

MONTECITO FIRE PROTECTION DISTRICT  
AGENDA FOR THE SPECIAL MEETING  
OF THE BOARD OF DIRECTORS

Montecito Fire Protection District Headquarters  
595 San Ysidro Road  
Santa Barbara, California  
June 16, 2017 at 2:00 p.m.

Agenda items may be taken out of the order shown.

1. Public comment: Any person may address the Board at this time on any non-agenda matter that is within the subject matter jurisdiction of the Montecito Fire Protection District. (30 minutes total time allotted for this discussion.)
2. Recognition for 20 years of service: Engineer, Dana St. Oegger.
3. Recognition for Employee of the Year, and recipient of the Montecito Rotary Club Vocational Service/Public Safety Award: Firefighter/Paramedic, Robert Galbraith.
4. Time certain, 2:00 p.m. – Receive presentation from PARS/Highmark representative, Tory Milazzo, reviewing the PARS Pension Rate Stabilization Program (PRSP) investment strategies.
  - a. Consider recommendation to approve the Investment Guidelines Document specifying the investment portfolio strategy.
5. Report from the Finance Committee:
  - a. Consider recommendation to approve May 2017 financial statements.
  - b. Consider recommendation to approve Resolution 2017-03, Amending Final Budget for FY 2016-17.
  - c. Consider recommendation to approve Resolution 2017-04, Adoption of the Preliminary Budget for the Fiscal Year 2017-18.
  - d. Consider recommendation to approve the Publicly Available Pay Schedule, effective July 1, 2017, as required by CalPERS.
6. Review and adopt price and population factors for establishing the appropriations limit for fiscal year 2016-17.
7. Approval of Resolution 2017-05 for the election of Directors to the Special District Risk Management Authority Board of Directors.
8. Approval of Minutes of the May 22, 2017 Regular Meeting.

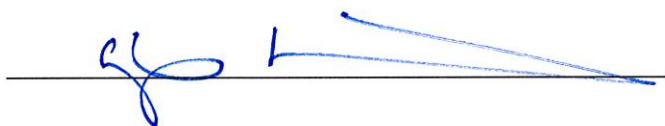
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9. Fire Chief's report.
10. Board of Director's report.
11. Suggestions from Directors for items other than regular agenda items to be included for the July 24, 2017 Regular Board meeting.
12. Closed Session
  - a. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:  
(Government Code section 54956.9 (d)(2))  
Significant exposure to litigation: One potential case.
  - b. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:  
(Government Code section 54956.9 (d)(4))  
Initiation of litigation: One potential case.

Adjournment

This agenda posted pursuant to the provisions of the Government Code commencing at Section 54950. The date of the posting is June 13, 2017.

MONTECITO FIRE PROTECTION DISTRICT



Note: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the District office at 969-7762. Notification at least 48 hours prior to the meeting will enable the District to make reasonable arrangements.

Materials related to an item on this agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Montecito Fire Protection District's office located at 595 San Ysidro Road during normal business hours.

June 16, 2017

# Agenda

## Item #4





# Investment Guidelines Document

Montecito Fire Protection District

PARS Pension Rate Stabilization Plan

May 2017

## Investment Guidelines Document

### Scope and Purpose

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The purpose of this Investment Guidelines Document is to:

- Facilitate the process of ongoing communication between the Plan Sponsor and its plan fiduciaries;
- Confirm the Plan's investment goals and objectives and management policies applicable to the investment portfolio identified below and obtained from the Plan Sponsor;
- Provide a framework to construct a well-diversified asset mix that can potentially be expected to meet the account's short- and long-term needs that is consistent with the account's investment objectives, liquidity considerations and risk tolerance;
- Identify any unique considerations that may restrict or limit the investment discretion of its designated investment managers;
- Help maintain a long-term perspective when market volatility is caused by short-term market movements.

### Key Plan Sponsor Account Information as of June 12, 2017

<b>Plan Sponsor:</b>	Montecito Fire Protection District
<b>Governance:</b>	Montecito Fire Protection District
<b>Plan Name ("Plan"):</b>	Montecito Fire Protection District PARS Pension Rate Stabilization Plan
<b>Trustee:</b>	US Bank Contact: Susan Hughes, (949) 224-7209, <a href="mailto:Susan.Hughes@usbank.com">Susan.Hughes@usbank.com</a>
<b>Type of Account:</b>	Pension
<b>ERISA Status:</b>	Not subject to ERISA
<b>Market Value of Account:</b>	\$2,000,000
<b>Investment Manager:</b>	US Bank, as discretionary trustee, has delegated investment management responsibilities to HighMark Capital Management, Inc. ("Investment Manager"), an SEC-registered investment adviser HighMark Portfolio Manager: Salvatore (Tory) N. Milazzo, CFA 805-564-6219 <a href="mailto:Salvatore.Milazzo@highmarkcapital.com">Salvatore.Milazzo@highmarkcapital.com</a> Back-up Portfolio Manager: Anne E. Wimmer, CFA 310-550-6457 <a href="mailto:Anne.Wimmer@highmarkcapital.com">Anne.Wimmer@highmarkcapital.com</a>

**Investment Authority:** Except as otherwise noted, the Trustee, US Bank, has delegated investment authority to HighMark Capital Management, an SEC-registered investment adviser. Investment Manager has full investment discretion over the managed assets in the account. Investment Manager is authorized to purchase, sell, exchange, invest, reinvest and manage the designated assets held in the account, all in accordance with account's investment objectives, without prior approval or subsequent approval of any other party(ies).

## **Investment Objectives and Constraints**

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The goal of the Plan's investment program is to generate adequate long-term returns that, when combined with contributions, will result in sufficient assets to pay the present and future obligations of the Plan. The following objectives are intended to assist in achieving this goal:

- The Plan should seek to earn a return in excess of its policy benchmark over the long-term.
- The Plan's assets will be managed on a total return basis which takes into consideration both investment income and capital appreciation. While the Plan Sponsor recognizes the importance of preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns. To achieve these objectives, the Plan Sponsor allocates its assets (asset allocation) with a strategic, long-term perspective of the capital markets.

**Investment Time Horizon:** Long-term

**Anticipated Cash Flows:** Distributions are expected to be low in the early years of the Plan.

**Target Rate of Return:** To earn a rate of return in excess of the yield on General Fund assets.

**Investment Objective:** The primary objective is to maximize total Plan return, subject to the risk and quality constraints set forth herein. The investment objective the Plan Sponsor has selected is the Moderately Conservative Objective, which seeks to provide current income and moderate capital appreciation. The major portion of the assets are committed to income-producing securities. Market fluctuations should be expected.

**Risk Tolerance:** *Moderately Conservative*  
The account's risk tolerance has been rated moderately conservative, which demonstrates that the account can accept modest price fluctuations to pursue its investment objectives.

**Strategic Asset Allocation:** The asset allocation ranges for this objective are listed below:

<i>Strategic Asset Allocation Ranges</i>		
Cash	Fixed Income	Equity
0-20%	50%-80%	20%-40%
Policy: 5%	Policy: 65%	Policy: 30%

Market conditions may cause the account's asset allocation to vary from the stated range from time to time. The Investment Manager will rebalance the portfolio no less than quarterly and/or when the actual weighting differs substantially from the strategic range, if appropriate and consistent with your objectives.

**Security Guidelines:**

Equities

With the exception of limitations and constraints described above, Investment Manager may allocate assets of the equity portion of the account among various market capitalizations (large, mid, small) and investment styles (value, growth). Further, Investment Manager may allocate assets among domestic, international developed and emerging market equity securities.

Total Equities	20%-40%
<i>Equity Style</i>	<i>Range</i>
Domestic Large Cap Equity	10%-30%
Domestic Mid Cap Equity	0%-10%
Domestic Small Cap Equity	0%-12%
International Equity (incl. Emerging Markets)	0%-12%
Real Estate Investment Trust (REIT)	0%-8%

Fixed Income

In the fixed income portion of the account, Investment Manager may allocate assets among various sectors and industries, as well as varying maturities and credit quality that are consistent with the overall goals and objectives of the portfolio.

Total Fixed Income	50%-80%
<i>Fixed Income Style</i>	<i>Range</i>
Long-term bonds (maturities >7 years)	0%-30%
Intermediate-term bonds (maturities 3-7 years)	30%-80%
Short-Term bonds (maturities <3 years)	0%-25%
High Yield bonds	0%-6%



**Performance Benchmarks:**

The performance of the total Plan shall be measured over a three and five-year periods. These periods are considered sufficient to accommodate the market cycles experienced with investments. The performance shall be compared to the return of the total portfolio blended benchmark shown below.

Total Portfolio Blended Benchmark

15.5%	S&P500 Index
3.00%	Russell Mid Cap Index
4.50%	Russell 2000 Index
2.00%	MSCI Emerging Market Index
4.00%	MSCI EAFE Index
1.00%	Wilshire REIT Index
49.25%	BC US Aggregate Index
14.00%	ML 1-3 Year US Corp/Gov't Index
1.75%	US High Yield Master II Index
5.00%	Citi 1Mth T-Bill Index

Asset Class/Style Benchmarks

Over a market cycle, the long-term objective for each investment strategy is to add value to a market benchmark. The following are the benchmarks used to monitor each investment strategy:

Large Cap Equity	S&P 500 Index
Growth	S&P 500 Growth Index
Value	S&P 500 Value Index
Mid Cap Equity	Russell MidCap Index
Growth	Russell MidCap Growth Index
Value	Russell MidCap Value Index
Small Cap Equity	Russell 2000 Index
Growth	Russell 2000 Growth Index
Value	Russell 2000 Value Index
REITs	Wilshire REIT Index
International Equity	MSCI EAFE Index
Investment Grade Bonds	US High Yield Master II Index
High Yield	Credit Suisse High Yield Index

**Security Selection**

Investment Manager may utilize a full range of investment vehicles when constructing the investment portfolio, including but not limited to individual securities, mutual funds, and exchange-traded funds. In addition, to the extent permissible, Investment Manager is authorized to invest in shares of mutual funds in which the Investment Manager serves as advisor or sub-adviser.

**Investment Limitations:**

The following investment transactions are prohibited:

- Direct investments in precious metals (precious metals mutual funds and exchange-traded funds are permissible).
- Venture Capital
- Short sales\*
- Purchases of Letter Stock, Private Placements, or direct payments
- Leveraged Transactions\*
- Commodities Transactions Puts, calls, straddles, or other option strategies\*
- Purchases of real estate, with the exception of REITs
- Derivatives, with exception of ETFs\*

*\*Permissible in diversified mutual funds and exchange-traded funds*

## **Duties and Responsibilities**

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**Responsibilities of Plan Sponsor**

The Finance Committee of the Montecito Fire Protection District is responsible for:

- Confirming the accuracy of this Investment Guidelines Document, in writing.
- Advising Trustee and Investment Manager of any change in the plan/account's financial situation, funding status, or cash flows, which could possibly necessitate a change to the account's overall risk tolerance, time horizon or liquidity requirements; and thus would dictate a change to the overall investment objective and goals for the account.
- Monitoring and supervising all service vendors and investment options, including investment managers.
- Avoiding prohibited transactions and conflicts of interest.

**Responsibilities of Trustee**

The plan Trustee is responsible for:

- Valuing the holdings.
- Collecting all income and dividends owed to the Plan.
- Settling all transactions (buy-sell orders).

**Responsibilities of Investment Manager**

The Investment Manager is responsible for:

- Assisting the Finance Committee with the development and maintenance of this Investment Policy Guideline document.
- Meeting with the Finance Committee to review portfolio structure, holdings, and performance.
- Designing, recommending and implementing an appropriate asset allocation consistent with the investment objectives, time horizon, risk profile, guidelines and constraints outlined in this statement.
- Researching and monitoring investment advisers and investment vehicles.
- Purchasing, selling, and reinvesting in securities held in the account.
- Monitoring the performance of all selected assets.
- Voting proxies, if applicable.
- Recommending changes to any of the above.

- Periodically reviewing the suitability of the investments, being available to meet with the committee at least once each year, and being available at such other times within reason at your request.
- Preparing and presenting appropriate reports.
- Informing the committee if changes occur in personnel that are responsible for portfolio management or research.

## **Acknowledgement and Acceptance**

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I/We being the Plan Sponsor with responsibility for the account(s) held on behalf of the Plan Sponsor specified below, designate Investment Manager as having the investment discretion and management responsibility indicated in relation to all assets of the Plan or specified Account. If such designation is set forth in the Plan/trust, I/We hereby confirm such designation as Investment Manager.

I have read the Investment Guidelines Document, and confirm the accuracy of it, including the terms and conditions under which the assets in this account are to be held, managed, and disposed of by Investment Manager. This Investment Guidelines Document supersedes all previous versions of an Investment Guidelines Document or investment objective instructions that may have been executed for this account.

