	Annual Business Park Homeowner fees paid in July 2015
6180 · Miscellaneous						
6181 · Miscellaneous	4,000	123	993	3,007	25%	
6182 · Honor Guard	4,000	-	-	4,000	0%	
6183 · Explorer Program	1,500	949	949	551	63%	
6184 · Pipes and Drums	3,000	-	-	3,000	0%	
Total 6180 · Miscellaneous	12,500	1,072	1,942	10,558	16%	
6190 · Office Supplies	20,850	2,627	12,557	8,293	60%	
6200 · Professional Services						
6201 · Audit	10,500	-	10,000	500	95%	Audit completed and paid in full in December 2015
6202 · Legal	120,000	899	37,763	82,237	31%	
6203 · Notices	3,500	-	855	2,645	24%	

El Dorado Hills Fire Department
Revenue and Expense Summary
For the Period Ending January 31, 2016



	Full Year Budget FY15/16	Actual January 2016	Actual YTD January 31, 2016	Variance YTD Actual to Full Year Budget	(Target 58.3%) YTD Actual % of Full Year Budget	Notes/Comments
6204 · Misc.	374,650	51,618	196,234	178,416	52%	
6205 · Elections/Tax Administration	1,000	-	-	1,000	0%	
Total 6200 · Professional Services	509,650	52,516	244,852	264,798	48%	
6220 · Rents and Leases - Bldgs/Imprv	25,928	-	23,724	2,204	92%	No additional rent expense anticipated this fiscal year
6230 · Small Tools and Supplies	57,300	857	28,459	28,841	50%	
6240 · Special Expenses						
6241 · Training	90,500	6,250	41,274	49,226	46%	
6242 · Fire Prevention	13,250	592	13,798	(548)	104%	
6243 · Licenses	1,000	-	-	1,000	0%	
6244 · Directors' Training & Travel	3,000	-	-	3,000	0%	
Total 6240 · Special Expenses	107,750	6,842	55,072	52,678	51%	
6250 · Transportation and Travel						
6251 · Fuel and Oil	80,000	3,788	30,621	49,379	38%	
6252 · Travel	20,000	901	9,100	10,900	46%	
6253 · Meals & Refreshments	20,000	1,746	12,668	7,332	63%	
Total 6250 · Transportation and Travel	120,000	6,435	52,389	67,611	44%	
6260 · Utilities						
6261 · Electricity	65,000	6,574	43,544	21,456	67%	
6262 · Natural Gas/Propane	25,000	1,652	4,946	20,054	20%	
6263 · Water/Sewer	14,000	-	6,265	7,735	45%	
Total 6260 · Utilities	104,000	8,225	54,755	49,245	53%	
6560 · Payroll Exps- PERS Prepayment	1,200,000	-	-	1,200,000	0%	
6720 · Fixed Assets	3,410,300	23,359	1,702,626	1,707,674	50%	
6999 · Uncategorized Expenses	-	(627)	-	-	0%	
Total Expense	\$ 20,688,143	\$ 1,270,473	\$ 11,139,320	\$ 9,548,823	54%	
Net Revenue-Expense	\$ (3,556,876)	\$ 243,967	\$ (491,922)	\$ 3,064,954		

El Dorado Hills Fire Department

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Register: 1000 · Bank of America
 From 01/01/2016 through 01/31/2016
 Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
01/01/2016	EFT	ADP	6200 · Professional Ser...		306.00	X		656,408.37
01/04/2016	EFT	Bank of America	2010 · Accounts Payable	Authorized Re...	6,430.18	X		649,978.19
01/04/2016	EFT	ADP (FSA Dep)	2031 · FSA-Dependent...		440.00	X		649,538.19
01/04/2016	EFT	ADP (FSA)	2032 · FSA-Medical C...		41.65	X		649,496.54
01/05/2016	EFT	ADP (FSA Dep)	2031 · FSA-Dependent...		334.24	X		649,162.30
01/05/2016	EFT	ADP (FSA)	2032 · FSA-Medical C...		18.85	X		649,143.45
01/06/2016	EFT	P.E.R.S. Retirement	-split-		70,729.54	X		578,413.91
01/06/2016	EFT	P.E.R.S. ING	-split-	Conf # 100064...	4,101.95	X		574,311.96
01/07/2016	EFT	Nationwide Retireme...	-split-		21,742.80	X		552,569.16
01/07/2016	18885	Absolute Secured Sh...	-split-		35.00	X		552,534.16
01/07/2016	18886	A-CHECK	6200 · Professional Ser...		45.00	X		552,489.16
01/07/2016	18887	Acme Saw & Industr...	-split-		155.84	X		552,333.32
01/07/2016	18888	Air Exchange	6150 · Maintenance,Str...		270.90	X		552,062.42
01/07/2016	18889	APPTIX Inc.	-split-		2,680.00	X		549,382.42
01/07/2016	18890	Aramark	6100 · Clothing & Pers...	Rags	74.66	X		549,307.76
01/07/2016	18891	AT&T (CALNET 2)	-split-		363.83	X		548,943.93
01/07/2016	18892	Bugman Pest Control	6150 · Maintenance,Str...		90.00	X		548,853.93
01/07/2016	18893	Burkett's	6190 · Office Supplies		145.20	X		548,708.73
01/07/2016	18894	Cartridge World	-split-		138.29	X		548,570.44
01/07/2016	18895	Comcast	6200 · Professional Ser...		148.82	X		548,421.62
01/07/2016	18896	Cooperative Personn...	-split-		2,484.00	X		545,937.62
01/07/2016	18897	El Dorado County E...	-split-		10,447.77	X		535,489.85
01/07/2016	18898	El Dorado Disposal S...	-split-	Garbage	819.63	X		534,670.22
01/07/2016	18899	CA Assoc. of Profess...	6000 · Salaries & Wag...		1,053.00	X		533,617.22
01/07/2016	18900	Gary Pertle	-split-		675.00	X		532,942.22
01/07/2016	18901	InterState Oil Compa...	-split-		849.69	X		532,092.53
01/07/2016	18902	Interwest Consulting ...	-split-		685.00	X		531,407.53
01/07/2016	18903	Kronos	-split-		4,604.97	X		526,802.56
01/07/2016	18904	L.N. Curtis & Sons	-split-		2,641.28	X		524,161.28
01/07/2016	18905	Managed Health Net...	-split-		923.40	X		523,237.88
01/07/2016	18906	P. G. & E.	-split-		1,627.11	X		521,610.77
01/07/2016	18907	Rescue Source	-split-		3,441.74	X		518,169.03
01/07/2016	18908	The Interact Group C...	6200 · Professional Ser...		8,750.00	X		509,419.03
01/07/2016	18909	Standard Insurance Co.	6000 · Salaries & Wag...	Life Insurance	448.40	X		508,970.63
01/07/2016	18910	Verizon Wireless	-split-		2,919.28	X		506,051.35
01/07/2016	18911	Western Contract	-split-		3,205.27	X		502,846.08
01/07/2016	18912	Wells Fargo Bank	2026 · EDH Associate...	Payroll Deducti...	2,215.20	X		500,630.88
01/07/2016	18913	Brad Ballenger	6000 · Salaries & Wag...		580.00	X		500,050.88
01/07/2016	18914	James Davidson	6000 · Salaries & Wag...		773.00	X		499,277.88
01/07/2016	18915	Connie Bair	6000 · Salaries & Wag...		150.00	X		499,127.88

El Dorado Hills Fire Department

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Register: 1000 · Bank of America
 From 01/01/2016 through 01/31/2016
 Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
01/07/2016	18916	Carol Caughey	6000 · Salaries & Wag...		150.00	X		498,977.88
01/07/2016	18917	David Kennedy	6000 · Salaries & Wag...		100.00			498,877.88
01/07/2016	18918	John Niehues	6000 · Salaries & Wag...		150.00	X		498,727.88
01/07/2016	18919	Dwight Piper	6000 · Salaries & Wag...		150.00	X		498,577.88
01/07/2016	18920	Frederick Russell	6000 · Salaries & Wag...		150.00	X		498,427.88
01/07/2016	18921	Sandra Sanders	6000 · Salaries & Wag...		177.00	X		498,250.88
01/07/2016	18922	Angelica Silveira	6000 · Salaries & Wag...		150.00	X		498,100.88
01/07/2016	18923	Brian K Veerkamp	6000 · Salaries & Wag...		142.00	X		497,958.88
01/07/2016	18924	Greg F. Durante (Di...	-split-		400.00	X		497,558.88
01/07/2016	18925	Charles J. Hartley	-split-	Director Pay	300.00	X		497,258.88
01/07/2016	18926	John Hidahl	-split-		300.00	X		496,958.88
01/07/2016	18927	Douglas A. Hus	-split-		200.00	X		496,758.88
01/07/2016	18928	Barbara Winn	-split-		200.00			496,558.88
01/07/2016	PR16-1-1	Payroll - Taxes	2021 · Federal Tax Wit...	Total Taxes	63,403.14	X		433,155.74
01/07/2016	PR16-1-1	Payroll - Direct Depo...	2021 · Federal Tax Wit...	Direct Deposit	192,994.60	X		240,161.14
01/07/2016	PR16-1-1	Payroll - Checks	2021 · Federal Tax Wit...	Payroll Checks	2,445.85	X		237,715.29
01/08/2016	EFT	ADP (FSA)	2032 · FSA-Medical C...		160.00	X		237,555.29
01/09/2016	EFT	ADP (FSA)	2032 · FSA-Medical C...		30.00	X		237,525.29
01/11/2016	EFT	ADP (FSA Dep)	2031 · FSA-Dependent...		323.81	X		237,201.48
01/11/2016	EFT	ADP (FSA)	2032 · FSA-Medical C...		30.00	X		237,171.48
01/12/2016	EFT	U.S. Bank	2010 · Accounts Payable		14,925.87	X		222,245.61
01/13/2016	EFT	ADP (FSA Dep)	2031 · FSA-Dependent...		2,529.78	X		219,715.83
01/13/2016	EFT	ADP (FSA)	2032 · FSA-Medical C...		113.28	X		219,602.55
01/15/2016			6200 · Professional Ser...	Service Charge	152.40	X		219,450.15
01/15/2016	EFT	ADP	6200 · Professional Ser...		303.25	X		219,146.90
01/15/2016	EFT	Employment Develo...	2029 · Other Payable	Conf#1-281-14...	1,090.76	X		218,056.14
01/15/2016	EFT	ADP (FSA Dep)	2031 · FSA-Dependent...		355.00	X		217,701.14
01/15/2016	EFT	ADP (FSA)	2032 · FSA-Medical C...		5.00	X		217,696.14
01/16/2016	EFT	ADP (FSA)	2032 · FSA-Medical C...		37.15	X		217,658.99
01/18/2016	EFT	ADP (FSA)	2032 · FSA-Medical C...		15.00	X		217,643.99
01/19/2016		Transfer from LAIF	1074 · Local Agency I...	Confirm #1491...		X	600,000.00	817,643.99
01/19/2016		Deposit	-split-	Deposit		X	5,425.21	823,069.20
01/19/2016		Deposit	-split-	Deposit		X	510.00	823,579.20
01/20/2016	EFT	ADP (FSA)	2032 · FSA-Medical C...		360.00	X		823,219.20
01/20/2016	18929	Absolute Secured Sh...	-split-		35.00	X		823,184.20
01/20/2016	18930	Advantage Gear, Inc.	-split-		949.10			822,235.10
01/20/2016	18931	Aflac	2029 · Other Payable		142.24	X		822,092.86
01/20/2016	18932	All Clean Commerci...	6120 · Housekeeping		688.00	X		821,404.86
01/20/2016	18933	Aramark	6100 · Clothing & Pers...	Rags	74.66	X		821,330.20
01/20/2016	18934	Arnolds for Awards	-split-		590.47	X		820,739.73