\_\_\_\_\_ Date: \_\_\_\_\_  
 Plan Sponsor: Montecito Fire Protection District

\_\_\_\_\_ Date: \_\_\_\_\_  
 Investment Manager: Salvatore Milazzo, CFA, Senior Portfolio Manager, (805) 564-6219





## PARS DIVERSIFIED PORTFOLIOS MODERATELY CONSERVATIVE

Q1 2017

### WHY THE PARS DIVERSIFIED MODERATELY CONSERVATIVE PORTFOLIO?

#### Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

#### Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

#### Flexible Investment Options

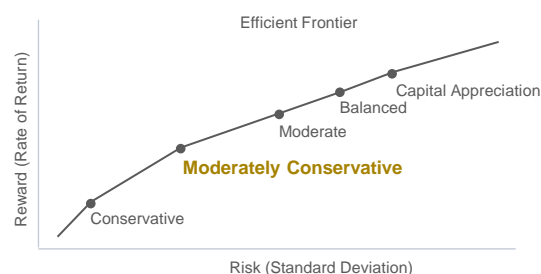
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

#### Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

### INVESTMENT OBJECTIVE

To provide current income and moderate capital appreciation. The major portion of the assets is committed to income-producing securities. Market fluctuations should be expected.



### ASSET ALLOCATION — MODERATELY CONSERVATIVE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	20 - 40%	30%	30%
Fixed Income	50 - 80%	65%	67%
Cash	0 - 20%	5%	3%

### ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

#### HighMark Plus (Active)

Current Quarter*	2.68%
Blended Benchmark**	2.21%
Year To Date	2.68%
Blended Benchmark	2.21%
1 Year	6.44%
Blended Benchmark	5.61%
3 Year	3.64%
Blended Benchmark	4.01%
5 Year	4.85%
Blended Benchmark	4.82%
10 Year	4.73%
Blended Benchmark	4.57%

#### Index Plus (Passive)

Current Quarter*	2.16%
Blended Benchmark**	2.21%
Year To Date	2.16%
Blended Benchmark	2.21%
1 Year	5.40%
Blended Benchmark	5.61%
3 Year	3.72%
Blended Benchmark	4.01%
5 Year	4.65%
Blended Benchmark	4.82%
10 Year	4.27%
Blended Benchmark	4.57%

\* Returns less than 1-year are not annualized. \*\*Breakdown for Blended Benchmark: 15.5% S&P500, 3% Russell Mid Cap, 4.5% Russell 2000, 2% MSCI EM FREE, 4% MSCI EAFE, 49.25% BC US Agg, 14% ML 1-3 Yr US Corp/Gov't, 1.75% US High Yield Master II, 1% Wilshire REIT, and 5% Citi 1 Mth T-Bill. Prior to October 2012, the blended benchmarks were 25% S&P 500; 1.5% Russell 2000, 3.5% MSCI EAFE, 25% ML 1-3 Year Corp./Govt, 40% BC Agg, 5% Citi 1 Mth T-Bill. Prior to April 2007, the blended benchmarks were 30% S&P 500, 25% ML 1-3Yr Corp/Gov, 40% BC Agg, and 5% Citi 1 Mth T-Bill.

### ANNUAL RETURNS

#### HighMark Plus (Active)

2008	-15.37%
2009	18.71%
2010	10.46%
2011	1.75%
2012	10.88%
2013	7.30%
2014	4.41%
2015	0.32%
2016	4.93%

#### Index Plus (Passive)

2008	-12.40%
2009	11.92%
2010	9.72%
2011	3.24%
2012	8.24%
2013	6.78%
2014	5.40%
2015	-0.18%
2016	5.42%

### PORTFOLIO FACTS

#### HighMark Plus (Active)

Inception Date	08/2004
No of Funds in Portfolio	19

#### Index Plus (Passive)

Inception Date	05/2005
No of Funds in Portfolio	13

## HOLDINGS

### HighMark Plus (Active)

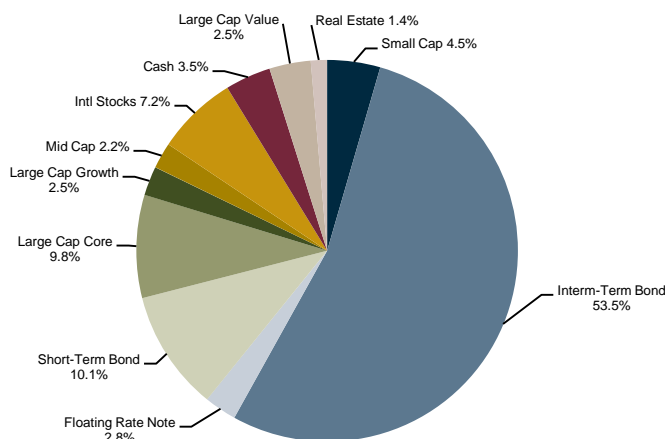
COLUMBIA CONTRARIAN CORE-Z  
 VANGUARD GROWTH & INCOME-ADM  
 DODGE & COX STOCK FUND  
 HARBOR CAPITAL APPRECIATION-INST  
 T ROWE PR GROWTH STOCK-I  
 ISHARES RUSSELL MID-CAP ETF  
 NUVEEN REAL ESTATE SECUR-I  
 UNDISC MGRS BEHAV VAL-L  
 T ROWE PR NEW HORIZONS-I  
 NATIONW BAILRD INT EQ-INST  
 DODGE & COX INTL STOCK FUND  
 MFS INTL GROWTH-I  
 HRTFRD SCHR EM MRKT EQ-I  
 VANGUARD S/T INVEST GR-ADM  
 PIMCO TOTAL RETURN FUND-INST  
 PRUDENTIAL TOTAL RETRN BND-Q  
 NATIONW HIGHMARK BND-R6  
 EATON VAN FL RT & HI INC-INS  
 FIRST AM GOV OBLIG-Z

### Index Plus (Passive)

ISHARES CORE S&P 500 ETF  
 ISHARES S&P 500 VALUE ETF  
 ISHARES S&P 500 GROWTH ETF  
 ISHARES RUSSELL MID-CAP ETF  
 VANGUARD REIT ETF  
 ISHARES RUSSELL 2000 VALUE E  
 ISHARES RUSSELL 2000 GROWTH  
 ISHARES MSCI EAFE ETF  
 VANGUARD FTSE EMERGING MARKE  
 VANGUARD S/T INVEST GR-ADM  
 ISHARES CORE U.S. AGGREGATE  
 POWERSHARES SENIOR LOAN  
 FIRST AM GOV OBLIG-Z

*Holdings are subject to change at the discretion of the investment manager.*

## STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Composites are managed by HighMark's HighMark Capital Advisors (HCA) with full investment authority according to the PARS Moderately Conservative active and passive objectives and do not have equity concentration of 25% or more in one common stock security.

The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. As of March 31, 2017, the blended rate is 0.58%. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 36 basis points paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a 10 million initial value would grow to \$12.54 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. In Q1 2010, the PARS Composite definition was changed from \$750,000 minimum to no minimum. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Free Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg Barclays Capital (BC) U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The Merrill Lynch (ML) 1-3 Year U.S. Corporate & Government Index tracks the bond performance of The ML U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged Citigroup 1-Month Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFJ Union Bank, N.A. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, public and private retirement plans, and personal trusts of all sizes. It may also serve as sub-adviser for mutual funds, common trust funds, and collective investment funds. MUB, a subsidiary of MUFJ Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. **Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.**

## HIGHMARK CAPITAL MANAGEMENT

350 California Street  
 Suite 1600  
 San Francisco, CA 94104  
 800-582-4734

[www.highmarkcapital.com](http://www.highmarkcapital.com)

### ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has over 90 years (including predecessor organizations) of institutional money management experience with more than \$15.9 billion in assets under management. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

### ABOUT THE PORTFOLIO MANAGEMENT TEAM

#### Andrew Brown, CFA®

Senior Portfolio Manager  
 Investment Experience: since 1994  
 HighMark Tenure: since 1997  
 Education: MBA, University of Southern California; BA, University of Southern California

#### Andrew Bates, CFA®

Portfolio Manager  
 Investment Experience: since 2008  
 HighMark Tenure: since 2015  
 Education: BS, University of Colorado

#### Salvatore "Tory" Milazzo III, CFA®

Senior Portfolio Manager  
 Investment Experience: since 2004  
 HighMark Tenure: since 2014  
 Education: BA, Colgate University

#### J. Keith Stribling, CFA®

Senior Portfolio Manager  
 Investment Experience: since 1985  
 HighMark Tenure: since 1995  
 Education: BA, Stetson University

#### Christiane Tsuda

Senior Portfolio Manager  
 Investment Experience: since 1987  
 HighMark Tenure: since 2010  
 Education: BA, International Christian University, Tokyo

#### Anne Wimmer, CFA®

Senior Portfolio Manager  
 Investment Experience: since 1987  
 HighMark Tenure: since 2007  
 Education: BA, University of California, Santa Barbara

#### Asset Allocation Committee

Number of Members: 16  
 Average Years of Experience: 26  
 Average Tenure (Years): 13

#### Manager Review Group

Number of Members: 8  
 Average Years of Experience: 19  
 Average Tenure (Years): 7



## PARS DIVERSIFIED PORTFOLIOS CONSERVATIVE

Q1 2017

### WHY THE PARS DIVERSIFIED CONSERVATIVE PORTFOLIO?

#### Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

#### Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

#### Flexible Investment Options

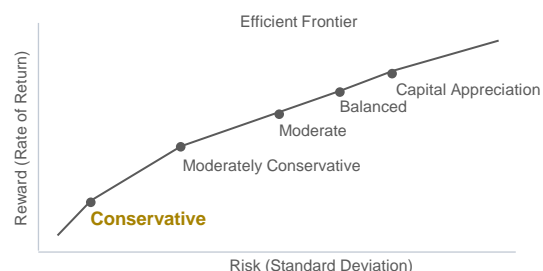
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

#### Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

### INVESTMENT OBJECTIVE

To provide a consistent level of inflation-protected income over the long-term. The major portion of the assets will be fixed income related. Equity securities are utilized to provide inflation protection.



### ASSET ALLOCATION — CONSERVATIVE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	5 – 20%	15%	15%
Fixed Income	60 – 95%	80%	79%
Cash	0 – 20%	5%	6%

### ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

#### HighMark Plus (Active)

Current Quarter*	1.88%
Blended Benchmark**	1.43%
Year To Date	1.88%
Blended Benchmark	1.43%
1 Year	4.07%
Blended Benchmark	3.26%
3 Year	2.97%
Blended Benchmark	2.99%
5 Year	3.67%
Blended Benchmark	3.27%
10 Year	4.25%
Blended Benchmark	3.88%

#### Index Plus (Passive)

Current Quarter*	1.44%
Blended Benchmark**	1.43%
Year To Date	1.44%
Blended Benchmark	1.43%
1 Year	2.91%
Blended Benchmark	3.26%
3 Year	2.72%
Blended Benchmark	2.99%
5 Year	3.28%
Blended Benchmark	3.27%
10 Year	3.81%
Blended Benchmark	3.88%

\* Returns less than 1-year are not annualized. \*\*Breakdown for Blended Benchmark: 7.5% S&P500, 1.5% Russell Mid Cap, 2.5% Russell 2000, 1% MSCI EM FREE, 2% MSCI EAFE, 52.25% BC US Agg, 25.75% ML 1-3 Yr US Corp/Gov't, 2% US High Yield Master II, 0.5% Wilshire REIT, and 5% Citi 1 Mth T-Bill. Prior to October 2012, the blended benchmarks were 12% S&P 500; 1% Russell 2000, 2% MSCI EAFE, 40% ML 1-3 Year Corp./Gov't, 40% BC Agg, 5% Citi 1 Mth T-Bill. Prior to April 2007, the blended benchmarks were 15% S&P 500, 40% ML 1-3Yr Corp/Gov, 40% BC Agg, and 5% Citi 1 Mth T-Bill.

### ANNUAL RETURNS

#### HighMark Plus (Active)

2008	-9.04%
2009	15.59%
2010	8.68%
2011	2.19%
2012	8.45%
2013	3.69%
2014	3.88%
2015	0.29%
2016	4.18%

#### Index Plus (Passive)

2008	-6.70%
2009	10.49%
2010	7.67%
2011	3.70%
2012	6.22%
2013	3.40%
2014	4.32%
2015	0.06%
2016	3.75%

### PORTFOLIO FACTS

#### HighMark Plus (Active)

Inception Date	07/2004
No of Funds in Portfolio	19

#### Index Plus (Passive)

Inception Date	07/2004
No of Funds in Portfolio	13

## HOLDINGS

### HighMark Plus (Active)

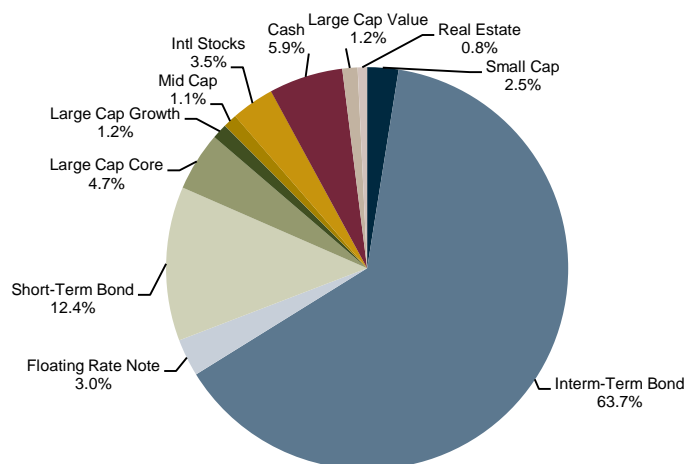
COLUMBIA CONTRARIAN CORE-Z  
 VANGUARD GROWTH & INCOME-ADM  
 DODGE & COX STOCK FUND  
 HARBOR CAPITAL APPRECIATION-INST  
 T ROWE PR GROWTH STOCK-I  
 ISHARES RUSSELL MID-CAP ETF  
 NUVEEN REAL ESTATE SECUR-I  
 UNDISC MGRS BEHAV VAL-L  
 T ROWE PR NEW HORIZONS-I  
 NATIONW BAILRD INT EQ-INST  
 DODGE & COX INTL STOCK FUND  
 MFS INTL GROWTH-I  
 HRTFRD SCHR EM MRKT EQ-I  
 VANGUARD S/T INVEST GR-ADM  
 PIMCO TOTAL RETURN FUND-INST  
 PRUDENTIAL TOTAL RETRN BND-Q  
 NATIONW HIGHMARK BND-R6  
 EATON VAN FL RT & HI INC-INS  
 FIRST AM GOV OBLIG-Z

### Index Plus (Passive)

ISHARES CORE S&P 500 ETF  
 ISHARES S&P 500 VALUE ETF  
 ISHARES S&P 500 GROWTH ETF  
 ISHARES RUSSELL MID-CAP ETF  
 VANGUARD REIT ETF  
 ISHARES RUSSELL 2000 VALUE E  
 ISHARES RUSSELL 2000 GROWTH  
 ISHARES MSCI EAFE ETF  
 VANGUARD FTSE EMERGING MARKE  
 VANGUARD S/T INVEST GR-ADM  
 ISHARES CORE U.S. AGGREGATE  
 POWERSHARES SENIOR LOAN  
 FIRST AM GOV OBLIG-Z

*Holdings are subject to change at the discretion of the investment manager.*

## STYLE



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The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. As of March 31, 2017, the blended rate is 0.58%. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 36 basis points paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a 10 million initial value would grow to \$12.54 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. In Q1 2010, the PARS Composite definition was changed from \$750,000 minimum to no minimum. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Free Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg Barclays Capital (BC) U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The Merrill Lynch (ML) 1-3 Year U.S. Corporate & Government Index tracks the bond performance of The ML U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged Citigroup 1-Month Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFG Union Bank, N.A. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, public and private retirement plans, and personal trusts of all sizes. It may also serve as sub-adviser for mutual funds, common trust funds, and collective investment funds. MUB, a subsidiary of MUFG Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. **Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.**

## HIGHMARK CAPITAL MANAGEMENT

350 California Street  
 Suite 1600  
 San Francisco, CA 94104  
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### ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has over 90 years (including predecessor organizations) of institutional money management experience with more than \$15.9 billion in assets under management. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

### ABOUT THE PORTFOLIO MANAGEMENT TEAM

#### Andrew Brown, CFA®

Senior Portfolio Manager  
 Investment Experience: since 1994  
 HighMark Tenure: since 1997  
 Education: MBA, University of Southern California; BA, University of Southern California

#### Andrew Bates, CFA®

Portfolio Manager  
 Investment Experience: since 2008  
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 Education: BS, University of Colorado

#### Salvatore "Tory" Milazzo III, CFA®

Senior Portfolio Manager  
 Investment Experience: since 2004  
 HighMark Tenure: since 2014  
 Education: BA, Colgate University

#### J. Keith Stribling, CFA®

Senior Portfolio Manager  
 Investment Experience: since 1985  
 HighMark Tenure: since 1995  
 Education: BA, Stetson University

#### Christiane Tsuda

Senior Portfolio Manager  
 Investment Experience: since 1987  
 HighMark Tenure: since 2010  
 Education: BA, International Christian University, Tokyo

#### Anne Wimmer, CFA®

Senior Portfolio Manager  
 Investment Experience: since 1987  
 HighMark Tenure: since 2007  
 Education: BA, University of California, Santa Barbara

#### Asset Allocation Committee

Number of Members: 16  
 Average Years of Experience: 26  
 Average Tenure (Years): 13

#### Manager Review Group

Number of Members: 8  
 Average Years of Experience: 19  
 Average Tenure (Years): 7





## PARS DIVERSIFIED PORTFOLIOS MODERATE

Q1 2017

### WHY THE PARS DIVERSIFIED MODERATE PORTFOLIO?

#### Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

#### Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

#### Flexible Investment Options

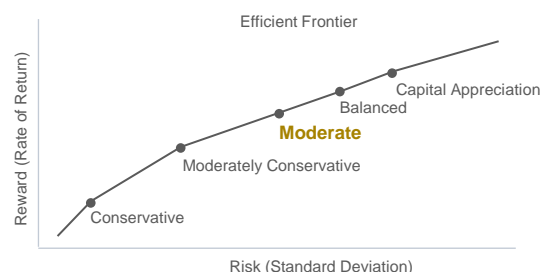
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

#### Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

### INVESTMENT OBJECTIVE

To provide growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important.



### ASSET ALLOCATION — MODERATE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	40 - 60%	50%	50%
Fixed Income	40 - 60%	45%	47%
Cash	0 - 20%	5%	3%

### ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

#### HighMark Plus (Active)

Current Quarter*	3.72%
Blended Benchmark**	3.20%
Year To Date	3.72%
Blended Benchmark	3.20%
1 Year	9.67%
Blended Benchmark	8.96%
3 Year	4.58%
Blended Benchmark	5.21%
5 Year	6.34%
Blended Benchmark	6.79%
10 Year	4.97%
Blended Benchmark	5.25%

#### Index Plus (Passive)

Current Quarter*	3.08%
Blended Benchmark**	3.20%
Year To Date	3.08%
Blended Benchmark	3.20%
1 Year	8.75%
Blended Benchmark	8.96%
3 Year	4.67%
Blended Benchmark	5.21%
5 Year	6.39%
Blended Benchmark	6.79%
10 Year	5.08%
Blended Benchmark	5.25%

\* Returns less than 1-year are not annualized. \*\*Breakdown for Blended Benchmark: 26.5% S&P500, 5% Russell Mid Cap, 7.5% Russell 2000, 3.25% MSCI EM FREE, 6% MSCI EAFE, 33.50% BC US Agg, 10% ML 1-3 Yr US Corp/Gov't, 1.50% US High Yield Master II, 1.75% Wilshire REIT, and 5% Citi 1 Mth T-Bill. Prior to October 2012, the blended benchmarks were 43% S&P 500; 2% Russell 2000, 5% MSCI EAFE, 15% ML 1-3 Year Corp./Govt, 30% BC Agg, 5% Citi 1 Mth T-Bill. Prior to April 2007, the blended benchmarks were 50% S&P 500, 15% ML 1-3Yr Corp/Gov, 30% BC Agg, and 5% Citi 1 Mth T-Bill.

### ANNUAL RETURNS

#### HighMark Plus (Active)

2008	-22.88%
2009	21.47%
2010	12.42%
2011	0.55%
2012	12.25%
2013	13.06%
2014	4.84%
2015	0.14%
2016	6.44%

#### Index Plus (Passive)

2008	-18.14%
2009	16.05%
2010	11.77%
2011	2.29%
2012	10.91%
2013	12.79%
2014	5.72%
2015	-0.52%
2016	7.23%

### PORTFOLIO FACTS

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#### Index Plus (Passive)

Inception Date	05/2006
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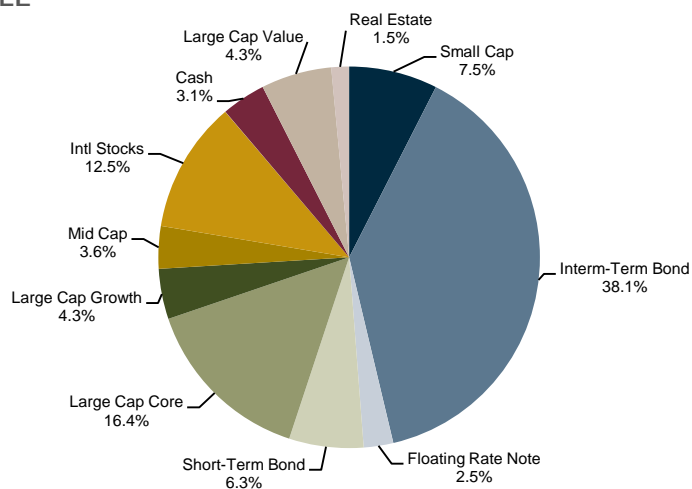
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 MFS INTL GROWTH-I  
 HRTFRD SCHR EM MRKT EQ-I  
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 PIMCO TOTAL RETURN FUND-INST  
 PRUDENTIAL TOTAL RETRN BND-Q  
 NATIONW HIGHMARK BND-R6  
 EATON VAN FL RT & HI INC-INS  
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Senior Portfolio Manager  
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 Average Tenure (Years): 13

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 Average Tenure (Years): 7

# Agenda Item #5



# ATTACHMENT

#A



**MONTECITO FIRE PROTECTION DISTRICT**  
**CASH RECONCILIATION - ALL FUNDS**  
**May 31, 2017**

	Fund 3650 General	Fund 3651 Pension Obl.	Fund 3652 Capital Res.	Fund 3653 Land & Bldg	All Funds
Cash Balance at 5/1/17	10,310,564.85	208.08	2,359,319.83	4,518,201.75	17,188,294.51
<b>Income:</b>					
Tax Revenue	12,391.95	-	-	-	12,391.95
Interest income	-	-	-	-	-
Other:					
CalOES - Loma Fire, 9/25-10/5/16	29,014.35	-	-	-	29,014.35
CalOES - Sage Fire, 7/9-7/12/16	26,533.09	-	-	-	26,533.09
CalOES - Soberanes Fire, 7/28-10/16/16	340,124.13	-	-	-	340,124.13
USFS - Jacobson Fire, 10/22-10/28/16	14,871.81	-	-	-	14,871.81
USFS - Soberanes Fire, 9/28-10/14/16	93,229.95	-	-	-	93,229.95
Cochrane Property Mgmt distribution	16,943.98	-	-	-	16,943.98
EMS Mgmt LLC, Fire response pmt	25,033.74	-	-	-	25,033.74
	<u>558,143.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>558,143.00</u>
<b>Expenses:</b>					
Warrants and Claims	(257,260.91)	-	-	-	(257,260.91)
Payroll	(932,512.70)	-	-	-	(932,512.70)
Other:					
Reimbursed expenses*	12,960.72	-	-	-	12,960.72
	<u>(1,176,812.89)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,176,812.89)</u>
Cash Balance at 5/31/17	<u>9,691,894.96</u>	<u>208.08</u>	<u>2,359,319.83</u>	<u>4,518,201.75</u>	<u>16,569,624.62</u>
Cash in Treasury per Balance Sheet	<u>10,198,643.68</u>	<u>208.08</u>	<u>2,359,319.83</u>	<u>4,518,201.75</u>	<u>17,076,373.34</u>
<b>Difference to reconcile</b>	506,748.72	-	-	-	506,748.72
<b>Reconciliation:</b>					
Outstanding payroll payments					
Delta Dental	15,188.67	-	-	-	15,188.67
Vision Service Plan	2,862.64	-	-	-	2,862.64
Mass Mutual contribution	19,865.00	-	-	-	19,865.00
CalPERS retirement contribution	80,606.63	-	-	-	80,606.63
Payroll deposit	284,271.96	-	-	-	284,271.96
EFT Payable (Acct 1015)					
Tierra Verde Tree Care	9,500.00	-	-	-	9,500.00
Branch Out Tree Care	4,500.00	-	-	-	4,500.00
SB Tree Care Inc	8,196.38	-	-	-	8,196.38
Eco Tree Works	7,800.00	-	-	-	7,800.00
LN Curtis & Sons	71,635.74	-	-	-	71,635.74
Bound Tree Medical	2,321.70	-	-	-	2,321.70
	<u>506,748.72</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>506,748.72</u>

\* Summary of reimbursed expenses:

York Risk Services - Temporary disability payments, 3/9-5/3/17, \$9,328.85  
J. Jenkins - Reimb. for personal purchase on CalCard, \$22.72  
Montecito Water District - Reimb. for diesel fuel usage, \$2,276.15  
SB County Fire - Reimb. for AP Triton EMS Report, \$1,333.00