El Dorado Hills Fire Department

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Register: 1000 · Bank of America

From 01/01/2016 through 01/31/2016

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
01/20/2016	18935	AT&T (CALNET 2)	-split-		418.98	X		820,320.75
01/20/2016	18936	Best Best & Krieger	6200 · Professional Ser...		898.56	X		819,422.19
01/20/2016	18937	Bugman Pest Control	6150 · Maintenance,Str...		100.00	X		819,322.19
01/20/2016	18938	Burkett's	-split-		813.44	X		818,508.75
01/20/2016	18939	Comcast Business	6110 · Communication...		899.30	X		817,609.45
01/20/2016	18940	Core Logic	6240 · Special Expense...		137.50	X		817,471.95
01/20/2016	18941	Costco	1110 · Accounts Recei...		410.00	X		817,061.95
01/20/2016	18942	Doug Veerkamp	6140 · Maintenance of ...		64.59	X		816,997.36
01/20/2016	18943	El Dorado Hills Firef...	-split-		40,200.00	X		776,797.36
01/20/2016	18944	Ferrell Gas	6260 · Utilities:6262 · ...		1,054.21	X		775,743.15
01/20/2016	18945	FireCom	6140 · Maintenance of ...		623.50	X		775,119.65
01/20/2016	18946	Firehouse	-split-		750.00			774,369.65
01/20/2016	18947	Folsom Chevrolet	-split-		434.70	X		773,934.95
01/20/2016	18948	FYI Telecommunicat...	-split-		4,500.00	X		769,434.95
01/20/2016	18949	Gary Pertle	-split-		840.00	X		768,594.95
01/20/2016	18950	InterState Oil Compa...	-split-		1,698.05	X		766,896.90
01/20/2016	18951	Interwest Consulting ...	-split-		520.00	X		766,376.90
01/20/2016	18952	Kaiser Foundation H...	-split-		2,972.00	X		763,404.90
01/20/2016	18953	Kevin Schlange	6240 · Special Expense...		11.50			763,393.40
01/20/2016	18954	Kussmaul Electronic...	-split-		666.25	X		762,727.15
01/20/2016	18955	L.N. Curtis & Sons	-split-		587.57	X		762,139.58
01/20/2016	18956	Michael Lilienthal	6250 · Transportation a...		95.00	X		762,044.58
01/20/2016	18957	P. G. & E.	-split-		339.18	X		761,705.40
01/20/2016	18958	Preferred Alliance, Inc.	-split-		126.00	X		761,579.40
01/20/2016	18959	RDJ Specialties, Inc.	6240 · Special Expense...		335.83	X		761,243.57
01/20/2016	18960	Rescue Fire Departm...	-split-		16,100.00	X		745,143.57
01/20/2016	18961	Rotary	6170 · Dues and Subsc...		150.00			744,993.57
01/20/2016	18962	State Board of Equali...	-split-		399.23			744,594.34
01/20/2016	18963	State Compensation ...	-split-	Workers Comp	89,167.29	X		655,427.05
01/20/2016	18964	Suds Car Wash, Inc.	6140 · Maintenance of ...		59.34			655,367.71
01/20/2016	18965	Triangle Well Drilling	-split-		1,908.13	X		653,459.58
01/20/2016	18966	Verizon Wireless	-split-		855.82	X		652,603.76
01/20/2016	18967	West Coast Frame/C...	6140 · Maintenance of ...		318.00	X		652,285.76
01/20/2016	18968	Sacramento Regional...	-split-		300.00			651,985.76
01/20/2016	18969	Chase Bank	2029 · Other Payable	Pipes & Drums	450.00	X		651,535.76
01/20/2016	18970	Wells Fargo Bank	2026 · EDH Associate...	Payroll Deducti...	4,430.88	X		647,104.88
01/20/2016	18971	Consolidated Pallet ...	6240 · Special Expense...		430.00			646,674.88
01/21/2016	EFT	P.E.R.S. Health	-split-	Health Benefits...	156,737.76	X		489,937.12
01/21/2016	EFT	ADP (FSA)	2032 · FSA-Medical C...		44.00	X		489,893.12
01/21/2016	PR16-1-2	Payroll - Taxes	2021 · Federal Tax Wit...	Total Taxes	73,726.75	X		416,166.37

El Dorado Hills Fire Department

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Register: 1000 · Bank of America
 From 01/01/2016 through 01/31/2016
 Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
01/21/2016	PR16-1-2	Payroll - Direct Depo...	2021 · Federal Tax Wit...	Direct Deposit	212,384.98	X		203,781.39
01/21/2016	PR16-1-2	Payroll - Checks	2021 · Federal Tax Wit...	Payroll Checks	3,473.93	X		200,307.46
01/22/2016	EFT	ADP (FSA Service C...	6200 · Professional Ser...		97.42	X		200,210.04
01/25/2016	EFT	ADP (FSA)	2032 · FSA-Medical C...		15.00	X		200,195.04
01/25/2016	18972	Metropolitan Crime ...	-split-		1,920.00	X		198,275.04
01/26/2016		Hefner, Stark & Mar...	2010 · Accounts Payable	QuickBooks ge...		X		198,275.04
01/26/2016		Cooperative Personn...	2010 · Accounts Payable	QuickBooks ge...		X		198,275.04
01/26/2016		Cooperative Personn...	2010 · Accounts Payable	QuickBooks ge...		X		198,275.04
01/26/2016		Hefner, Stark & Mar...	2010 · Accounts Payable	QuickBooks ge...		X		198,275.04
01/26/2016		Best Best & Krieger	2010 · Accounts Payable	QuickBooks ge...		X		198,275.04
01/26/2016	EFT	P.E.R.S. Retirement	-split-		76,257.59	X		122,017.45
01/26/2016	EFT	P.E.R.S. ING	-split-	Conf # 100064...	3,539.84	X		118,477.61
01/27/2016	EFT	ADP (FSA)	2032 · FSA-Medical C...		22.96	X		118,454.65
01/28/2016	EFT	Bank of America	-split-	Authorized Re...	2,984.88	X		115,469.77
01/28/2016	EFT	ADP (FSA)	2032 · FSA-Medical C...		30.00	X		115,439.77
01/29/2016	EFT	ADP	-split-		569.37	X		114,870.40
01/29/2016	18973	Carbon Copy, Inc	-split-		96.67			114,773.73
01/29/2016	18974	Comcast	6200 · Professional Ser...		155.72			114,618.01
01/29/2016	18975	InterState Oil Compa...	6250 · Transportation a...		840.53			113,777.48
01/29/2016	18976	L.N. Curtis & Sons	6140 · Maintenance of ...		406.35			113,371.13
01/29/2016	18977	Managed Health Net...	-split-		923.40			112,447.73
01/29/2016	18978	P. G. & E.	-split-		767.54			111,680.19
01/29/2016	18979	SignChef Inc.	-split-		1,308.05			110,372.14
01/29/2016	18980	State Compensation ...	6130 · Insurance:6132 ...	Workers Comp	60,843.58			49,528.56
01/29/2016	18981	Standard Insurance Co.	6000 · Salaries & Wag...	Life Insurance	440.80			49,087.76
01/29/2016	18982	UPS Store	-split-		99.82			48,987.94
01/29/2016	18983	APPTIX Inc.	-split-		2,680.00			46,307.94
01/29/2016	18984	El Dorado Press	-split-		160.71			46,147.23
01/29/2016	18985	Norcal Janitorial Sup...	6120 · Housekeeping		492.35			45,654.88
01/29/2016	18986	Project Leadership A...	-split-		11,220.00			34,434.88
01/29/2016	18987	El Dorado Hills Firef...	-split-		25,000.00			9,434.88
01/29/2016	18988	El Dorado Hills Firef...	-split-		2,227.39			7,207.49



EL DORADO HILLS FIRE DEPARTMENT

MONTHLY ACTIVITY REPORT JANUARY 2016

“YOUR SAFETY ... OUR COMMITMENT”

SUMMARY

The goal of the Operations Report is to provide a summary of the El Dorado Hills Fire Department response performance for each month. The report currently evaluates the Alarm Statistics by each response zone, looks at Code 3 Response Times, evaluates Turnout Times, and describes the different types of calls that the Department responds to monthly. Every call is evaluated by the Operations Chief each month. Any call with an extended response time or an extended turnout time is researched and corrective action is taken if needed.

You will notice longer turnout times in the last two months. This is because of a policy implementation that standardizes when a crew states that they are actually responding. Our current system does not use a push-button enroute technology. We are using a third party application to track turnout times called Active 911. During January, there were 42 times when a unit exceed the 90 second turnout time goal. On 11 of those instances, Active 911 was slow to load. On 9 of those instances, the crews were delayed due to legal mandates to be fully dressed in turnouts prior to driving. On 2 of those instances, the crews were training and delayed. Every instance with an extended turnout time is evaluated by the Deputy Chief and follow-up completed if necessary.