**MONTECITO FIRE PROTECTION DISTRICT  
WARRANTS AND CLAIMS DETAIL  
May 2017**

Payee	Description	Amount
<b>Fund 3650 - General</b>		
Aaron Briner	A. Briner Reimb: Chief Officer 3D	1,186.10
ADP Inc	ADP fees, 5/15/17	215.40
ADP Inc	ADP fees, 4/30/17	287.81
Aflac	Employee paid insurance, April	1,826.50
AFSS Southern Division	Admin Fire Svcs Section: A. Gil, FY 16-17-reissue	50.00
AFSS Southern Division	Admin Fire Svcs Section: J. Reed, FY 16-17-reissue	50.00
Alex Broumand	A. Broumand Reimb: Paramedic recertification	200.00
Allstar Fire Equipment Inc	Hydrant wrench	95.61
American Hotel Register Co	4 shower curtains	54.03
Anchor Air Systems	Service calls for conference room A/C	200.00
Arrow International	Medical supplies: needles	657.53
Benjamin Hauser	B. Hauser Reimb: FT 105/106	356.25
Bound Tree Medical	Patient medical supplies	2,321.70
Branch Out Tree Care LLC	Chipping and Special Project: Chelham	4,325.00
Branch Out Tree Care LLC	Special Project: Chipping Romero Canyon	4,500.00
Branch Out Tree Care LLC	Special Project: brush clearing Featherhill	4,500.00
Branch Out Tree Care LLC	Chipping Project: Upper Romero	5,025.00
Branch Out Tree Care LLC	Chipping Project: Arcady	5,025.00
Branch Out Tree Care LLC	Special Project: East Mountain (final pmt)	5,100.00
Branch Out Tree Care LLC	Special Project: East Mountain (partial pmt)	7,000.00
Burtens Fire Inc	Sq 91 rear door latch	134.11
Burtens Fire Inc	Vehicle supplies; discharge valve repair E392	183.52
City of Santa Maria - Finance Dept	FOBR Training: Ederer, Zeitsoff, Skei	225.00
Cox Communications - Business	CAD connectivity & Internet	2,742.21
Department of Justice	LiveScan fingerprint screening (1)	32.00
Ean Services Llc	Rental car: A. Gil Finance Section Chief training	147.62
Eco Tree Works	Fuel reduction on Upper Hyde	2,000.00
Eco Tree Works	Special Project: Vegetation removal E. Mountain Dr	2,400.00
Eco Tree Works	Special Project: Vegetation removal Sierra Vista	3,400.00
Evan Skei	E. Skei Reimb: Chief Officer 3A	831.85
Fechter & Company	Financial Audit FY 15-16 - Final balance	797.00
Firesafe Solutions	Roadside weed abatement	11,000.00
Frontier	Phone services	1,258.56
Garet Blake	G. Blake Reimb: Waters emergency supply	52.72
Garet Blake	G. Blake Reimb: Paramedic recertification	200.00
Hayward Lumber Company	Lumber for burn and training props.	1,658.63
Haztech Systems Inc	Hazmat supplies - replacement for Biltmore inc	91.50
Hugo's Auto Detailing	Car wash service, February	225.00
Impulse Internet Services	Phone services, May 25-June 24, 2017	497.47
Informaco Emend Billing Service	IT services extra billing, April, 2017	2,160.00
Informaco Emend Billing Service	IT support, May, 2017	4,600.00
J V Enterprises	Annual Smoke testing on all engines	375.00
JDL Mapping	Mapping services, April, 2017	312.50
John Badaracco	J. Badaracco Reimb: CIIMT meetings	729.31
Johnson Equipment Co	Wireless command headset installation (budgeted)	519.65
Johnson Equipment Co	Wireless command headset installation (budgeted)	519.65
Johnson Equipment Co	Wireless command headset installation (budgeted)	519.65
Johnson Equipment Co	Wireless command headset installation (budgeted)	650.00
Johnson Equipment Co	Kenwood TK5810 UHF mobile radio (Sq91)	1,816.02
Johnson Equipment Co	Kenwood TK5710 VHF mobile radio (912)	2,579.44
Keith Powell	K. Powell Reimb: Bombers Conference	498.00



Payee	Description	Amount
Kimball Midwest Corp	Air tank drain valves, E91	185.48
Kurt Hickman	K. Hickman Reimb: Bombers Conference	1,072.62
L N Curtis & Sons	Thermal image camera battery, USAR	153.32
L N Curtis & Sons	Auto extrication tools, E91/E92 (budgeted)	4,862.22
L N Curtis & Sons	Auto extrication tools, E91/E92 (budgeted)	66,620.20
Lexipol LLC	Policy/procedures manual, 6/17-5/18	6,860.00
Lucas Grant	L. Grant Reimb: Trench Rescue Technician	570.00
Maeve Juarez	M. Juarez Reimb: S-339 Instructor	366.72
Marborg Industries	Refuse disposal	515.19
MAS Public Safety Consulting LLC	Pin map of 2016 Code 3 calls	290.00
Mccormix Corporation	Diesel fuel, April	1,754.48
Mission Uniform Service Inc	Shop towels	357.43
Montecito Village Hardware	Hardware supplies	51.16
Montecito Water District	Water service	654.21
O'Connor Pest Control-Sb Accts	Quarterly pest control maintenance	178.00
Pauletto Electric	Electric gas valve shut off: Station 2	115.00
Pers Public Agency Coalition	PERS PAC - Annual Membership: 6/2017-5/2018	250.00
Peyton Scapes	Landscape maintenance	550.00
Price Postel & Parma	Legal services, April	5,276.50
Ready Refresh By Nestle	Bottled water	267.36
Richard Lauritson	R. Lauritson Reimb: Bombers Conference PD	108.00
Roger L Fortier DbA Rlf Trucking	Sand delivery	786.57
Ruggiero Plumbing	Plumbing service calls (2), Sta. 1	572.00
Ryland Mccracken	R. McCracken Reimb: Trench Rescue Technician	1,285.65
Safety Kleen Corp	Quarterly solvent tank maintenance	355.34
Sansum Clinic	Employee medical exams	479.00
Satcom Global Inc	Satellite phone charges	150.57
SB County Auditor-Controller	Additional user tax	94.90
SB Mailworks	Neighborhood chipping flyers	834.33
SB Tree Care Inc	Special project: Brush/tree removals Sierra Vista	8,196.38
Scott Chapman	S. Chapman Reimb: Columbia Southern FIR 4302	594.00
Scott Chapman	S. Chapman Reimb: FDIC (S. Davis expenses incl)	4,594.40
Setcom Corporation	Cable exts for headset installs, 912 and BC914	194.59
Shaun P Davis	S. Davis Reimb: FDIC	1,531.00
South Coast Emergency Vehicle	Vehicle parts: Door latches E91	720.71
Southern California Edison	Electricity service, Sta. 1 & 2: 5/9/17	1,654.10
Sprint	E92 Sim card for MDC, April	37.99
Staples Business Advantage	Office supplies	130.19
Staples Business Advantage	Office supplies	905.30
Suds-Duds Launderette	Turnouts cleaned	205.45
The Gas Company	Gas service	112.03
The UPS Store	Shipping charges	88.77
Tierra Verde Tree Care	Dead tree removal	1,000.00
Tierra Verde Tree Care	Fallen tree removal: Park Lane	3,000.00
Tierra Verde Tree Care	Dead tree removal	8,500.00
Tierra Verde Tree Care	Special project: dismantle 6 trees at Tea Garden	9,500.00
Travis Ederer	T. Ederer Reimb: Gas (BC914)	91.53
Turnout Maintenance Co Llc	Turnout maintenance	811.00
US Bank Credit Card (March Stmt)	Fax and back-up server, monthly fees	18.94
	Business meeting: County EMS	22.13
	Personal food purchase (reimbursed)	22.72
	Juarez/Widling: Wildland Fire training	27.69
	PPE: Passport tags	37.72
	Portable radio charger adapters, PT91	47.00
	Dropbox annual fee (903)	99.00
	Cable ties for shop use	132.73

Payee	Description	Amount
	Wifi network equipment and PIO camera parts	300.02
	K. Taylor: EMS World Expo	313.95
	Mechanic stock supplies	496.68
	K. Taylor: CFED Conference	500.00
	K. Taylor: LCW Annual Conference	610.58
	Gasoline charges	655.28
	A. Widling: LCW Annual Conference	702.24
	K. Taylor: EMS Today Conference	930.63
	K. Taylor: EMS 3.0 Summit	1,673.44
US Bank Credit Card (April Stmt)	K. Taylor: toll fee and transit ticket	6.96
	Fax and back-up server, monthly fees	18.94
	MERRAG AAR for storm event	36.40
	Ederer/Skei/Zeitsoff: LCW Officer Academy	40.89
	iPad keyboard for 903	59.99
	J. Badaracco: CA Fire Mechanics Academy (net)	82.27
	J. Jenkins: Car seat recertification class	85.00
	HazMat FRO training/pump testing refreshments	104.39
	Fire tools for pile burning projects	129.27
	PPE: Turnout gear bags	184.95
	Flashlight batteries/charging station	189.20
	Household/kitchen supplies	193.42
	Vehicle parts for E91, car wash for 903	217.21
	A. Widling: Regional Task Force meeting	232.13
	K. Taylor: EMS Commission (Sac)	257.90
	Admin Day and Dispatchers Week recognition	299.14
	LA Times subscription, 1 year	300.41
	Driver Operator training textbooks (3)	344.06
	K. Taylor: EMS Commission (San Diego)	374.03
	SB County Chiefs and Westmont students meetings	452.92
	A. Gil: Finance Section Chief training	456.73
	K. Taylor: EMS World Expo	590.00
	J. Reed: AFSS Conference	608.18
	K. Taylor: FDAC Conference	626.54
	Gasoline charges	842.23
	Ederer/Widling: Hazard Zone Mgmt/Leadership	998.00
	Physical training equipment	1,030.43
	C. Hickman: CSDA Legislative Days	1,366.29
	Hydrant maintenance and shop supplies	1,953.71
	K. Taylor: EMS Pinnacle Conference	2,233.55
	HazMat supplies - replacement for Biltmore inc	2,523.41
	Annual report production/postage costs	3,664.70
T Angeles Roofing	Service call for roof leaks, Sta. 1	450.00
Veritiv Operating Company	Household supplies	592.47
Verizon Wireless	Cell phone upgrade, 940	358.11
Verizon Wireless	Wireless service, April, 2017	1,322.04
Wageworks Inc	FSA administrative fee, April	93.50
Wageworks Inc	Montecito Fire FSA plan pmts, 5/16-5/26/2017	3,493.63
William Wrenn	B. Wrenn Reimb: LARRO	241.13
	Fund 3650 Total	<u>257,260.91</u>

**MONTECITO FIRE PROTECTION DISTRICT  
PAYROLL EXPENDITURES  
May 2017**

Regular Salaries	\$ 532,265.78
Directors Fees	875.00
Auxiliary	2,550.00
FLSA Safety	12,935.58
FLSA Dispatch	3,749.52
Overtime	58,639.94
Dispatch Cadre Earnings	2,982.70
Mass Mutual 457 Contribution	8,500.00
Text Message Stipend	80.00
Uniform Stipend	333.33
Retirement Vacation Payout	34,066.76
Labor Code 4850 Payroll	<u>9,073.84</u>
 Gross Wages	 666,052.45
 District Contributions to Insurance	 143,788.96
District Contributions to Medicare/SS	9,344.31
District Contributions to SUI	121.96
CalPERS Employee Contribution, District paid	48,021.17
CalPERS Employer Contribution, Employee paid	(35,221.35)
CalPERS, District Contribution	107,433.10
Health and Dependent Care FSA Contributions	(5,201.40)
Due to AFLAC	<u>(1,826.50)</u>
 Total Benefits	 <u>266,460.25</u>
<b>Grand Total</b>	<b><u>\$ 932,512.70</u></b>

**MONTECITO FIRE PROTECTION DISTRICT  
OVERTIME DETAIL  
May 2017**

Name	Date Worked	Comp Hrs	OT Hrs	Total Amount	Constant Staffing	Fire Reimbursable	Overtime	Description
Galbraith, R.	04/14/17		1.0	65.36			65.36	County Chief's labor meeting backfill
Badaracco, J.	04/22/17		3.5	302.14			302.14	E91 mechanic response
Blake, G.	04/24/17		24.0	1,631.52	1,631.52			
Hickman, K.	04/24/17		8.0	567.12			567.12	Bomber's Conference
Broumand, A.	04/25/17		9.0	604.80			604.80	Bomber's Conference
Eubank, N.	04/25/17		5.0	233.10			233.10	Pump testing
Fuentes, E.	04/25/17		24.0	1,850.76	1,850.76			
Rupp, A.	04/25/17		5.0	259.05			259.05	Pump testing
Rupp, A.	04/25/17		24.0	1,243.44	1,243.44			
Whilt, S.	04/25/17		24.0	1,479.60	1,479.60			
Bass, L.	04/26/17		10.5	750.96			750.96	Training backfill
Hickman, K.	04/26/17		7.0	496.23			496.23	Bomber's Conference
Hickman, K.	04/26/17		4.5	319.01			319.01	Burn prop training backfill
Powell, K.	04/28/17		10.0	638.25	638.25			
Villarreal, J.	04/28/17		9.5	802.56	802.56			
Zeitsoff, J.	04/29/17		24.0	1,627.20	1,627.20			
Bass, L.	04/30/17		9.5	679.44	679.44			
Blake, G.	04/30/17		24.0	1,631.52	1,631.52			
Eubank, N.	04/30/17		11.0	512.82	512.82			
Walkup, R.	04/30/17		24.0	1,604.16	1,604.16			
Muller, L.	05/01/17		9.0	451.17	451.17			
Wrenn, B.	05/02/17		2.0	116.25	116.25			
Powell, K.	05/04/17		5.0	319.13	319.13			
Arnold, D.	05/05/17		5.5	256.41			256.41	Burn prop training backfill
Blake, G.	05/05/17		6.0	407.88			407.88	Burn prop training backfill
Briner, A.	05/05/17		4.5	363.02			363.02	Burn prop training
Chapman, S.	05/05/17		4.5	351.14			351.14	Burn prop training backfill
Hauser, B.	05/05/17		4.5	284.04			284.04	Burn prop training
Lauritson, R.	05/05/17		5.5	733.76			733.76	Burn prop training backfill
Poulos, T.	05/05/17		4.5	309.69			309.69	Burn prop training backfill
Villarreal, J.	05/05/17		4.5	380.16			380.16	Burn prop training
Walkup, R.	05/05/17		24.0	1,604.16	1,604.16			
Whilt, S.	05/05/17		4.5	277.43			277.43	Burn prop training
Wrenn, B.	05/06/17		24.0	1,395.00	1,395.00			

Name	Date Worked	Comp Hrs	OT Hrs	Total Amount	Constant Staffing	Fire		Description
						Reimbursable	Overtime	
		Payroll 5/16/17		24,548.28	17,586.98	-	6,961.30	
Wrenn, B.	04/14/17		4.0	232.50				
Holthe, D.	04/24/17		24.0	2,130.48			2,130.48	Training backfill
Taylor, J.	05/08/17		4.0	189.18			189.18	Dispatch ROSS training
Chapman, S.	05/09/17		8.0	624.24			624.24	Wildland Refresher instructor
Hauser, B.	05/09/17		8.0	504.96			504.96	Wildland Refresher instructor
Muller, L.	05/09/17		9.0	451.17			451.17	Dispatch training backfill
Chapman, S.	05/10/17		8.0	624.24			624.24	Wildland Refresher instructor
Hauser, B.	05/10/17		8.0	504.96			504.96	Wildland Refresher instructor
Taylor, J.	05/10/17		8.5	402.01			402.01	Dispatch ROSS training
Whilt, S.	05/10/17		24.0	1,479.60	1,479.60			
McCracken, R.	05/11/17		9.0	628.43			628.43	Dispatch training backfill
Grant, L.	05/12/17		24.0	1,395.00	1,395.00			
Taylor, J.	05/12/17		2.5	118.24			118.24	Dispatch ROSS training
Lauritson, R.	05/14/17		3.5	466.94	466.94			
Bennewate, B.	05/16/17		2.0	132.27	132.27			
Chapman, S.	05/18/17		11.5	897.35		897.35		
Galbraith, R.	05/18/17		11.0	718.91		718.91		
Villarreal, J.	05/18/17		10.5	887.04		887.04		
Davis, S.	05/19/17		4.0	303.54	303.54			
Powell, K.	05/19/17		5.5	351.04	351.04			
Arnold, D.	05/20/17	4.0	20.0	1,017.30		1,017.30		
Hauser, B.	05/20/17		24.0	1,514.88		1,514.88		
Lauritson, R.	05/20/17		24.0	3,201.84		3,201.84		
McCracken, R.	05/20/17	4.0	20.0	1,396.50		1,396.50		
Walkup, R.	05/20/17	8.0	16.0	1,021.20		1,021.20		
Mann, K.	05/21/17		24.0	1,850.76	1,850.76			
Edwards, T.	05/23/17		24.0	2,022.00	2,022.00			
Poulos, T.	05/23/17		10.0	688.20	688.20			
Bennewate, B.	05/18-05/21/17		31.5	2,083.25		2,083.25		
Briner, A.	05/18-05/21/17		31.5	2,541.11		2,541.11		
Eubank, N.	05/18-05/21/17		31.5	1,576.82		1,576.82		
Zeitsoff, J.	05/18-05/21/17		31.5	2,135.70		2,135.70		
<b>Payroll 6/1/17</b>				<b>34,091.66</b>	<b>8,921.85</b>	<b>18,991.90</b>	<b>6,177.91</b>	
<b>Grand Total</b>				<b>58,639.94</b>	<b>26,508.83</b>	<b>18,991.90</b>	<b>13,139.21</b>	
<b>% of Total</b>				<b>100.0%</b>	<b>45.2%</b>	<b>32.4%</b>	<b>22.4%</b>	

**MONTECITO FIRE PROTECTION DISTRICT  
OVERTIME SUMMARY**

**Fiscal Year 2015-16**

<b>Month Paid</b>	<b>Constant Staffing</b>	<b>Fire Assignments</b>	<b>Overtime</b>	<b>Total OT</b>
JULY	26,341.64	46,353.98	2,422.62	75,118.24
AUGUST	39,374.01	392,353.36	1,923.13	433,650.50
SEPTEMBER	81,872.55	211,227.62	2,502.77	295,602.94
OCTOBER	67,164.38	1,767.60	1,435.33	70,367.31
NOVEMBER	66,602.43	28,894.69	15,424.45	110,921.57
DECEMBER	96,812.16	4,730.31	12,117.85	113,660.32
JANUARY	52,753.02	2,139.45	6,680.76	61,573.23
FEBRUARY	47,051.95	-	3,740.82	50,792.77
MARCH	43,290.30	-	7,347.09	50,637.39
APRIL	56,824.52	-	11,211.22	68,035.74
MAY	63,849.08	-	16,615.00	80,464.08
JUNE	78,342.88	106,774.55	29,012.57	214,130.00
<b>TOTAL</b>	<b>720,278.91</b>	<b>794,241.56</b>	<b>110,433.61</b>	<b>1,624,954.08</b>

	<b>Cons.Staff.</b>	<b>Fire Asgmts</b>	<b>Overtime</b>	<b>Total OT</b>
YTD May 2016	641,936.03	687,467.01	81,421.04	1,410,824.08

**Fiscal Year 2016-17**

<b>Month Paid</b>	<b>Constant Staffing</b>	<b>Fire Assignments</b>	<b>Overtime</b>	<b>Total OT</b>
JULY	46,936.95	69,707.18	9,507.39	<b>126,151.52</b>
AUGUST	43,966.30	436,798.35	7,470.87	<b>488,235.52</b>
SEPTEMBER	34,992.70	163,041.82	(4,999.72)	<b>193,034.80</b>
OCTOBER	65,818.98	127,655.74	6,734.15	<b>200,208.87</b>
NOVEMBER	45,003.12	20,434.23	14,015.22	<b>79,452.57</b>
DECEMBER	46,995.02	-	7,596.39	<b>54,591.41</b>
JANUARY	39,053.11	-	1,997.30	<b>41,050.41</b>
FEBRUARY	59,860.08	-	9,319.12	<b>69,179.20</b>
MARCH	36,472.22	-	13,369.44	<b>49,841.66</b>
APRIL	59,117.88	-	19,208.89	<b>78,326.77</b>
MAY	26,508.83	18,991.90	13,139.21	<b>58,639.94</b>
JUNE				-
<b>TOTAL</b>	<b>504,725.18</b>	<b>836,629.22</b>	<b>97,358.26</b>	<b>1,438,712.66</b>

<b>Budget</b>	<b>750,000.00</b>	<b>455,000.00</b>	<b>125,000.00</b>
<b>% of Budget</b>	<b>67.3%</b>	<b>183.9%</b>	<b>77.9%</b>



PRICE, POSTEL & PARMA LLP  
Counsellors at Law

P.O. Box 99  
Santa Barbara, CA 93102-0099

(805) 962-0011

TAX ID # 95-1782877

Montecito Fire Protection District  
595 San Ysidro Road  
Santa Barbara, CA 93108

May 9, 2017  
File: 12611  
Invoice #: 140073  
Billing Attorney: MSM

ACCOUNT SUMMARY BALANCE

RE: General Matters	\$1,228.50
Our File Number: 12611-00000	
RE: Ordinances	\$2,819.50
Our File Number: 12611-00022	
RE: Board Mtgs	\$1,228.50
Our File Number: 12611-00061	

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Total Current Fees & Costs	\$5,276.50
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**SUMMARY OF CURRENT BILLING**

Current Fees	\$5,276.50
Current Disbursements	\$0.00
Total Current Fees & Costs	\$5,276.50

**SUMMARY OF PAST DUE BALANCES**

Previous Balance	\$5,833.00
Payments - Thank You	\$5,833.00
TOTAL PAST DUE	\$0.00
TOTAL BALANCE DUE	\$5,276.50

**MONTECITO FIRE PROTECTION DISTRICT**  
**PARS OPEB Trust Program**Monthly Account Report for the Period  
4/1/2017 to 4/30/2017Stephen Hickman  
Fire Chief  
Montecito Fire Protection District  
595 San Ysidro Rd.  
Santa Barbara, CA 93108**Account Summary**

Source	Beginning Balance as of 4/1/2017	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 4/30/2017
OPEB	\$10,056,665.14	\$0.00	\$133,186.49	\$2,092.78	\$0.00	\$0.00	\$10,187,758.85
<b>Totals</b>	<b>\$10,056,665.14</b>	<b>\$0.00</b>	<b>\$133,186.49</b>	<b>\$2,092.78</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$10,187,758.85</b>

**Investment Selection**  
Balanced HighMark PLUS**Investment Objective**

The dual goals of the Balanced Strategy are growth of principal and income. While dividend and interest income are an important component of the objective's total return, it is expected that capital appreciation will comprise a larger portion of the total return. The portfolio will be allocated between equity and fixed income investments.

**Investment Return**

1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
			3-Years	5-Years	10-Years	
1.32%	3.89%	11.65%	5.43%	6.90%	-	1/19/2010

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value

Past performance does not guarantee future results. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.

Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return.

Account balances are inclusive of Trust Administration, Trustee and Investment Management fees



Cochrane Property Management, Inc.

Period: 01 May 2017-31 May 2017

P.O. Box 4370  
Santa Barbara, CA 93140

### Owner Statement



Montecito Fire Protection District (MFPD)  
c/o Cochrane Property Management, Inc.  
PO Box 4370  
Santa Barbara, CA 93140



### Properties

**186 - Cochrane Prop.**  
**Mgmt. FBO MFPD -**  
1255-1259 E. Valley Road  
Santa Barbara, CA 93108

Date	Payee / Payer	Type	Reference	Description	Income	Expense	Balance
				Beginning Cash Balance as of 05/01/2017			5,000.00
05/01/2017	Leslie Muller	eCheck receipt	3934-3CA4	1257 - Rent Income - May 2017	1,350.00		6,350.00
05/02/2017	Larry Todd Edwards	eCheck receipt	80B8-CEC8	1255 - Rent Income - May 2017	1,718.00		8,068.00
05/02/2017	Brandon Bennewate	eCheck receipt	8C00-31C2	1259 - Rent Income - May 2017	1,287.00		9,355.00
05/28/2017	Cochrane Property Management, Inc.	Check	18877	Administrative Fee - Monthly service fee - min \$5 - May 2017 - Monthly service fee - min \$5		5.00	9,350.00
05/28/2017	Cochrane Property Management, Inc.	Check	18877	Property Mgmt Fees - Property Mgmt Fees for 05/2017		261.30	9,088.70
05/30/2017	Montecito Water District	Payment	ACH	Water/Sewer - monthly water 01-1256-03: 3/27/17 - 4/26/17 (18 HCF)		74.34	9,014.36
05/31/2017	O'Conner Pest Control (SB)	Check	18878	Pest Control - 4/10/17 mo rodent service - 30 bait stations		92.00	8,922.36
05/31/2017	Peyton/Scapes	Check	18879	1255 - Gardening/Landscaping - 4/30/17 mo gardening 1255		55.00	8,867.36
05/31/2017	Peyton/Scapes	Check	18879	1257 - Gardening/Landscaping - 4/30/17 mo gardening 1257		55.00	8,812.36
05/31/2017	Peyton/Scapes	Check	18879	1259 - Gardening/Landscaping - 4/30/17 mo gardening 1259		55.00	8,757.36
05/31/2017	Rayne Water Conditioning	Check	18880	1257 - Water/Sewer - 5/3/17 Monthly water softening		77.00	8,680.36
05/31/2017	Rayne Water Conditioning	Check	18880	1255 - Water/Sewer - 5/3/17 Monthly water softening		49.00	8,631.36
05/31/2017	Rayne Water Conditioning	Check	18880	1259 - Water/Sewer - 5/3/17 Monthly water softening		49.00	8,582.36
				Ending Cash Balance			8,582.36
<b>Total</b>					<b>4,355.00</b>	<b>772.64</b>	

### Property Cash Summary

Required Reserves 5,000.00

**Cash Flow**

Cochrane Property Management, Inc.