ALARM STATISTICS

Response District	Total Number of Responses – JAN 2016	Total Number of Responses –2016	Total Number of Responses – JAN 2015	Total Number of Responses –2015
84-A	7	7	5	5
84-B	5	5	2	2
84-C	18	18	8	8
84-D	2	2	2	2
84-E	7	7	3	3
84-F	7	7	12	12
84-G	5	5	4	4
84-H	0	0	3	3
85-A	9	9	14	14
85-B	7	7	4	4
85-C	22	22	17	17
85-D	10	10	13	13
86-A	10	10	4	4
86-B	6	6	12	12
86-C	6	6	10	10
86-D	3	3	5	5
86-E	1	1	3	3
87-A	26	26	11	11
87-B	3	3	4	4
87-C	7	7	9	9
87-D	3	3	5	5
87-E	8	8	1	1
87-F	0	0	0	0
91-A	2	2	5	5
91-B	0	0	1	1
91-C	0	0	1	1
92	3	3	3	3
Mutual Aid	66	66	47	47
Transfer	17	17	12	12
TOTALS	260	260	220	220

93.02% Medic Unit Response, 10 Minutes (before exception reports)

95.74% Medic Unit Response, 11 Minutes (before exception reports)

Report: Queries – Incident – NFIRS Incident – Incident By District (Summary) Note: Run all Districts on 1 page

CODE 3 RESPONSE TIME ANALYSIS

Response District	Total Number of Responses	Number of Code 3 Responses	Average Code 3 Response Time (Alarm Time to Arrival Time)	SOC Benchmark Total Response Time (includes 1 min dispatch, 2 min turnout, plus travel)*	Compliance?
84-A	7	5	07:52	Rural 15min	Yes
84-B	5	5	05:30	Suburban 8min	Yes
84-C	18	12	03:41	Suburban 8min	Yes
84-D	2	2	03:51	Suburban 8min	Yes
84-E	7	6	06:35	Suburban 8min	Yes
84-F	7	4	04:20	Suburban 8min	Yes
84-G	5	3	06:38	Suburban 8min	Yes
84-H	0	N/A	N/A	Suburban 8min	N/A
85-A	9	8	03:58	Suburban 8min	Yes
85-B	7	4	04:53	Suburban 8min	Yes
85-C	22	17	03:29	Suburban 8min	Yes
85-D	10	7	06:29	Suburban 8min	Yes
86-A	10	8	06:19	Suburban 8min	Yes
86-B	6	3	06:43	Suburban 8min	Yes
86-C	6	4	05:41	Suburban 8min	Yes
86-D	3	3	02:48	Suburban 8min	Yes
86-E	1	1	04:04	Rural 15min	Yes
87-A	26	20	04:35	Suburban 8min	Yes
87-B	3	1	02:04	Suburban 8min	Yes
87-C	7	7	05:23	Suburban 8min	Yes
87-D	3	3	02:28	Suburban 8min	Yes
87-E	8	7	05:01	Suburban 8min	Yes
87-F	0	N/A	N/A	Suburban 8min	N/A
91-A	2	2	06:03	Rural 15min	Yes
91-B	0	N/A	N/A	Rural 15min	N/A
91-C	0	N/A	N/A	Rural 15min	N/A
92	3	3	Yes	Rural 15 min	Yes

*San Ramon SOC – Board Policy Response Time Benchmark Goals

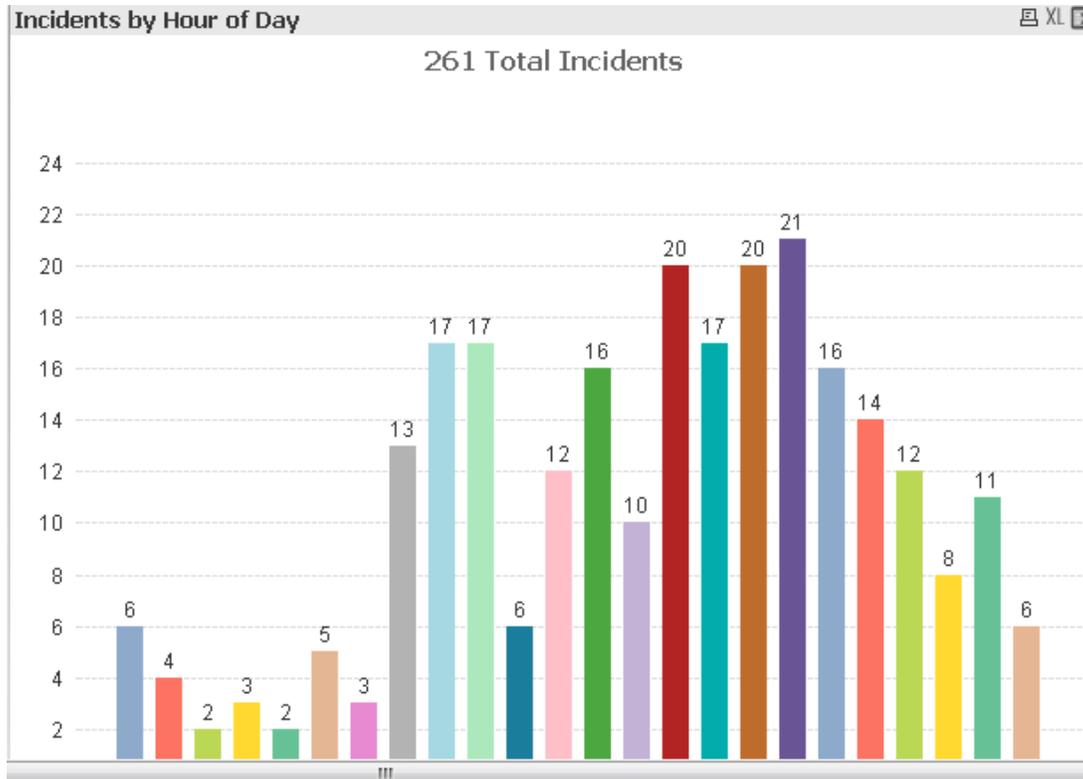
Report: Queries – Incident – NFIRS Incident – Incident By District (Summary) = Total # Responses
 Report: Reports – Incident Reports – NFIRS – Incident Stat – Incident Stat Detail – Average Response Time by District/Incident Type (Run Report by date and add “alarm type” for code 3). Manually check all extended responses.

CODE 3 TURNOUT TIME ANALYSIS

SOC Benchmark Turnout Time Goal 90 Seconds

Unit	Total Number of Responses	Total Less Than 1 min 30 Seconds	Total Over 1 min 30 Seconds	Total Over 1 min 30 Seconds <u>Excluding</u> PPE or Computer Slow	Average Turnout time
E84	42	30	12	6	01:19
T85	48	37	11	4	01:22
E86	22	16	6	3	01:21
E87	45	44	1	0	00:49
P91	2	2	0	0	00:56
M85	125	113	12	9	00:47

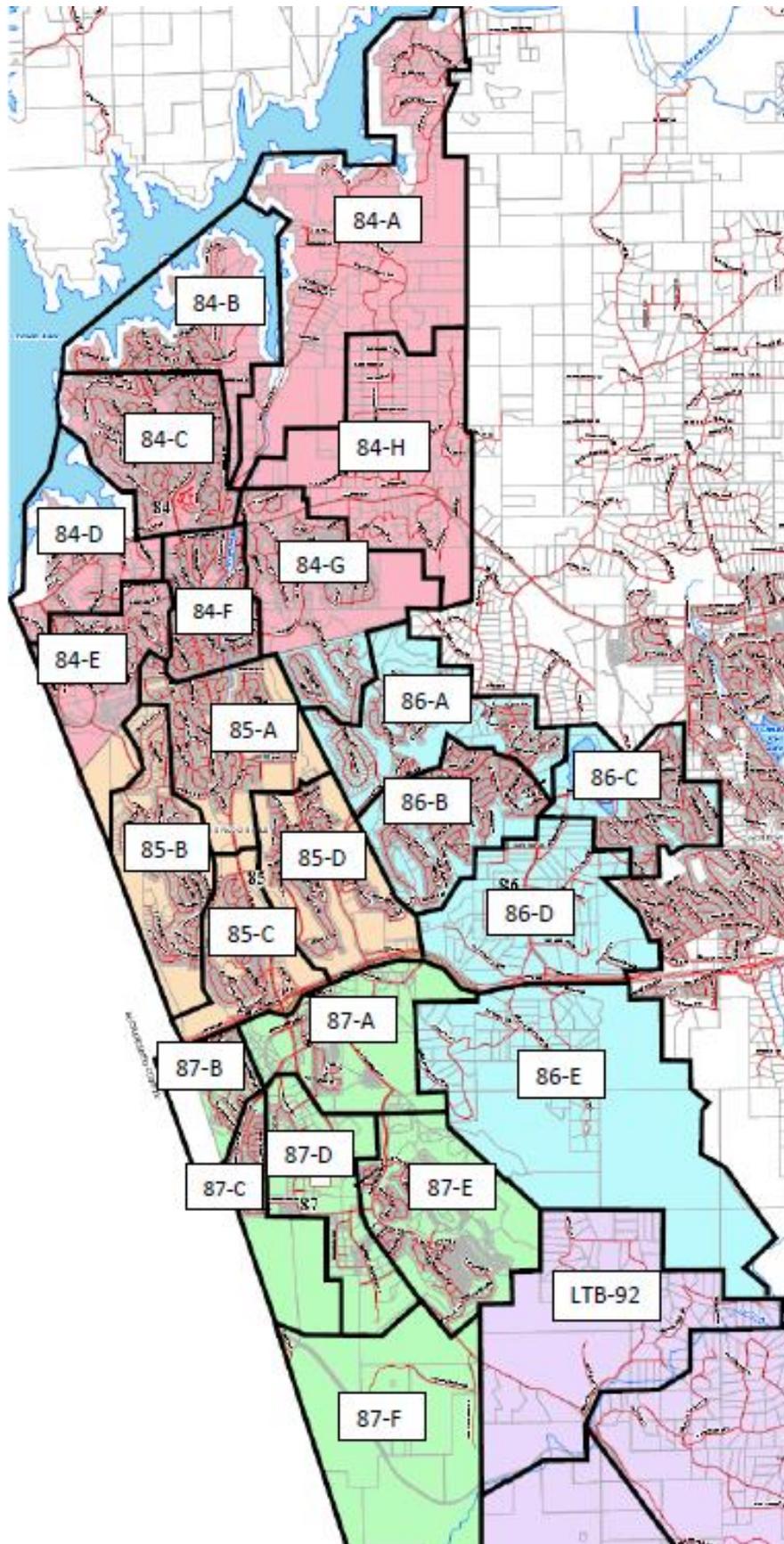
Report: Reports – Incident – NFIRS Incident – Incident Stat – Incident Stat Detail – Unit Response/Reaction Summary by Incident (Select unit, dates and add “alarm type” then run one for each unit and manually check for why some extended)



INCIDENT TYPE ANALYSIS

Fires:	
Structure (cooking, chimney, all codes starting 11)	3
Grass/Brush	0
Vehicle/Misc.	2
Total Fires	5
Medical Aids:	
General (321G, 321)	102
Trauma (321T)	12
Cardiac (321C)	19
Respiratory (321R)	10
Transfers (321X)	14
Total Medical Aids	157
Vehicle Accidents (322, 324, 352)	
	28
Hazardous Calls (All codes starting with a 4)	
	3
Service Calls:	
General Service (all types except as listed below)	23
Animal/Snake	1
Total	24
Cover/Move-up	
	0
Good intent call (622, 650)	
	7
Cancelled Calls (Any call type with cancelled in text)	
	26
Authorized Burning	
	0
False Fire Alarm all	
	11
TOTAL	261