Properties: 186 - Cochrane Prop. Mgmt. FBO MFPD - 1255-1259 E. Valley Road Santa Barbara, CA 93108

Owned By: Montecito Fire Protection District (MFPD)

Date Range: 05/01/2017 to 05/31/2017

Account Name	Selected Period	% of Selected Period	Fiscal Year To Date	% of Fiscal Year To Date
<b>Operating Income &amp; Expense</b>				
<b>Income</b>				
<b>Income</b>				
Rent Income	4,355.00	100.00	21,775.00	100.00
<b>Total Income</b>	<b>4,355.00</b>	<b>100.00</b>	<b>21,775.00</b>	<b>100.00</b>
<b>Total Operating Income</b>	<b>4,355.00</b>	<b>100.00</b>	<b>21,775.00</b>	<b>100.00</b>
<b>Expense</b>				
<b>Office Expenses</b>				
Administrative Fee	5.00	0.11	25.00	0.11
<b>Total Office Expenses</b>	<b>5.00</b>	<b>0.11</b>	<b>25.00</b>	<b>0.11</b>
<b>Repair &amp; Maintenance</b>				
Gardening/ Landscaping	165.00	3.79	825.00	3.79
Pest Control	92.00	2.11	680.00	3.12
<b>Total Repair &amp; Maintenance</b>	<b>257.00</b>	<b>5.90</b>	<b>1,505.00</b>	<b>6.91</b>
Property Mgmt Fees	261.30	6.00	1,306.50	6.00
<b>Utilities</b>				
Water/Sewer	249.34	5.73	1,433.94	6.59
Trash/Recycling	0.00	0.00	373.72	1.72
<b>Total Utilities</b>	<b>249.34</b>	<b>5.73</b>	<b>1,807.66</b>	<b>8.30</b>
<b>Total Operating Expense</b>	<b>772.64</b>	<b>17.74</b>	<b>4,644.16</b>	<b>21.33</b>
<b>NOI - Net Operating Income</b>	<b>3,582.36</b>	<b>82.26</b>	<b>17,130.84</b>	<b>78.67</b>
Total Income	4,355.00	100.00	21,775.00	100.00
Total Expense	772.64	17.74	4,644.16	21.33
<b>Net Income</b>	<b>3,582.36</b>	<b>82.26</b>	<b>17,130.84</b>	<b>78.67</b>
<b>Other Items</b>				
Prepaid Rent	0.00		-1,350.00	
Owner Distribution	0.00		-16,943.98	
<b>Net Other Items</b>	<b>0.00</b>		<b>-18,293.98</b>	
<b>Cash Flow</b>	<b>3,582.36</b>		<b>-1,163.14</b>	
Beginning Cash	5,000.00		9,745.50	
Beginning Cash + Cash Flow	8,582.36		8,582.36	
Actual Ending Cash	8,582.36		8,582.36	

# ATTACHMENT

#B





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## STAFF REPORT

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**Prepared for:** Montecito Fire Protection Board of Directors  
**Prepared by:** Chief Hickman and Araceli Gil, District Accountant  
**Date:** June 16, 2017  
**Topic:** Budget Amendment for Fiscal Year 2016-17

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### Summary

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Staff is requesting approval to amend the budget for fiscal year 2016-17, per Resolution 2017-03.

### Discussion

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The proposed amendment would establish appropriations of \$1,200,000, all revenue received from assisting with state and federal fire assignment revenues (line accounts 3750 and 4476).

Historically, the appropriations from the fire assignment revenue are used to fund overtime allocated to account 6301, Overtime – Reimbursable. As of May 31, 2017, the overtime expense (for fire assignments) is over budget by \$358,000, due to a busy fire season. Based on projections through June 30, Staff is confident that there are sufficient funds in the Salaries and Employee Benefits Object Level (FIN report attached) to cover the overtime expense through this fiscal year-end. Therefore, rather than allocating the funds to overtime, Staff recommends that the fire assignment revenue be allocated to contributions to the new PARS Pension Rate Stabilization Program to start prefunding the District's accrued pension liabilities, as discussed in last month's Board meeting.

Overall, the total increases in revenue and expenditures total the same amount, \$1,200,000, therefore, the net effect on the District's fund balance for this amendment will remain the same.

Please see the attached draft resolution and proposed amended budgets for more details.

### Conclusion

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Staff recommends that the Finance Committee make recommendation to the Board to approve Resolution 2017-03, Amending Final Budget for FY 2016-17.

# Expenditure Status

As of: 6/8/2017 (94% Elapsed)  
Accounting Period: OPEN

Selection Criteria: ObjectLevel = 50; Fund = 3650

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

## Fund 3650 -- Montecito Fire Protection Dist

Line Item Account	6/30/2017 Fiscal Year Adjusted Budget	6/8/2017 Year-To-Date Actual	6/30/2017 Fiscal Year Variance	6/30/2017 Fiscal Year Pct of Budget
<b>Expenditures</b>				
<b>Salaries and Employee Benefits</b>				
6100 -- Regular Salaries	7,369,515.00	6,417,035.16	952,479.84	87.08 %
6300 -- Overtime	125,000.00	132,447.50	-7,447.50	105.96 %
6301 -- Overtime - Reimbursable	455,000.00	812,886.31	-357,886.31	178.66 %
6310 -- Overtime - Constant Staffing	750,000.00	452,432.59	297,567.41	60.32 %
6400 -- Retirement Contribution	2,203,416.00	1,958,971.70	244,444.30	88.91 %
6550 -- FICA/Medicare	101,949.00	109,097.81	-7,148.81	107.01 %
6600 -- Health Insurance Contrib	1,635,805.00	1,656,496.29	-20,691.29	101.26 %
6700 -- Unemployment Ins Contribution	11,555.00	6,271.97	5,283.03	54.28 %
6900 -- Workers Compensation	525,000.00	464,819.93	60,180.07	88.54 %
Total Salaries and Employee Benefits	13,177,240.00	12,010,459.26	1,166,780.74	91.15 %
Total Expenditures	13,177,240.00	12,010,459.26	1,166,780.74	91.15 %
Total Montecito Fire Protection Dist	13,177,240.00	12,010,459.26	1,166,780.74	91.15 %
Total Report	13,177,240.00	12,010,459.26	1,166,780.74	91.15 %

**RESOLUTION NO. 2017-03****RESOLUTION OF THE GOVERNING BOARD  
OF THE MONTECITO FIRE PROTECTION DISTRICT  
AMENDING THE FINAL BUDGET FOR FISCAL YEAR 2016-17**

WHEREAS, a final budget for the District for Fiscal Year 2016-17 was adopted by the Board on September 26, 2016; and

WHEREAS, the District has now received unanticipated, non-budgeted reimbursements for fire assignments, which are considered additional revenues rather than a reduction of expenditures; and

WHEREAS, the following account needs to be adjusted by the following amount to accommodate overtime:

<u>Fund 3650 – General Fund</u>	
Supplemental Retirement Contribution	\$ 1,200,000

NOW, THEREFORE, the Board of Directors of the Montecito Fire Protection District hereby resolves as follows:

That the following revised budget be adopted for the Fiscal Year 2016-17:

<u>Fund 3650 – General</u>	
Salaries & Employee Benefits	\$ 14,377,240
Services & Supplies	1,797,475
Capital Assets	403,100
Transfer to Pension Obligation Fund	456,000
Transfer to Capital Reserves Fund	352,000
Transfer to Land & Building Fund	834,000
	<u>\$ 18,219,815</u>
<u>Fund 3651 – Pension Obligation</u>	
Services & Supplies	\$ 455,902
<u>Fund 3652 – Capital Outlay</u>	
Capital Assets	\$ 60,000
<u>Fund 3653 – Land &amp; Building</u>	
Capital Assets	\$ 200,000

PASSED AND ADOPTED by the governing board of the Montecito Fire Protection District this 16th day of June, 2017, by the following vote:

AYES:  
NAYS:  
ABSTAIN:  
ABSENT:

---

President of the Board of Directors  
Montecito Fire Protection District

ATTEST:

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Secretary of the Board of Directors  
Montecito Fire Protection District





**MONTECITO FIRE PROTECTION DISTRICT**  
**Proposed Amended Budget**  
**Fiscal Year 2016-17**  
**June 16, 2017**

<b>FUND 3650 - GENERAL FUND</b>				
<u>Account</u>	<u>Line Item Description</u>	<u>Final Budget FY 2016-17</u>	<u>Proposed Budget Amendment</u>	<u>Final Amended Budget</u>
<b>REVENUES</b>				
<b>Taxes</b>				
3010	Property Tax - Secured (4.68%)	15,056,760	-	15,056,760
3011	Property Tax - Unitary	131,405	-	131,405
3015	Property Tax - Escapes Secured	(28,480)	-	(28,480)
3020	Property Tax - Unsecured	649,510	-	649,510
3040	Property Tax - Prior Secured	29,655	-	29,655
3050	Property Tax - Prior Unsecured	18,065	-	18,065
3054	Supplemental Property Tax - Current	293,350	-	293,350
	<b>Total Taxes Revenue</b>	16,150,265	-	16,150,265
<b>Use of Money and Property</b>				
3380	Interest Income	22,835	-	22,835
3409	Rental Property Income	52,260	-	52,260
	<b>Total Use of Money and Property</b>	75,095	-	75,095
<b>Intergovernmental Revenue - State</b>				
3750	State-Emergency Assistance (Fire Asgmt)	325,000	565,000	890,000
4220	Homeowners Property Tax Relief	82,975	-	82,975
	<b>Total Intergovernmental Revenue - State</b>	407,975	565,000	972,975
<b>Intergovernmental Revenue - Federal</b>				
4476	Federal Emergency Assistance (Fire Asgmt)	130,000	635,000	765,000
	<b>Total Intergovernmental Revenue - Federal</b>	130,000	635,000	765,000
<b>Charges for Services</b>				
5105	Reimbursement for District Services	185,995	-	185,995
	<b>Total Charges for Services</b>	185,995	-	185,995
<b>Miscellaneous Revenue</b>				
5909	Other Miscellaneous Revenue	6,000	-	6,000
	<b>Total Miscellaneous Revenue</b>	6,000	-	6,000
	<b>TOTAL GENERAL FUND REVENUES</b>	16,955,330	1,200,000	18,155,330



**MONTECITO FIRE PROTECTION DISTRICT**  
**Proposed Amended Budget**  
**Fiscal Year 2016-17**  
**June 16, 2017**

<b>FUND 3650 - GENERAL FUND</b>				
<b>Account</b>	<b>Line Item Description</b>	<b>Final Budget FY 2016-17</b>	<b>Proposed Budget Amendment</b>	<b>Final Amended Budget</b>
<b>EXPENDITURES</b>				
<b>Salaries &amp; Employee Benefits</b>				
6100	Regular Salaries	7,369,515	-	7,369,515
6300	Overtime	125,000	-	125,000
6301	Overtime - Reimbursable	455,000	-	455,000
6310	Overtime - Constant Staffing	750,000	-	750,000
6400	Retirement Contributions	2,203,417	-	2,203,417
6450	Supplemental Retirement Contribution	-	1,200,000	1,200,000
6550	FICA/Medicare	101,949	-	101,949
6600	Insurance Contributions	1,635,805	-	1,635,805
6700	Unemployment Insurance	11,555	-	11,555
6900	Workers Compensation Insurance	525,000	-	525,000
	<b>Total Salaries &amp; Employee Benefits</b>	<b>13,177,240</b>	<b>1,200,000</b>	<b>14,377,240</b>
<b>Services &amp; Supplies</b>				
7030	Clothing and PPE	102,950	-	102,950
7050	Communications	109,800	-	109,800
7060	Food	2,500	-	2,500
7070	Household Supplies	32,500	-	32,500
7090	Insurance: Liability/Auto/Prop.	31,000	-	31,000
7120	Equipment Maintenance	35,000	-	35,000
7200	Structure and Ground Maintenance	32,050	-	32,050
7205	Fire Defense Zone (Hazard Mitigation)	268,000	-	268,000
7322	Consulting and Management Fees	3,350	-	3,350
7324	Audit and Accounting Fees	23,250	-	23,250
7348	Instruments & Equip. < \$5,000	97,575	-	97,575
7363	Equipment Maintenance (Vehicles)	60,200	-	60,200
7400	Medical & First Aid Supplies	44,800	-	44,800
7430	Memberships	9,500	-	9,500
7450	Office Expense	27,500	-	27,500
7460	Professional and Special Services	311,750	-	311,750
7507	ADP Payroll Fees	7,500	-	7,500
7510	Contractual Services	57,000	-	57,000
7530	Publications & Legal Notices	3,000	-	3,000
7546	Administrative Tax Expense	200,000	-	200,000
7580	Rents & Leases (Gibraltar)	4,400	-	4,400
7630	Small Tools & Instruments	9,600	-	9,600
7650	Special District Expense	82,000	-	82,000
7671	Special Projects	18,500	-	18,500



**MONTECITO FIRE PROTECTION DISTRICT**  
**Proposed Amended Budget**  
**Fiscal Year 2016-17**  
**June 16, 2017**

<b>FUND 3650 - GENERAL FUND</b>				
<b>Account</b>	<b>Line Item Description</b>	<b>Final Budget FY 2016-17</b>	<b>Proposed Budget Amendment</b>	<b>Final Amended Budget</b>
7730	Transportation and Travel	25,000	-	25,000
7731	Gasoline/Oil/Fuel	63,000	-	63,000
7732	Training	87,750	-	87,750
7760	Utilities	48,000	-	48,000
	<b>Total Services &amp; Supplies</b>	<b>1,797,475</b>	<b>-</b>	<b>1,797,475</b>
<b>Capital Assets</b>				
8300	Equipment	403,100	-	403,100
	<b>Total Capital Assets</b>	<b>403,100</b>	<b>-</b>	<b>403,100</b>
	<b>TOTAL EXPENDITURES</b>	<b>15,377,815</b>	<b>1,200,000</b>	<b>16,577,815</b>
<b>OTHER FINANCING USES</b>				
7901	Transfer To Pension Obligation Fund (3651)	456,000	-	456,000
7901	Transfer To Capital Reserves Fund (3652)	352,000	-	352,000
7901	Transfer To Land & Building Fund (3653)	834,000	-	834,000
	<b>Total Other Financing Uses</b>	<b>1,642,000</b>	<b>-</b>	<b>1,642,000</b>
	<b>Net Financial Impact</b>	<b>(64,485)</b>	<b>-</b>	<b>(64,485)</b>



# ATTACHMENT

#C





**RESOLUTION NO. 2017-04**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE MONTECITO FIRE PROTECTION DISTRICT  
IN THE MATTER OF THE ADOPTION OF THE  
PRELIMINARY BUDGET FOR THE  
FISCAL YEAR 2017-18**

WHEREAS, Section 13890 of the Health and Safety Code requires that the District Board adopt a preliminary budget conforming to the Accounting Procedures for Special Districts and Budgeting Procedures for Special Districts, as described, on or before June 30 of each year; and

WHEREAS, Section 13893 of the Health and Safety Code requires that the District Board publish a notice on or before June 30 of each year stating: (1) that it has adopted a preliminary budget which is available for inspection at a time and place within the District specified in the notice; and (2) the date, time and place when the Board will meet to adopt the final budget and that any person may appear and be heard regarding any item in the budget or regarding the addition of other items; and

WHEREAS, Section 13893 of the Health & Safety Code further provides that said notice shall be published in at least one newspaper of general circulation in the District, the first publication to be at least two weeks before the date of the meeting; and

WHEREAS, the Board of Directors met at a meeting on June 16, 2017, to consider the District's preliminary budget for fiscal year 2017-18 as described by and recommended for approval by the Fire Chief;

NOW THEREFORE, BE IT AND IT IS HEREBY ORDERED AND RESOLVED AS FOLLOWS:

1. That the Board of Directors adopts the 2017-18 preliminary budget for the Montecito Fire Protection District in the form recommended by the Fire Chief at the Board's meeting on June 16, 2017.

In summary, the preliminary budget provides as follows:

<u>Fund 3650 – General Fund</u>	
Salaries & Employee Benefits	\$ 13,697,545
Services & Supplies	1,769,650
Capital Assets	464,200
Transfer to Pension Obligation	155,000
Transfer to Capital Outlay	460,000
Transfer to Land & Building	<u>860,000</u>
	\$ 17,406,395
<u>Fund 3651 – Pension Obligation</u>	
Services & Supplies	\$ 9,840
Other Financing Uses	<u>145,000</u>
	\$ 154,840
<u>Fund 3652 – Capital Outlay</u>	
Capital Assets	\$ 512,000
<u>Fund 3653 – Land &amp; Building</u>	
Capital Assets	\$ 200,000

Copies of the approved budget are on file with District records.

2. The adopted preliminary budget shall be available for inspection Monday through Friday, between 8:00 a.m. and 5:00 p.m. at the Montecito Fire Protection District, 595 San Ysidro Road, Santa Barbara, California.

3. The Board of Directors will meet on September 25, 2017 at 2:00 p.m. at the Montecito Fire Protection District, 595 San Ysidro Road, Santa Barbara, California, to consider and adopt the final budget as required by law and any person may appear at that time and be heard regarding any item in the budget or regarding the addition of other items.

4. The Secretary is directed to cause to be published the notice attached to this resolution as Exhibit A in the *Santa Barbara News Press* in accordance with Health and Safety Code Section 13893 on or before June 30, 2017.

PASSED AND ADOPTED by the Governing Board of the Montecito Fire Protection District this 16th day of June, 2017, by the following vote, to wit:

AYES:  
NAYS:  
ABSTAIN:  
ABSENT:

\_\_\_\_\_  
President of the Board of Directors  
MONTECITO FIRE PROTECTION DISTRICT

ATTEST:

\_\_\_\_\_  
Secretary of the Board of Directors  
MONTECITO FIRE PROTECTION DISTRICT

**EXHIBIT A**

**PUBLIC NOTICE**

Montecito Fire Protection District  
in the Matter of the Preliminary Budget for Fiscal Year 2017-18  
Health and Safety Code Section 13893

NOTICE IS HEREBY GIVEN that the preliminary budget of the Montecito Fire Protection District for fiscal year 2017-18 was adopted by the Board of Directors of said District on June 26, 2017, and is available for inspection Monday through Friday, between 8:00 a.m. and 5:00 p.m. at the Montecito Fire Protection District, 595 San Ysidro Road, Santa Barbara, California.

NOTICE IS ALSO GIVEN that on September 25, 2017 at 2:00 p.m., the Board of Directors will meet at the Montecito Fire Protection District, 595 San Ysidro Road, Santa Barbara, California, for the purpose of adopting the District's final budget at which time and place any person may appear and be heard regarding any item in the budget or regarding the addition of other items.

This Notice shall be published in accordance with California Health & Safety Code Section 13893.

By order of the Board of Directors of the Montecito Fire Protection District, State of California, this 16th day of June, 2017.

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John Venable, Secretary



**MONTECITO FIRE PROTECTION DISTRICT  
PRELIMINARY BUDGET DRAFT  
FISCAL YEAR 2017-18**

FUND 3650 - GENERAL FUND			
Account	Line Item Description	Prelim. Budget FY 2017-18	Final Budget FY 2016-17
<b>REVENUES</b>			
<b>Taxes</b>			
3010	Property Tax - Secured (3.71%)	15,615,365	15,056,760
3011	Property Tax - Unitary	131,405	131,405
3015	Property Tax - Escapes Secured (3.71%)	(29,537)	(28,480)
3020	Property Tax - Unsecured	630,025	649,510
3040	Property Tax - Prior Secured (3.71%)	30,755	29,655
3050	Property Tax - Prior Unsecured	18,065	18,065
3054	Supplemental Property Tax - Current	278,683	293,350
	<b>Total Taxes Revenue</b>	<u>16,674,761</u>	<u>16,150,265</u>
<b>Use of Money and Property</b>			
3380	Interest Income	19,445	22,835
3409	Rental Property Income	52,260	52,260
	<b>Total Use of Money and Property</b>	<u>71,705</u>	<u>75,095</u>
<b>Intergovernmental Revenue - State</b>			
3750	State-Emergency Assistance (Fire Asgmt)	325,000	325,000
4220	Homeowners Property Tax Relief	82,975	82,975
	<b>Total Intergovernmental Revenue - State</b>	<u>407,975</u>	<u>407,975</u>
<b>Intergovernmental Revenue - Federal</b>			
4476	Federal Emergency Assistance (Fire Asgmt)	130,000	130,000
	<b>Total Intergovernmental Revenue - Federal</b>	<u>130,000</u>	<u>130,000</u>
<b>Charges for Services</b>			
5105	Reimbursement for District Services	190,315	185,995
	AMR First Response Payment	102,675	98,355
	CSFD Dispatch Services	87,640	87,640
	<b>Total Charges for Services</b>	<u>190,315</u>	<u>185,995</u>
<b>Miscellaneous Revenue</b>			
5909	Other Miscellaneous Revenue	7,500	6,000
	Westmont Payment	4,500	4,400
	Other	3,000	1,600
	<b>Total Miscellaneous Revenue</b>	<u>7,500</u>	<u>6,000</u>
	<b>TOTAL GENERAL FUND REVENUES</b>	<u>17,482,256</u>	<u>16,955,330</u>



**MONTECITO FIRE PROTECTION DISTRICT  
PRELIMINARY BUDGET DRAFT  
FISCAL YEAR 2017-18**

<b>FUND 3650 - GENERAL FUND</b>			
<u>Account</u>	<u>Line Item Description</u>	<u>Prelim. Budget FY 2017-18</u>	<u>Final Budget FY 2016-17</u>
<b>EXPENDITURES</b>			
<b>Salaries &amp; Employee Benefits</b>			
6100	Regular Salaries	7,554,420	7,369,515
	Salaries	7,353,370	7,018,465
	Auxiliary	20,000	20,000
	Directors fees	31,050	31,050
	Vacation Redemption Program	75,000	150,000
	Vacation Deferred Comp Program	75,000	150,000
6300	Overtime	125,000	125,000
6301	Overtime - Reimbursable	455,000	455,000
6310	Overtime - Constant Staffing	750,000	750,000
6400	Retirement Contributions	2,300,970	2,203,416
6550	FICA/Medicare	124,995	101,949
6600	Insurance Contributions	1,800,750	1,635,805
	Health Insurance	1,573,225	1,407,955
	Dental Insurance	179,820	179,490
	Vision Insurance	34,590	35,695
	Life Insurance	9,115	8,665
	Employee Assistance Program	1,500	1,500
	Flexible Spending Account Admin.	2,500	2,500
6700	Unemployment Insurance	11,410	11,555
6900	Workers Compensation Insurance	575,000	525,000
	<b>Total Salaries &amp; Employee Benefits</b>	<b>13,697,545</b>	<b>13,177,240</b>
<b>Services &amp; Supplies</b>			
7030	Clothing and PPE	47,000	102,950
	Operational	12,000	12,000
	Turnout sets	35,000	70,000
	Active shooter helmets/armor (14)	-	17,000
	Wildland helmets (30)	-	2,500
	SCBA tags	-	1,000
	Investigator uniform shirts/patches	-	450
7050	Communications	99,500	109,800
	Operational	96,000	96,000
	SB County IT Services	-	4,800
	Cell phone upgrades	3,500	3,500
	Phone system replacement	-	5,500
7060	Food	2,500	2,500





**MONTECITO FIRE PROTECTION DISTRICT  
PRELIMINARY BUDGET DRAFT  
FISCAL YEAR 2017-18**

FUND 3650 - GENERAL FUND			
Account	Line Item Description	Prelim. Budget FY 2017-18	Final Budget FY 2016-17
7070	Household Supplies	31,000	32,500
	Operational	27,500	26,000
	Washer/dryer, Sta. 2	3,500	-
	Dining chairs repairs	-	2,600
	Gas outdoor grills (2)	-	3,500
	Dispatch dorm refrigerator	-	400
7090	Insurance: Liability/Auto/Prop.	31,000	31,000
7120	Equipment Maintenance	35,000	35,000
7200	Structure and Ground Maintenance	43,550	32,050
	Operational	26,550	26,550
	Rental property	5,500	5,500
	Dept. Ops. Center room upgrades	9,000	-
	TV monitors (3)	2,500	-
7205	Fire Defense Zone (Hazard Mitigation)	236,000	268,000
7322	Consulting and Management Fees	3,350	3,350
7324	Audit and Accounting Fees	25,000	23,250
7348	Instruments & Equip. < \$5,000	85,000	97,575
	Hose equipment and maintenance	6,000	6,000
	Mobile radios and chargers	4,450	5,775
	Rope rescue equipment maintenance	5,000	16,300
	MDCs for engines	20,000	34,000
	Multi-gas monitors (4)/calibration syst.	13,000	-
	King radios (8) and microphones (16)	15,300	-
	Drone and accessories	4,650	-
	Incident scene lights (3)	8,200	-
	Airbag lifts set	8,400	-
	TriTech CAD connectivity upgrades	-	22,000
	Digital camera (fire investigations)	-	1,000
	Wireless command headsets (4)	-	12,500
7363	Equipment Maintenance (Vehicles)	69,500	60,200
	Operational	63,000	58,000
	LED headlights for E91/E92	6,500	-
	Seats for E391 (2)	-	2,200
7400	Medical & First Aid Supplies	38,100	44,800
	Operational	30,000	28,250
	Fireline paramedic AEDs (2)	8,100	-
	Airway manikin	-	7,350
	Cardiac monitor modems	-	9,200
7430	Memberships	12,500	9,500
7450	Office Expense	27,500	27,500
	Operational	27,500	27,500