Report: Queries – Incident – NFIRS Incident – Incident Type Report (Summary)



Class 30: Wages/Benefits	JPA 2016-17 Projection	CP 16-17 Projection	DSF 2016-17 Pojection	EDCF 16-17 Projection	EDH 16-17 Projection	GT 16-17 Projection	TOTALS	Variance Explanation or Comments
3000 Reg. Employees	162,883.20	1,086,197.00	551,254.00	2,040,000.00	409,248.00	490,840.00	4,740,422.20	CP - Increase in State Employee Benefits Cost that occurred Fall of 2015. 15/16 Budget does not reflect increase of contract amount
3001 Extra Help	-	-	8,682.00	-	-	40,000.00	48,682.00	
3002 Overtime	-	-	70,532.00	350,956.00	103,396.75	130,000.00	654,884.75	
3004 Other Comp	1,600.00	-	3,000.00	-	3,000.00	-	7,600.00	EDH - Uniform Pay (\$500 per year per EE Based on most current CalPers lump sum calculation
3020 Retirement	-	-	279,378.33	639,971.00	156,935.50	213,373.50	1,289,658.33	
3021 Social Security	9,200.00	-	35,799.00	500.00	-	4,400.00	49,899.00	
3022 Medicare	2,200.00	-	8,372.00	40,000.00	2,203.85	9,600.00	62,375.85	
3040 Health Ins.	-	-	106,481.00	517,420.00	143,411.06	60,000.00	827,312.06	EDH - Assumes 5% increase in premiums
3041 Fed. Unempl.	900.00	-	-	-	1,344.00	1,700.00	3,944.00	
3042 Disability Ins.	-	-	1,584.00	8,000.00	1,432.07	1,584.00	12,600.07	
3043 Deferred Comp.	-	-	27,562.00	-	-	23,234.00	50,796.00	
3044 Vision Insurance	-	-	10,680.00	-	14,400.00	1,146.00	26,226.00	
3046 Retiree Health	447,375.00	-	-	-	-	-	447,375.00	DSF - OPEB projected cost (\$77,375) added to JPA budget
3060 Workers' Comp	2,000.00	-	61,297.00	180,000.00	61,358.80	40,000.00	344,655.80	EDH - Increased experience mod to 1.03 in 2016
3080 Life/Flexible Benefits	-	-	700.00	-	1,207.35	-	1,907.35	
CLASS 30: TOTALS	\$626,158.20	\$1,086,197.00	\$1,165,321.33	\$3,776,847.00	\$897,937.38	\$1,015,877.50	\$8,568,338.41	
Class 40: Serv/Supplies	JPA 2016-17 Projection	CP 16-17 Projection	DSF 2016-17 Pojection	EDCF 16-17 Projection	EDH 16-17 Projection	GT 16-17 Projection	TOTALS	
4020 Clothing	-	-	1,000.00	-	-	750.00	1,750.00	
4021 Fire Turnouts	500.00	6,800.00	6,500.00	20,200.00	4,120.00	6,200.00	44,320.00	EDH - Assume 3% increase from 15/16
4022 Uniforms	100.00	-	1,000.00	3,800.00	-	6,000.00	10,900.00	
4040 Communications	\$1,210,000.00	-	-	-	-	-	1,210,000.00	
4060 Inservice Food	260.00	-	-	1,000.00	-	-	1,260.00	
4080 Household Exp.	200.00	3,600.00	-	6,000.00	-	-	9,800.00	
4085 Refuse Disposal	270.00	-	-	-	-	-	270.00	
4087 Extermination	-	-	-	-	-	-	0.00	
4100 Insurance	\$30,000.00	-	-	-	-	-	30,000.00	
4140 Maint: Equip.	10,000.00	-	-	-	1,030.00	-	11,030.00	EDH - Assume 3% increase from 15/16
4141 Maint: Office Equip	-	-	-	-	-	-	0.00	
4142 Maint: Radio	3,000.00	-	-	-	-	-	3,000.00	
4145 Maint: Equip. Prts	400.00	-	-	-	-	-	400.00	
4143 Maint: Service Contract	-	-	-	-	-	-	0.00	
4160 Vehicle Maint	100,000.00	-	-	-	-	-	100,000.00	
4161 Vehicle Maint Parts	-	-	-	-	-	-	0.00	
4162 Veh Maint: Sup	20,000.00	-	-	-	-	-	20,000.00	
4164 Veh Maint: Tires	20,000.00	-	-	-	-	-	20,000.00	
4165 Veh Maint: Oils	4,000.00	-	-	-	-	-	4,000.00	
4180 Maint: Bldg/Imp	500.00	-	-	-	-	-	500.00	
4182 Structures Maint	-	-	-	-	-	-	0.00	
4197 Maint. Bldg Supplies	200.00	-	-	-	-	-	200.00	
4200 Medical Supplies	380,000.00	-	-	-	-	-	380,000.00	
4220 Memberships	25.00	-	-	-	-	450.00	475.00	
4240 Misc. Expense	600.00	-	-	-	1,545.00	-	2,145.00	EDH - Assume 3% increase from 15/16
4260 Office Expense	3,000.00	1,500.00	1,000.00	4,000.00	1,545.00	875.00	11,920.00	EDH - Assume 3% increase from 15/16
4261 Postage	900.00	-	-	-	-	-	900.00	
4262 Software	200.00	-	-	-	-	1,000.00	1,200.00	
4263 Subscriptions	145.00	-	-	-	-	-	145.00	
4266 Printing	150.00	-	-	-	-	-	150.00	
4300 Professional Serv	70,000.00	-	-	-	-	-	70,000.00	
4304 Admin Fees	160,000.00	-	-	-	-	-	160,000.00	
4308 External Data Svcs	-	-	-	-	-	-	0.00	
4324 Medical	-	-	-	-	2,060.00	650.00	2,710.00	EDH - Assume 3% increase from 15/16
4400 Publicat/Legal	200.00	-	-	-	-	-	200.00	
4420 Rent/Lease/Equip	22,000.00	-	-	-	-	-	22,000.00	
4440 Rent/Lease/Bldg	157,200.00	-	-	-	-	-	157,200.00	
4460 Equip: Sm Tool	-	-	1,000.00	-	-	500.00	1,500.00	
4461 Equipment: Minor	5,000.00	4,000.00	2,000.00	15,000.00	515.00	500.00	27,015.00	EDH - Assume 3% increase from 15/16
4462 Equip: Computers	15,000.00	-	3,000.00	4,000.00	1,030.00	-	23,030.00	EDH - Assume 3% increase from 15/16
4463 Equip: Telephone & Rad	400.00	-	-	-	-	-	400.00	
4500 Special Dept. Exp	500.00	-	-	-	-	-	500.00	
4502 Educ Materials	-	-	500.00	-	-	-	500.00	
4503 Staff Development(1099)	-	-	-	-	-	-	0.00	
4529 Software License	1,800.00	-	-	-	-	-	1,800.00	
4540 Staff Development	32,000.00	3,600.00	3,000.00	25,000.00	8,240.00	2,975.00	74,815.00	EDH - Assume 3% increase from 15/16
4600 Transport/Travel	-	500.00	1,000.00	1,000.00	515.00	100.00	3,115.00	EDH - Assume 3% increase from 15/16
4602 Mile Emp Prv Auto	400.00	-	-	-	-	-	400.00	

4606 Fuel Purchases	210,000.00	-	-	-	-	-	210,000.00	
4620 Utilities	98,500.00	-	-	-	-	-	98,500.00	
CLASS 40: SUBTOTALS	\$2,557,450.00	\$20,000.00	\$20,000.00	\$80,000.00	\$20,600.00	\$20,000.00	\$2,718,050.00	
Class 60: Fixed Assets	JPA 201-17 Projection	CP 16-17 Projection	DSF 2016-17 Pojection	EDCF 16-17 Projection	EDH 16-17 Projection	GT 16-17 Projection	TOTALS	
6040 Fixed Assets	\$290,000.00	-	-	-	-	-		
Class 60 Total	\$290,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$290,000.00	
Budget Totals	JPA 2016-17 Projection	CP 16-17 Projection	DSF 2016-17 Pojection	EDCF 16-17 Projection	EDH 16-17 Projection	GT 16-17 Projection	TOTALS	
Class 30: Wages/Benefits	\$626,158.20	\$1,086,197.00	\$ 1,165,321.33	\$3,776,847.00	\$897,937.38	\$1,015,877.50	\$8,568,338.41	
Class 40: Serv/Supplies	\$2,557,450.00	\$20,000.00	\$ 20,000.00	\$80,000.00	\$20,600.00	\$20,000.00	\$2,718,050.00	
Class 60: Fixed Assets	\$290,000.00	-	\$ -	-	-	-	\$290,000.00	
Class 70: Resid.Eqty.Trsf.	-	-	\$ -	-	-	-	\$0.00	
Totals	\$3,473,608.20	\$1,106,197.00	\$1,185,321.33	\$3,856,847.00	\$918,537.38	\$1,035,877.50	\$11,576,388.41	

Gold items-JPA processed for cumulative expense item.

**El Dorado Hills Fire Department
Actuarial Study of
Retiree Health Liabilities
As of July 1, 2015**

*Prepared by:
Total Compensation Systems, Inc.*

Date: January 29, 2016

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**El Dorado Hills Fire Department
Actuarial Study of Retiree Health Liabilities**

PART I: EXECUTIVE SUMMARY

A. Introduction

El Dorado Hills Fire Department engaged Total Compensation Systems, Inc. (TCS) to analyze liabilities associated with its current retiree health program as of July 1, 2015 (the valuation date). The numbers in this report are based on the assumption that they will first be used to determine accounting entries for the fiscal year ending June 30, 2015. If the report will first be used for a different fiscal year, the numbers will need to be adjusted accordingly.

This report does not reflect any cash benefits paid unless the retiree is required to provide proof that the cash benefits are used to reimburse the retiree's cost of health benefits. Costs and liabilities attributable to cash benefits paid to retirees are reportable under Governmental Accounting Standards Board (GASB) Standards 25/27.

This actuarial study is intended to serve the following purposes:

- To provide information to enable El Dorado Hills Fire Department to manage the costs and liabilities associated with its retiree health benefits.
- To provide information to enable El Dorado Hills Fire Department to communicate the financial implications of retiree health benefits to internal financial staff, the Board, employee groups and other affected parties.
- To provide information needed to comply with Governmental Accounting Standards Board Accounting Standards 43 and 45 related to "other postemployment benefits" (OPEB's).

Because this report was prepared in compliance with GASB 43 and 45, as appropriate, El Dorado Hills Fire Department should not use this report for any other purpose without discussion with TCS. This means that any discussions with employee groups, governing Boards, etc. should be restricted to the implications of GASB 43 and 45 compliance.

This actuarial report includes several estimates for El Dorado Hills Fire Department's retiree health program. In addition to the tables included in this report, we also performed cash flow adequacy tests as required under Actuarial Standard of Practice 6 (ASOP 6). Our cash flow adequacy testing covers a twenty-year period. We would be happy to make this cash flow adequacy test available to El Dorado Hills Fire Department in spreadsheet format upon request.

We calculated the following estimates separately for active employees and retirees. As requested, we also separated results by the following employee classifications: Fire Fighters and General Employees. We estimated the following:

- the total liability created. (The actuarial present value of total projected benefits or APVTPB)
- the ten year "pay-as-you-go" cost to provide these benefits.

Total Compensation Systems, Inc.

- the "actuarial accrued liability (AAL)." (The AAL is the portion of the APVTPB attributable to employees' service prior to the valuation date.)
- the amount necessary to amortize the UAAL over a period of 23 years.
- the annual contribution required to fund retiree benefits over the working lifetime of eligible employees (the "normal cost").
- The Annual Required Contribution (ARC) which is the basis of calculating the annual OPEB cost and net OPEB obligation under GASB 43 and 45.

We summarized the data used to perform this study in Appendix A. No effort was made to verify this information beyond brief tests for reasonableness and consistency.

All cost and liability figures contained in this study are estimates of future results. Future results can vary dramatically and the accuracy of estimates contained in this report depends on the actuarial assumptions used. Normal costs and liabilities could easily vary by 10 - 20% or more from estimates contained in this report.

B. General Findings

We estimate the "pay-as-you-go" cost of providing retiree health benefits in the year beginning July 1, 2015 to be \$468,925 (see Section IV.A.). The "pay-as-you-go" cost is the cost of benefits for current retirees.

For current employees, the value of benefits "accrued" in the year beginning July 1, 2015 (the normal cost) is \$341,593. This normal cost would increase each year based on covered payroll. Had El Dorado Hills Fire Department begun accruing retiree health benefits when each current employee and retiree was hired, a substantial liability would have accumulated. We estimate the amount that would have accumulated to be \$10,798,030. This amount is called the "actuarial accrued liability" (AAL). The remaining unamortized balance of the initial unfunded AAL (UAAL) is \$5,743,424. This leaves a "residual" AAL of \$5,054,606.

El Dorado Hills Fire Department has established a GASB 43 trust for future OPEB benefits. The actuarial value of plan assets at June 30, 2015 was \$4,784,268. This leaves a residual unfunded actuarial accrued liability (UAAL) of \$270,338. We calculated the annual cost to amortize the residual unfunded actuarial accrued liability using a 7% discount rate. We used an open 23 year amortization period. The current year cost to amortize the residual unfunded actuarial accrued liability is \$18,443.

Combining the normal cost with both the initial and residual UAAL amortization costs produces an annual required contribution (ARC) of \$751,614. The ARC is used as the basis for determining expenses and liabilities under GASB 43/45. The ARC is used in lieu of (rather than in addition to) the "pay-as-you-go" cost.

We based all of the above estimates on employees as of June, 2015. Over time, liabilities and cash flow will vary based on the number and demographic characteristics of employees and retirees.

C. Description of Retiree Benefits

Following is a description of the current retiree benefit plan:

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	<i>Sworn</i>	<i>Miscellaneous</i>
Benefit types provided	Medical only	Medical only
Duration of Benefits	Lifetime	Lifetime
Required Service	CalPERS Retirement	CalPERS Retirement
Minimum Age	CalPERS Retirement	CalPERS Retirement
Dependent Coverage	Yes	Yes
District Contribution %	100%	100%
District Cap	Same as Active	Same as Active

D. Recommendations

It is outside the scope of this report to make specific recommendations of actions El Dorado Hills Fire Department should take to manage the substantial liability created by the current retiree health program. Total Compensation Systems, Inc. can assist in identifying and evaluating options once this report has been studied. The following recommendations are intended only to allow the District to get more information from this and future studies. Because we have not conducted a comprehensive administrative audit of El Dorado Hills Fire Department's practices, it is possible that El Dorado Hills Fire Department is already complying with some or all of our recommendations.

- We recommend that El Dorado Hills Fire Department inventory all benefits and services provided to retirees – whether contractually or not and whether retiree-paid or not. For each, El Dorado Hills Fire Department should determine whether the benefit is material and subject to GASB 43 and/or 45.
- We recommend that El Dorado Hills Fire Department conduct a study whenever events or contemplated actions significantly affect present or future liabilities, but no less frequently than every two years, as required under GASB 43/45.
- We recommend that the District communicate the magnitude of these costs to employees and include employees in discussions of options to control the costs.
- Under GASB 45, it is important to isolate the cost of retiree health benefits. El Dorado Hills Fire Department should have all premiums, claims and expenses for retirees separated from active employee premiums, claims, expenses, etc. To the extent any retiree benefits are made available to retirees over the age of 65 – *even on a retiree-pay-all basis* – all premiums, claims and expenses for post-65 retiree coverage should be segregated from those for pre-65 coverage. Furthermore, El Dorado Hills Fire Department should arrange for the rates or prices of all retiree benefits to be set on what is expected to be a self-sustaining basis.
- El Dorado Hills Fire Department should establish a way of designating employees as eligible or ineligible for future OPEB benefits. Ineligible employees can include those in ineligible job classes; those hired after a designated date restricting eligibility; those who, due to their age at hire cannot qualify for District-paid OPEB benefits; employees who exceed the termination age for OPEB benefits, etc.

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- Several assumptions were made in estimating costs and liabilities under El Dorado Hills Fire Department's retiree health program. Further studies may be desired to validate any assumptions where there is any doubt that the assumption is appropriate. (See Appendices B and C for a list of assumptions and concerns.) For example, El Dorado Hills Fire Department should maintain a retiree database that includes – in addition to date of birth, gender and employee classification – retirement date and (if applicable) dependent date of birth, relationship and gender. It will also be helpful for El Dorado Hills Fire Department to maintain employment termination information – namely, the number of OPEB-eligible employees in each employee class that terminate employment each year for reasons other than death, disability or retirement.

Respectfully submitted,



Geoffrey L. Kischuk, FSA, MAAA, FCA
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PART II: BACKGROUND

A. Summary

Accounting principles provide that the cost of retiree benefits should be “accrued” over employees' working lifetime. For this reason, the Governmental Accounting Standards Board (GASB) issued in 2004 Accounting Standards 43 and 45 for retiree health benefits. These standards apply to all public employers that pay any part of the cost of retiree health benefits for current or future retirees (including early retirees).

B. Actuarial Accrual

To actuarially accrue retiree health benefits requires determining the amount to expense each year so that the liability accumulated at retirement is, on average, sufficient (with interest) to cover all retiree health expenditures without the need for additional expenses. There are many different ways to determine the annual accrual amount. The calculation method used is called an “actuarial cost method.”

Under most actuarial cost methods, there are two components of actuarial cost - a “normal cost” and amortization of something called the “unfunded actuarial accrued liability.” Both accounting standards and actuarial standards usually address these two components separately (though alternative terminology is sometimes used).

The normal cost can be thought of as the value of the benefit earned each year if benefits are accrued during the working lifetime of employees. This report will not discuss differences between actuarial cost methods or their application. Instead, following is a description of a commonly used, generally accepted actuarial cost method permitted under GASB 43 and 45. This actuarial cost method is called the “entry age normal” method.

Under the entry age normal cost method, the actuary determines the annual amount needing to be expensed from hire until retirement to fully accrue the cost of retiree health benefits. This amount is the normal cost. Under GASB 43 and 45, normal cost can be expressed either as a level dollar amount or a level percentage of payroll.

The normal cost is determined using several key assumptions:

- The current ***cost of retiree health benefits*** (often varying by age, Medicare status and/or dependent coverage). The higher the current cost of retiree benefits, the higher the normal cost.
- The ***“trend” rate*** at which retiree health benefits are expected to increase over time. A higher trend rate increases the normal cost. A “cap” on District contributions can reduce trend to zero once the cap is reached thereby dramatically reducing normal costs.
- ***Mortality rates*** varying by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce normal costs, the mortality assumption is not likely to vary from employer to employer.
- ***Employment termination rates*** have the same effect as mortality inasmuch as higher termination rates reduce normal costs. Employment termination can vary considerably between public agencies.
- The ***service requirement*** reflects years of service required to earn full or partial retiree benefits.

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While a longer service requirement reduces costs, cost reductions are not usually substantial unless the service period exceeds 20 years of service.

- **Retirement rates** determine what proportion of employees retire at each age (assuming employees reach the requisite length of service). Retirement rates often vary by employee classification and implicitly reflect the minimum retirement age required for eligibility. Retirement rates also depend on the amount of pension benefits available. Higher retirement rates increase normal costs but, except for differences in minimum retirement age, retirement rates tend to be consistent between public agencies for each employee type.
- **Participation rates** indicate what proportion of retirees are expected to elect retiree health benefits if a significant retiree contribution is required. Higher participation rates increase costs.
- The **discount rate** estimates investment earnings for assets earmarked to cover retiree health benefit liabilities. The discount rate depends on the nature of underlying assets. For example, employer funds earning money market rates in the county treasury are likely to earn far less than an irrevocable trust containing a diversified asset portfolio including stocks, bonds, etc. A higher discount rate can dramatically lower normal costs. GASB 43 and 45 require the interest assumption to reflect likely *long term* investment return.

The assumptions listed above are not exhaustive, but are the most common assumptions used in actuarial cost calculations. The actuary selects the assumptions which - taken together - will yield reasonable results. It's not necessary (or even possible) to predict individual assumptions with complete accuracy.

If all actuarial assumptions are exactly met and an employer expensed the normal cost every year for all past and current employees and retirees, a sizeable liability would have accumulated (after adding interest and subtracting retiree benefit costs). The liability that would have accumulated is called the actuarial accrued liability or AAL. The excess of AAL over the **actuarial value of plan assets** is called the *unfunded* actuarial accrued liability (or UAAL). Under GASB 43 and 45, in order for assets to count toward offsetting the AAL, the assets have to be held in an irrevocable trust that is safe from creditors and can only be used to provide OPEB benefits to eligible participants.

The actuarial accrued liability (AAL) can arise in several ways. At inception of GASB 43 and 45, there is usually a substantial UAAL. Some portion of this amount can be established as the "transition obligation" subject to certain constraints. UAAL can also increase as the result of operation of a retiree health plan - e.g., as a result of plan changes or changes in actuarial assumptions. Finally, AAL can arise from actuarial gains and losses. Actuarial gains and losses result from differences between actuarial assumptions and actual plan experience.

Under GASB 43 and 45, employers have several options on how the UAAL can be amortized as follows:

- The employer can select an amortization period of 1 to 30 years. (For certain situations that result in a reduction of the AAL, the amortization period must be at least 10 years.)
- The employer may apply the same amortization period to the total combined UAAL or can apply different periods to different components of the UAAL.
- The employer may elect a "closed" or "open" amortization period.
- The employer may choose to amortize on a level dollar or level percentage of payroll method.

PART III: LIABILITIES AND COSTS FOR RETIREE BENEFITS

A. Introduction.

We calculated the actuarial present value of projected benefits (APVPB) separately for each employee. We determined eligibility for retiree benefits based on information supplied by El Dorado Hills Fire Department. We then selected assumptions for the factors discussed in the above Section that, based on plan experience and our training and experience, represent our best prediction of future plan experience. For each employee, we applied the appropriate factors based on the employee's age, sex and length of service.

We summarized actuarial assumptions used for this study in Appendix C.

B. Medicare

The extent of Medicare coverage can affect projections of retiree health costs. The method of coordinating Medicare benefits with the retiree health plan's benefits can have a substantial impact on retiree health costs. We will be happy to provide more information about Medicare integration methods if requested.

C. Liability for Retiree Benefits.

For each employee, we projected future premium costs using an assumed trend rate (see Appendix C).

We multiplied each year's projected cost by the probability that premium will be paid; i.e. based on the probability that the employee is living, has not terminated employment and has retired. The probability that premium will be paid is zero if the employee is not eligible. The employee is not eligible if s/he has not met minimum service, minimum age or, if applicable, maximum age requirements.

The product of each year's premium cost and the probability that premium will be paid equals the expected cost for that year. We discounted the expected cost for each year to the valuation date July 1, 2015 at 7% interest.

Finally, we multiplied the above discounted expected cost figures by the probability that the retiree would elect coverage. A retiree may not elect to be covered if retiree health coverage is available less expensively from another source (e.g. Medicare risk contract) or the retiree is covered under a spouse's plan.

For any current retirees, the approach used was similar. The major difference is that the probability of payment for current retirees depends only on mortality and age restrictions (i.e. for retired employees the probability of being retired and of not being terminated are always both 1.0000).

We added the APVPB for all employees to get the actuarial present value of total projected benefits (APVTPB). The APVTPB is the estimated present value of all future retiree health benefits for all **current** employees and retirees. The APVTPB is the amount on July 1, 2015 that, if all actuarial assumptions are exactly right, would be sufficient to expense all promised benefits until the last current employee or retiree dies or reaches the maximum eligibility age.

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Actuarial Present Value of Total Projected Benefits at July 1, 2015

	<i>Total</i>	<i>Fire Fighters</i>	<i>General Employees</i>
Active: Pre-65	\$5,055,210	\$4,839,802	\$215,408
Post-65	\$3,039,307	\$2,712,460	\$326,847
Subtotal	\$8,094,517	\$7,552,262	\$542,255
Retiree: Pre-65	\$3,706,141	\$3,451,480	\$254,661
Post-65	\$2,313,633	\$1,986,670	\$326,963
Subtotal	\$6,019,774	\$5,438,150	\$581,624
Grand Total	\$14,114,291	\$12,990,412	\$1,123,879
Subtotal Pre-65	\$8,761,351	\$8,291,282	\$470,069
Subtotal Post-65	\$5,352,940	\$4,699,130	\$653,810

The APVTPB should be accrued over the working lifetime of employees. At any time much of it has not been "earned" by employees. The APVTPB is used to develop expense and liability figures. To do so, the APVTFB is divided into two parts: the portions attributable to service rendered prior to the valuation date (the past service liability or actuarial accrued liability under GASB 43 and 45) and to service after the valuation date but prior to retirement (the future service liability).

The past service and future service liabilities are each funded in a different way. We will start with the future service liability which is funded by the normal cost.

D. Cost to Prefund Retiree Benefits

1. Normal Cost

The average hire age for eligible employees is 30. To accrue the liability by retirement, the District would accrue the retiree liability over a period of about 26 years (assuming an average retirement age of 56). We applied an "entry age normal" actuarial cost method to determine funding rates for active employees. The table below summarizes the calculated normal cost.

Normal Cost Year Beginning July 1, 2015

	<i>Total</i>	<i>Fire Fighters</i>	<i>General Employees</i>
# of Employees	63	56	7
Per Capita Normal Cost			
Pre-65 Benefit	N/A	\$3,557	\$1,559
Post-65 Benefit	N/A	\$2,121	\$1,816
First Year Normal Cost			
Pre-65 Benefit	\$210,105	\$199,192	\$10,913
Post-65 Benefit	\$131,488	\$118,776	\$12,712
Total	\$341,593	\$317,968	\$23,625

Accruing retiree health benefit costs using normal costs levels out the cost of retiree health benefits over time and more fairly reflects the value of benefits "earned" each year by employees. This normal cost would increase each year based on covered payroll.

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2. Amortization of Unfunded Actuarial Accrued Liability (UAAL)

If actuarial assumptions are borne out by experience, the District will fully accrue retiree benefits by expensing an amount each year that equals the normal cost. If no accruals had taken place in the past, there would be a shortfall of many years' accruals, accumulated interest and forfeitures for terminated or deceased employees. This shortfall is called the actuarial accrued liability (AAL). We calculated the AAL as the APVTPB minus the present value of future normal costs.

The initial UAAL was amortized using level percent, closed 30 year amortization. The District can amortize the remaining or residual UAAL over many years. The table below shows the annual amount necessary to amortize the UAAL over a period of 23 years at 7% interest. (Thirty years is the longest amortization period allowable under GASB 43 and 45.) GASB 43 and 45 allow amortizing the UAAL using either payments that stay the same as a dollar amount, or payments that are a flat percentage of covered payroll over time. The figures below reflect level percent, open 23 year amortization.

Actuarial Accrued Liability as of July 1, 2015

	<i>Total</i>	<i>Fire Fighters</i>	<i>General Employees</i>
Active: Pre-65	\$3,005,783	\$2,869,143	\$136,640
Post-65	\$1,772,472	\$1,537,378	\$235,094
Subtotal	\$4,778,255	\$4,406,521	\$371,734
Retiree: Pre-65	\$3,706,141	\$3,451,480	\$254,661
Post-65	\$2,313,633	\$1,986,670	\$326,963
Subtotal	\$6,019,774	\$5,438,150	\$581,624
Subtot Pre-65	\$6,711,924	\$6,320,623	\$391,301
Subtot Post-65	\$4,086,105	\$3,524,048	\$562,057
Grand Total	\$10,798,030	\$9,844,671	\$953,359
Unamortized Initial UAAL	\$5,743,424		
Plan assets at 6/30/15	\$4,784,268		
Residual UAAL	\$270,338		
Residual UAAL Amortization at 7% over 23 Years	\$18,443		

3. Annual Required Contributions (ARC)

If the District determines retiree health plan expenses in accordance with GASB 43 and 45, costs include both normal cost and one or more components of UAAL amortization costs. The sum of normal cost and UAAL amortization costs is called the Annual Required Contribution (ARC) and is shown below.

Annual Required Contribution (ARC) Year Beginning July 1, 2015

	<i>Total</i>
Normal Cost	\$341,593
Initial UAAL Amortization	\$391,578
Residual UAAL Amortization	\$18,443
ARC	\$751,614

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The normal cost remains as long as there are active employees who may some day qualify for District-paid retiree health benefits. This normal cost would increase each year based on covered payroll.

4. Other Components of Annual OPEB Cost (AOC)

Expense and liability amounts may include more components of cost than the normal cost plus amortization of the UAAL. This applies to employers that don't fully fund the Annual Required Contribution (ARC) through an irrevocable trust.

- The annual OPEB cost (AOC) includes assumed interest on the net OPEB obligation (NOO). The annual OPEB cost also includes an amortization adjustment for the net OPEB obligation. (It should be noted that there is no NOO if the ARC is fully funded through a qualifying "plan".)
- The net OPEB obligation equals the accumulated differences between the (AOC) and qualifying "plan" contributions.

PART IV: "PAY AS YOU GO" FUNDING OF RETIREE BENEFITS

We used the actuarial assumptions shown in Appendix C to project ten year cash flow under the retiree health program. Because these cash flow estimates reflect average assumptions applied to a relatively small number of employees, estimates for individual years are **certain** to be *in*accurate. However, these estimates show the size of cash outflow.

The following table shows a projection of annual amounts needed to pay the District share of retiree health premiums.

<i>Year Beginning</i>			
<i>July 1</i>	<i>Total</i>	<i>Fire Fighters</i>	<i>General Employees</i>
2015	\$468,925	\$423,216	\$45,709
2016	\$495,276	\$444,686	\$50,590
2017	\$512,647	\$453,602	\$59,045
2018	\$531,633	\$465,806	\$65,827
2019	\$572,833	\$506,416	\$66,417
2020	\$584,605	\$523,721	\$60,884
2021	\$620,324	\$556,598	\$63,726
2022	\$661,816	\$594,603	\$67,213
2023	\$653,655	\$582,549	\$71,106
2024	\$711,049	\$636,207	\$74,842

PART V: RECOMMENDATIONS FOR FUTURE VALUATIONS

To effectively manage benefit costs, an employer must periodically examine the existing liability for retiree benefits as well as future annual expected premium costs. GASB 43/45 require biennial valuations. In addition, a valuation should be conducted whenever plan changes, changes in actuarial assumptions or other employer actions are likely to cause a material change in accrual costs and/or liabilities.

Following are examples of actions that could trigger a new valuation.

- An employer should perform a valuation whenever the employer considers or puts in place an early retirement incentive program.
- An employer should perform a valuation whenever the employer adopts a retiree benefit plan for some or all employees.
- An employer should perform a valuation whenever the employer considers or implements changes to retiree benefit provisions or eligibility requirements.
- An employer should perform a valuation whenever the employer introduces or changes retiree contributions.

We recommend El Dorado Hills Fire Department take the following actions to ease future valuations.

- We have used our training, experience and information available to us to establish the actuarial assumptions used in this valuation. We have no information to indicate that any of the assumptions do not reasonably reflect future plan experience. However, the District should review the actuarial assumptions in Appendix C carefully. If the District has any reason to believe that any of these assumptions do not reasonably represent the expected future experience of the retiree health plan, the District should engage in discussions or perform analyses to determine the best estimate of the assumption in question.

PART VI: APPENDICES

APPENDIX A: MATERIALS USED FOR THIS STUDY

We relied on the following materials to complete this study.

- We used paper reports and digital files containing employee demographic data from the District personnel records.
- We used relevant sections of collective bargaining agreements provided by the District.

APPENDIX B: EFFECT OF ASSUMPTIONS USED IN CALCULATIONS

While we believe the estimates in this study are reasonable overall, it was necessary for us to use assumptions which inevitably introduce errors. We believe that the errors caused by our assumptions will not materially affect study results. If the District wants more refined estimates for decision-making, we recommend additional investigation. Following is a brief summary of the impact of some of the more critical assumptions.

1. Where actuarial assumptions differ from expected experience, our estimates could be overstated or understated. One of the most critical assumptions is the medical trend rate. The District may want to commission further study to assess the sensitivity of liability estimates to our medical trend assumptions. For example, it may be helpful to know how liabilities would be affected by using a trend factor 1% higher than what was used in this study. There is an additional fee required to calculate the impact of alternative trend assumptions.
2. We used an "entry age normal" actuarial cost method to estimate the actuarial accrued liability and normal cost. GASB allows this as one of several permissible methods under GASB45. Using a different cost method could result in a somewhat different recognition pattern of costs and liabilities.

APPENDIX C: ACTUARIAL ASSUMPTIONS AND METHODS

Following is a summary of actuarial assumptions and methods used in this study. The District should carefully review these assumptions and methods to make sure they reflect the District's assessment of its underlying experience. It is important for El Dorado Hills Fire Department to understand that the appropriateness of all selected actuarial assumptions and methods are El Dorado Hills Fire Department's responsibility. Unless otherwise disclosed in this report, TCS believes that all methods and assumptions are within a reasonable range based on the provisions of GASB 43 and 45, applicable actuarial standards of practice, El Dorado Hills Fire Department's actual historical experience, and TCS's judgment based on experience and training.

ACTUARIAL METHODS AND ASSUMPTIONS:

ACTUARIAL COST METHOD: Entry age normal. The allocation of OPEB cost is based on years of service. We used the level percentage of payroll method to allocate OPEB cost over years of service.

Entry age is based on the age at hire for eligible employees. The attribution period is determined as the difference between the expected retirement age and the age at hire. The present value of future benefits and present value of future normal costs are determined on an employee by employee basis and then aggregated.

To the extent that different benefit formulas apply to different employees of the same class, the normal cost is based on the benefit plan applicable to the most recently hired employees (including future hires if a new benefit formula has been agreed to and communicated to employees).

AMORTIZATION METHODS: We used a level percent, closed 30 year amortization period for the initial UAAL. We used a level percent, open 23 year amortization period for any residual UAAL.

SUBSTANTIVE PLAN: As required under GASB 43 and 45, we based the valuation on the substantive plan. The formulation of the substantive plan was based on a review of written plan documents as well as historical information provided by El Dorado Hills Fire Department regarding practices with respect to employer and employee contributions and other relevant factors.

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ECONOMIC ASSUMPTIONS:

Economic assumptions are set under the guidance of Actuarial Standard of Practice 27 (ASOP 27). Among other things, ASOP 27 provides that economic assumptions should reflect a consistent underlying rate of general inflation. For that reason, we show our assumed long-term inflation rate below.

INFLATION: We assumed 2.75% per year.

INVESTMENT RETURN / DISCOUNT RATE: We assumed 7% per year. This is based on assumed long-term return on plan assets assuming 100% funding through CERBT. We used the “Building Block Method” as described in ASOP 27 Paragraph 3.6.2.

TREND: We assumed 4% per year. Our long-term trend assumption is based on the conclusion that, while medical trend will continue to be cyclical, the average increase over time cannot continue to outstrip general inflation by a wide margin. Trend increases in excess of general inflation result in dramatic increases in unemployment, the number of uninsured and the number of underinsured. These effects are nearing a tipping point which will inevitably result in fundamental changes in health care finance and/or delivery which will bring increases in health care costs more closely in line with general inflation. We do not believe it is reasonable to project historical trend vs. inflation differences several decades into the future.

PAYROLL INCREASE: We assumed 2.75% per year. This assumption applies only to the extent that either or both of the normal cost and/or UAAL amortization use the level percentage of payroll method. For purposes of applying the level percentage of payroll method, payroll increase must not assume any increases in staff or merit increases.

ACTUARIAL VALUE OF PLAN ASSETS (AVA): We used asset values provided by El Dorado Hills Fire Department. We used a 5 year smoothing formula with a 20% corridor around market value.

The following are the calculations for the adjusted value of plan assets:

<i>CERBT - Strategy 1</i>	<i>Amount</i>
(1) Market value at 6/30/15	\$5,061,223
(2) Accumulated contributions (disbursements) at 7.5%	\$4,715,029
(3) Value in (2) + 1/5 of (1) minus (2)	\$4,784,268
(4) Value in (3) adjusted to minimum or maximum*	\$4,784,268
(5) AVA at 6/30/15 adjusted to valuation date at 7.5%	\$4,784,268

* Minimum is 80% of market value; maximum is 120% of market value

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NON-ECONOMIC ASSUMPTIONS:

Economic assumptions are set under the guidance of Actuarial Standard of Practice 35 (ASOP 35).

MORTALITY

<i>Employee Type</i>	<i>Mortality Tables</i>
Fire Fighters	2014 CalPERS Mortality for Active Safety Employees
Miscellaneous	2014 CalPERS Active Mortality for Miscellaneous Employees

RETIREMENT RATES

<i>Employee Type</i>	<i>Retirement Rate Tables</i>
Fire Fighters	Hired before 2013: 2009 CalPERS 3% @50 Retirement rates for Sworn Fire Employees Hired after 2012: 2009 CalPERS 3% @55 Retirement rates for Sworn Fire Employees adjusted to reflect minimum retirement age of 52
General Employees	Hired before 2013: 2009 CalPERS 3% @60 Retirement rates for Miscellaneous Employees Hired after 2012: 2009 CalPERS 2% @60 Retirement rates for Miscellaneous Employees adjusted to reflect minimum retirement age of 52

VESTING RATES

<i>Employee Type</i>	<i>Vesting Rate Tables</i>
Employees hired before 2013	Retirement
Employees hired after 2012	50% of the Employer Contribution at 10 years of service plus 5%/per additional year to 100% at 20 years of service

COSTS FOR RETIREE COVERAGE

Actuarial Standard of Practice 6 (ASOP 6) provides that, as a general rule, retiree costs should be based on actual claim costs or age-adjusted premiums. This is true even for many medical plans that are commonly considered to be “community-rated.” However, ASOP 6 contains a provision – specifically section 3.7.7(c) – that allows use of unadjusted premiums in certain circumstances.

Because the section 3.7.7(c) exception is new, there is not a consensus among practicing actuaries regarding the specific circumstances under which a section 3.7.7(c) exception may be invoked. It is my opinion that the section 3.7.7(c)(4) exception allows use of unadjusted premium for PEMHCA agencies if certain conditions are met. Other actuaries have taken the position that ASOP 6 does not explicitly allow use of unadjusted premium for any agencies participating in the CalPERS medical plan.

Prior to the most recent ASOP 6 revision, there was general agreement that ASOP 6 allowed use of unadjusted premium as a retiree cost basis for PEMHCA agencies (under section 3.4.5 of the prior version of ASOP 6). Since there have been no changes to the CalPERS medical plan, use of unadjusted premium must still be viewed as appropriate actuarial practice to the extent that it was under the prior version of ASOP 6. That means that if the current ASOP 6 section 3.7.7(c)(4) exception is not deemed to ***explicitly*** allow use of unadjusted premium as a retiree cost basis for El Dorado Hills Fire Department, then it would be allowable as a “deviation.” (Under GASB 45, there is no prohibition against using a “deviation.”)

While I am confident that ASOP 6 section 3.7.7(c)(4) will ultimately be found to explicitly allow use of unadjusted premium as a retiree cost basis for most PEMHCA agencies, I cannot be certain that this will be the case if and when this issue is fully reviewed. Therefore, I am including disclosure information required for a “deviation” so that the valuation will not need to be revised in the event section 3.7.7(c)(4) should be found not to explicitly allow use of unadjusted premium. Following is the disclosure information that is required should a deviation be necessary.

Use of ***age-adjusted*** premium for the CalPERS medical plan results in an overstatement of El Dorado Hills Fire

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Department Annual Required Contribution (ARC) and Actuarial Accrued Liability (AAL) to the extent that El Dorado Hills Fire Department continues to participate in the CalPERS medical plan AND that the rate structure of the CalPERS medical plan continues in its current form (i.e. with no rate distinction between active employees and retirees). In addition to the overstatement of OPEB costs and liabilities, El Dorado Hills Fire Department policy of funding OPEB obligations could lead to an inability of El Dorado Hills Fire Department to recover overfunded assets. It is important to note that, should El Dorado Hills Fire Department leave the CalPERS medical plan, the subsequent plan may not qualify to use unadjusted premium rates. In this event, leaving the CalPERS medical plan would be comparable to a significant change in plan terms and would likely require a new valuation.

Following are the criteria we applied to El Dorado Hills Fire Department to determine that it is reasonable to assume that El Dorado Hills Fire Department future participation in PEMHCA is likely and that the CalPERS medical program as well as its premium structure are sustainable. (We also have an extensive white paper on this subject that provides a basis for our rationale entirely within the context of ASOP 6. We will make this white paper available upon request.)

The District participates in the CalPERS medical program. We have performed the required evaluation of the CalPERS medical program and we have determined that there is sufficient evidence to apply the 3.7.7.c.4 exception. Following are details regarding the evaluation based on the criteria we have set:

- **Plan qualifies as a “pooled health plan.”** ASOP 6 defines a “pooled health plan” as one in which premiums are based at least in part on the claims experience of groups other than the one being valued.” Since CalPERS rates are the same for all employers in each region, rates are clearly based on the experience of many groups.
- **Rates not based to any extent on the agency’s claim experience.** As mentioned above, rates are the same for all participating employers regardless of claim experience or size.
- **Rates not based to any extent on the agency’s demographics.** As mentioned above, rates are the same for all participating employers regardless of demographics.
- **No refunds or charges based on the agency’s claim experience or demographics.** The terms of operation of the CalPERS program are set by statute and there is no provision for any refunds and charges that vary from employer to employer for any reason. The only charges are uniform administrative charges.
- **Plan in existence 20 or more years.** Enabling legislation to allow “contracting agencies” to participate in the CalPERS program was passed in 1967. The CalPERS medical plan has been successfully operating for almost 50 years. As far back as we can obtain records, the rating structure has been consistent, with the only difference having been a move to regional rating which is unrelated to age-adjusted rating.
- **No recent large increases or decreases in the number of participating plans or enrollment.** The CalPERS medical plan has shown remarkably stable enrollment. In the past 10 years, there has been small growth in the number of employers in most years – with the maximum being a little over 2% and a very small decrease in one year. Average year over year growth in the number of employers over the last 10 years has been about 0.75% per year. Groups have been consistently

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leaving the CalPERS medical plan while other groups have been joining with no disruption to its stability.

- **Agency is not expecting to leave plan in foreseeable future.** The District does not plan to leave CalPERS at present.
- **No indication the plan will be discontinued.** We are unaware of anything that would cause the CalPERS medical plan to cease or to significantly change its operation in a way that would affect this determination.
- **The agency does not represent a large part of the pool.** The District is in the CalPERS “Sacramento” region. Based on the information we have, the District constitutes no more than 0.5% of the Sacramento pool. In our opinion, this is not enough for the District to have a measurable effect on the rates or viability of the Sacramento pool.

Retiree liabilities are based on actual retiree costs. Liabilities for active participants are based on the first year costs shown below. Subsequent years’ costs are based on first year costs adjusted for trend and limited by any District contribution caps.

<i>Employee Type</i>	<i>Future Retirees Pre-65</i>	<i>Future Retirees Post-65</i>
Fire Fighters	\$18,843	\$7,606
General Employees	\$18,843	\$7,606

PARTICIPATION RATES

<i>Employee Type</i>	<i><65 Non-Medicare Participation %</i>	<i>65+ Medicare Participation %</i>
Fire Fighters	100%	100%
Miscellaneous	100%	100%

TURNOVER

<i>Employee Type</i>	<i>Turnover Rate Tables</i>
Fire Fighters	2009 CalPERS Rates for Sworn Fire Employees
Miscellaneous	2009 CalPERS Turnover for Miscellaneous Employees

SPOUSE PREVALENCE

To the extent not provided and when needed to calculate benefit liabilities, 80% of retirees assumed to be married at retirement. After retirement, the percentage married is adjusted to reflect mortality.

SPOUSE AGES

To the extent spouse dates of birth are not provided and when needed to calculate benefit liabilities, female spouse assumed to be three years younger than male.

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APPENDIX D: DISTRIBUTION OF ELIGIBLE PARTICIPANTS BY AGE

ELIGIBLE ACTIVE EMPLOYEES

<i>Age</i>	<i>Total</i>	<i>Fire Fighters</i>	<i>General Employees</i>
Under 25	1	1	0
25-29	4	3	1
30-34	9	7	2
35-39	19	19	0
40-44	16	14	2
45-49	7	7	0
50-54	3	3	0
55-59	3	2	1
60-64	1	0	1
65 and older	0	0	0
Total	63	56	7

ELIGIBLE RETIREES

<i>Age</i>	<i>Total</i>	<i>Fire Fighters</i>	<i>General Employees</i>
Under 50	4	4	0
50-54	6	5	1
55-59	8	8	0
60-64	6	6	0
65-69	0	0	0
70-74	2	0	2
75-79	0	0	0
80-84	0	0	0
85-89	0	0	0
90 and older	0	0	0
Total	26	23	3

APPENDIX E: CALCULATION OF GASB 43/45 ACCOUNTING ENTRIES

This report is to be used to calculate accounting entries rather than to provide the dollar amount of accounting entries. How the report is to be used to calculate accounting entries depends on several factors. Among them are:

- 1) The amount of prior accounting entries;
- 2) Whether individual components of the ARC are calculated as a level dollar amount or as a level percentage of payroll;
- 3) Whether the employer using a level percentage of payroll method elects to use for this purpose projected payroll, budgeted payroll or actual payroll;
- 4) Whether the employer chooses to adjust the numbers in the report to reflect the difference between the valuation date and the first fiscal year for which the numbers will be used.

To the extent the level percentage of payroll method is used, the employer should adjust the numbers in this report as appropriate to reflect the change in OPEB covered payroll. It should be noted that OPEB covered payroll should only reflect types of pay generating pension credits for plan participants. Please note that plan participants do not necessarily include all active employees eligible for health benefits for several reasons. Following are examples.

- 1) The number of hours worked or other eligibility criteria may differ for OPEB compared to active health benefits;
- 2) There may be active employees over the maximum age OPEB are paid through. For example, if an OPEB plan pays benefits only to Medicare age, any active employees currently over Medicare age are not plan participants;
- 3) Employees hired at an age where they will exceed the maximum age for benefits when the service requirement is met are also not plan participants.

Finally, GASB 43 and 45 require reporting covered payroll in RSI schedules regardless of whether any ARC component is based on the level percentage of payroll method. This report does not provide, nor should the actuary be relied on to report covered payroll.

GASB 45 Paragraph 26 specifies that the items presented as RSI "should be calculated in accordance with the parameters." The RSI items refer to Paragraph 25.c which includes annual covered payroll. Footnote 3 provides that when the ARC is based on covered payroll, the payroll measure may be the projected payroll, budgeted payroll or actual payroll. Footnote 3 further provides that comparisons between the ARC and contributions should be based on the same measure of covered payroll.

At the time the valuation is being done, the actuary may not know which payroll method will be used for reporting purposes. The actuary may not even know for which period the valuation will be used to determine the ARC. Furthermore, the actuary doesn't know if the client will make adjustments to the ARC in order to use it for the first year of the biennial or triennial period. (GASB 45 is silent on this.) Even if the actuary were to know all of these things, it would be a rare situation that would result in knowing the appropriate covered payroll number

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to report. For example, if the employer uses actual payroll, that number would not be known at the time the valuation is done.

As a result, we believe the proper approach is to report the ARC components as a dollar amount. It is the client's responsibility to turn this number into a percentage of payroll factor by using the dollar amount of the ARC (adjusted, if desired) as a numerator and then calculating the appropriate amount of the denominator based on the payroll determination method elected by the client for the appropriate fiscal year.

If we have been provided with payroll information, we are happy to use that information to help the employer develop an estimate of covered payroll for reporting purposes. However, the validity of the covered payroll remains the employer's responsibility even if TCS assists the employer in calculating it.

APPENDIX F: GLOSSARY OF RETIREE HEALTH VALUATION TERMS

Note: The following definitions are intended to help a *non-actuary* understand concepts related to retiree health valuations. Therefore, the definitions may not be actuarially accurate.

Actuarial Accrued Liability: The amount of the actuarial present value of total projected benefits attributable to employees' past service based on the actuarial cost method used.

Actuarial Cost Method: A mathematical model for allocating OPEB costs by year of service.

Actuarial Present Value of Total Projected Benefits: The projected amount of all OPEB benefits to be paid to current and future retirees discounted back to the valuation date.

Actuarial Value of Assets: Market-related value of assets which may include an unbiased formula for smoothing cyclical fluctuations in asset values.

Annual OPEB Cost: This is the amount employers must recognize as an expense each year. The annual OPEB expense is equal to the Annual Required Contribution plus interest on the Net OPEB obligation minus an adjustment to reflect the amortization of the net OPEB obligation.

Annual Required Contribution: The sum of the normal cost and an amount to amortize the unfunded actuarial accrued liability. This is the basis of the annual OPEB cost and net OPEB obligation.

Closed Amortization Period: An amortization approach where the original ending date for the amortization period remains the same. This would be similar to a conventional, 30-year mortgage, for example.

Discount Rate: Assumed investment return net of all investment expenses. Generally, a higher assumed interest rate leads to lower normal costs and actuarial accrued liability.

Implicit Rate Subsidy: The estimated amount by which retiree rates are understated in situations where, for rating purposes, retirees are combined with active employees.

Mortality Rate: Assumed proportion of people who die each year. Mortality rates always vary by age and often by sex. A mortality table should always be selected that is based on a similar "population" to the one being studied.

Net OPEB Obligation: The accumulated difference between the annual OPEB cost and amounts contributed to an irrevocable trust exclusively providing retiree OPEB benefits and protected from creditors.

Normal Cost: The dollar value of the "earned" portion of retiree health benefits if retiree health benefits are to be fully accrued at retirement.

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<u>OPEB Benefits:</u>	Other PostEmployment Benefits. Generally medical, dental, prescription drug, life, long-term care or other postemployment benefits that are not pension benefits.
<u>Open Amortization Period:</u>	Under an open amortization period, the remaining unamortized balance is subject to a new amortization schedule each valuation. This would be similar, for example, to a homeowner refinancing a mortgage with a new 30-year conventional mortgage every two or three years.
<u>Participation Rate:</u>	The proportion of retirees who elect to receive retiree benefits. A lower participation rate results in lower normal cost and actuarial accrued liability. The participation rate often is related to retiree contributions.
<u>Retirement Rate:</u>	The proportion of active employees who retire each year. Retirement rates are usually based on age and/or length of service. (Retirement rates can be used in conjunction with vesting rates to reflect both age and length of service). The more likely employees are to retire early, the higher normal costs and actuarial accrued liability will be.
<u>Transition Obligation:</u>	The amount of the unfunded actuarial accrued liability at the time actuarial accrual begins in accordance with an applicable accounting standard.
<u>Trend Rate:</u>	The rate at which the cost of retiree benefits is expected to increase over time. The trend rate usually varies by type of benefit (e.g. medical, dental, vision, etc.) and may vary over time. A higher trend rate results in higher normal costs and actuarial accrued liability.
<u>Turnover Rate:</u>	The rate at which employees cease employment due to reasons other than death, disability or retirement. Turnover rates usually vary based on length of service and may vary by other factors. Higher turnover rates reduce normal costs and actuarial accrued liability.
<u>Unfunded Actuarial Accrued Liability:</u>	This is the excess of the actuarial accrued liability over assets irrevocably committed to provide retiree health benefits.
<u>Valuation Date:</u>	The date as of which the OPEB obligation is determined. Under GASB 43 and 45, the valuation date does not have to coincide with the statement date.
<u>Vesting Rate:</u>	The proportion of retiree benefits earned, based on length of service and, sometimes, age. (Vesting rates are often set in conjunction with retirement rates.) More rapid vesting increases normal costs and actuarial accrued liability.

Replacement of Staff Utility Vehicle

Summary:

Staff received a state contract bid from Folsom Lake Chevy for a 2016 Chevy Tahoe 4x4 Police Package. The Department needs one staff vehicle to replace the current vehicle that has an excess of 125,000 miles.

The new vehicle was specified as a 2016 Chevy Tahoe 4x4, capable of transporting five passengers. This vehicle will be configured as a command vehicle capable of command functions in emergency situations in county. The vehicle will also be used for transportation of staff.

Folsom Lake Chevy is the sole provider for this type of vehicle within the EL Dorado Hills/Folsom region. This vehicle is built for use in a public service realm with larger brakes, standardized wiring for lighting packages, and with the ability to delete unneeded accessories.

Fiscal Impact: **\$80,000.00**

State Bid with deductions from Folsom Lake Chevy's price per vehicle is \$39,800.00 plus Tax and License.

Installation and cost of emergency equipment not to exceed \$40,000.00 from a separate vendor with tax.

- Radios
- Lighting
- Command station
- SCBA
- Accessory equipment

Staff Recommendation:

Staff recommends the purchase of a 2016 Chevy Tahoe from Folsom Lake Chevy with the total price not to exceed \$80,000.00 for vehicle, fully installed equipment package, and tax.