**MONTECITO FIRE PROTECTION DISTRICT  
PRELIMINARY BUDGET DRAFT  
FISCAL YEAR 2017-18**

FUND 3650 - GENERAL FUND			
Account	Line Item Description	Prelim. Budget FY 2017-18	Final Budget FY 2016-17
7460	Professional and Special Services	328,200	311,750
	Operational	283,200	231,750
	Public Information/Annual Report	45,000	80,000
7507	ADP Payroll Fees	7,500	7,500
7510	Contractual Services	61,600	57,000
7530	Publications & Legal Notices	6,000	3,000
7546	Administrative Tax Expense	240,000	200,000
7580	Rents & Leases (Gibraltar)	4,500	4,400
7630	Small Tools & Instruments	20,100	9,600
	Operational	10,000	6,000
	HazMat team equipment	3,000	3,000
	Patrol 91/92 equipment	7,100	-
	Fire investigator helmet lights (4)	-	600
7650	Special District Expense	53,500	82,000
	Operational (permits, fees, other)	8,000	17,500
	LAFCO	13,000	13,000
	Election expenses (Directors)	-	9,000
	Promotion/new hire expenses	2,500	2,500
	HEARO Radio program	-	10,000
	Centennial Anniversary	30,000	30,000
7671	Special Projects	38,000	18,500
	Public Education materials	7,500	7,500
	Hazard abatement brochure	6,000	6,000
	Evacuation drill expenses	5,000	5,000
	Neighborhood chipping flyer	4,500	-
	Fire prevention publication	15,000	-
7730	Transportation and Travel	25,000	25,000
7731	Gasoline/Oil/Fuel	63,000	63,000
7732	Training	87,750	87,750
	Operational	85,000	85,000
	Paramedic training	2,750	2,750
7760	Utilities	48,000	48,000
	Operational	43,000	43,000
	Rental housing utilities	5,000	5,000
	<b>Total Services &amp; Supplies</b>	<b>1,769,650</b>	<b>1,797,475</b>



**MONTECITO FIRE PROTECTION DISTRICT  
PRELIMINARY BUDGET DRAFT  
FISCAL YEAR 2017-18**

FUND 3650 - GENERAL FUND			
Account	Line Item Description	Prelim. Budget FY 2017-18	Final Budget FY 2016-17
<b>Capital Assets</b>			
8300	Equipment	464,200	403,100
	Facility repairs/replace: roof, carpet, Dispatch A/C, concrete	277,000	-
	Dispatch radio analog circuits	50,000	-
	Rental property upgrades	50,000	-
	Voice logging recorder equipment	29,000	-
	Portable weather station (RAWS)	20,000	-
	Commercial grade treadmills (2)	17,000	-
	Dept. Ops. Center lights upgrade	15,000	-
	Forcible entry training equipment	6,200	-
	Dispatch radio system	-	190,000
	VHF/UHF portable radios	-	16,600
	Wet barrel hydrants replacement	-	30,000
	Dept. Ops. Center tech. upgrade	-	50,000
	LifePak cardiac monitor	-	33,000
	Auto extrication tools	-	83,500
	<b>Total Capital Assets</b>	<u>464,200</u>	<u>403,100</u>
	<b>TOTAL EXPENDITURES</b>	<u>15,931,395</u>	<u>15,377,815</u>
<b>OTHER FINANCING USES</b>			
7901	Transfer To Pension Obligation Fund (3651)	155,000	456,000
7901	Transfer To Capital Reserves Fund (3652)	460,000	352,000
7901	Transfer To Land & Building Fund (3653)	860,000	834,000
	<b>Total Other Financing Uses</b>	<u>1,475,000</u>	<u>1,642,000</u>
	<b>Other Financing Sources &amp; Uses</b>	<u>1,475,000</u>	<u>1,642,000</u>
	<b>Net Financial Impact</b>	<u>75,861</u>	<u>(64,485)</u>
<b>Fund 3650 Fund Balance Detail</b>			
	Reserves: Catastrophic (a/o 6/30/17)	2,243,000	
	Reserves: Economic Uncertainties (a/o 6/30/17)	3,430,000	
	Fund Balance - Unrestricted Residual (Estimate)	810,000	
	Net Financial Impact (Unrestricted Residual)	<u>75,861</u>	
	Projected Ending Fund Balance at 6/30/2018	6,558,861	



**MONTECITO FIRE PROTECTION DISTRICT  
PRELIMINARY BUDGET DRAFT  
FISCAL YEAR 2017-18**

FUND 3651 - PENSION OBLIGATION FUND				
Account	Line Item Description	Prelim. Budget FY 2017-18	Final Budget FY 2016-17	Increase/ (Decrease)
<b>REVENUES</b>				
Financing Sources				
5910	Transfer from General Fund (3650)	155,000	456,000	(301,000)
	<b>TOTAL FUND REVENUES</b>	<b>155,000</b>	<b>456,000</b>	<b>(301,000)</b>
<b>EXPENDITURES</b>				
Services & Supplies				
7460	Administration Fee	3,500	3,500	-
7830	Interest Expense	6,340	17,402	(11,062)
	<b>Total Services &amp; Supplies</b>	<b>9,840</b>	<b>20,902</b>	<b>(11,062)</b>
<b>OTHER FINANCING USES</b>				
7910	Long Term Debt Principal Repayment	145,000	435,000	(290,000)
	<b>Other Financing Uses</b>	<b>145,000</b>	<b>435,000</b>	<b>(290,000)</b>
	<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>154,840</b>	<b>455,902</b>	<b>(301,062)</b>
	<b>Net Financial Impact</b>	<b>160</b>	<b>98</b>	
<b>Fund 3651 Equity</b>				
	Beginning Fund Balance at 7/1/2017	279		
	Net Financial Impact	160		
	Projected Ending Fund Balance at 6/30/2018	439		





**MONTECITO FIRE PROTECTION DISTRICT  
PRELIMINARY BUDGET DRAFT  
FISCAL YEAR 2017-18**

<b>FUND 3652 - CAPITAL RESERVES FUND</b>				
<u>Account</u>	<u>Line Item Description</u>	<u>Prelim. Budget FY 2017-18</u>	<u>Final Budget FY 2016-17</u>	<u>Increase/ (Decrease)</u>
<b>REVENUES</b>				
<b>Use of Money and Property</b>				
3380	Interest Income	10,000	10,000	-
	<b>Total Use of Money and Property</b>	<b>10,000</b>	<b>10,000</b>	<b>-</b>
<b>Financing Sources</b>				
5910	Transfer from General Fund (3650)	460,000	352,000	108,000
	<b>Total Financing Sources</b>	<b>460,000</b>	<b>352,000</b>	<b>108,000</b>
	<b>TOTAL FUND REVENUES</b>	<b>470,000</b>	<b>362,000</b>	<b>108,000</b>
<b>EXPENDITURES</b>				
<b>Capital Assets</b>				
8300	Apparatus (Engine 391 - Type 3)	432,000	-	-
	Vehicle (Battalion Chief 915)	80,000	60,000	-
	<b>Total Capital Assets</b>	<b>512,000</b>	<b>60,000</b>	<b>452,000</b>
	<b>TOTAL EXPENDITURES</b>	<b>512,000</b>	<b>60,000</b>	<b>452,000</b>
	<b>Net Financial Impact</b>	<b>(42,000)</b>	<b>302,000</b>	
<b>Fund 3652 Equity</b>				
	Beginning Fund Balance at 7/1/2017	2,646,649		
	Net Financial Impact	(42,000)		
	Projected Ending Fund Balance at 6/30/2017	2,604,649		



**MONTECITO FIRE PROTECTION DISTRICT  
PRELIMINARY BUDGET DRAFT  
FISCAL YEAR 2017-18**

<b>FUND 3653 - LAND AND BUILDING FUND</b>				
<u>Account</u>	<u>Line Item Description</u>	<u>Prelim. Budget FY 2017-18</u>	<u>Final Budget FY 2016-17</u>	<u>Increase/ (Decrease)</u>
<b>REVENUES</b>				
<b>Use of Money and Property</b>				
3380	Interest Income	15,000	15,000	-
	<b>Total Use of Money and Property</b>	<b>15,000</b>	<b>15,000</b>	<b>-</b>
<b>Financing Sources</b>				
5910	Transfer from General Fund (3650)	860,000	834,000	26,000
	<b>Total Financing Sources</b>	<b>860,000</b>	<b>834,000</b>	<b>26,000</b>
	<b>TOTAL FUND REVENUES</b>	<b>875,000</b>	<b>849,000</b>	<b>26,000</b>
<b>EXPENDITURES</b>				
<b>Capital Assets</b>				
8100	Land	200,000	200,000	-
	<b>Total Capital Assets</b>	<b>200,000</b>	<b>200,000</b>	<b>-</b>
	<b>TOTAL EXPENDITURES</b>	<b>200,000</b>	<b>200,000</b>	<b>-</b>
	<b>Net Financial Impact</b>	<b>675,000</b>	<b>649,000</b>	<b>26,000</b>
<b>Fund 3653 Equity</b>				
	Est. Beginning Fund Balance at 7/1/2017	5,143,580		
	Net Financial Impact	675,000		
	Projected Ending Fund Balance at 6/30/2018	5,818,580		



# ATTACHMENT

#D



**Circular Letter No. 200-056-11 Enclosure**

PUBLICLY AVAILABLE PAY SCHEDULE AND WRITTEN LABOR POLICY OR  
AGREEMENT REGULATIONS

California Code of Regulations, title 2, §§ 570.5 and 571

Title 2. Administration  
Division 1. Administrative Personnel  
Chapter 2. Board of Administration of Public Employees' Retirement System  
Subchapter 1. Employees' Retirement System Regulations  
Article 4. Contracts

**ADD 2 CCR § 570.5**

§ 570.5. Requirement for a Publicly Available Pay Schedule.

(a) For purposes of determining the amount of “compensation earnable” pursuant to Government Code Sections 20630, 20636, and 20636.1, payrate shall be limited to the amount listed on a pay schedule that meets all of the following requirements:

- (1) Has been duly approved and adopted by the employer’s governing body in accordance with requirements of applicable public meetings laws;
- (2) Identifies the position title for every employee position;
- (3) Shows the payrate for each identified position, which may be stated as a single amount or as multiple amounts within a range;
- (4) Indicates the time base, including, but not limited to, whether the time base is hourly, daily, bi-weekly, monthly, bi-monthly, or annually;
- (5) Is posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer’s internet website;
- (6) Indicates an effective date and date of any revisions;
- (7) Is retained by the employer and available for public inspection for not less than five years; and
- (8) Does not reference another document in lieu of disclosing the payrate.

(b) Whenever an employer fails to meet the requirements of subdivision (a) above, the Board, in its sole discretion, may determine an amount that will be considered to be payrate, taking into consideration all information it deems relevant including, but not limited to, the following:

- (1) Documents approved by the employer’s governing body in accordance with requirements of public meetings laws and maintained by the employer;
- (2) Last payrate listed on a pay schedule that conforms to the requirements of subdivision (a) with the same employer for the position at issue;
- (3) Last payrate for the member that is listed on a pay schedule that conforms with the requirements of subdivision (a) with the same employer for a different position;
- (4) Last payrate for the member in a position that was held by the member and that is listed on a pay schedule that conforms with the requirements of subdivision (a) of a former CalPERS employer.

NOTE: Authority cited: Sections 20120 and 20121, Government Code. Reference: Sections 20630, 20636 and 20636.1, Government Code.

**AMEND §571(b)**

## § 571. Definition of Special Compensation.

(a) – (No changes).

(b) The Board has determined that all items of special compensation listed in subsection (a) are:

(1) Contained in a written labor policy or agreement as defined at Government Code section 20049, provided that the document:

(A) Has been duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meetings laws;

(B) Indicates the conditions for payment of the item of special compensation, including, but not limited to, eligibility for, and amount of, the special compensation;

(C) Is posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website;

(D) Indicates an effective date and date of any revisions;

(E) Is retained by the employer and available for public inspection for not less than five years; and

(F) Does not reference another document in lieu of disclosing the item of special compensation;

(2) Available to all members in the group or class;

(3) Part of normally required duties;

(4) Performed during normal hours of employment;

(5) Paid periodically as earned;

(6) Historically consistent with prior payments for the job classification;

(7) Not paid exclusively in the final compensation period;

(8) Not final settlement pay; and

(9) Not creating an unfunded liability over and above PERS' actuarial assumptions.

(c) – (No changes).

(d) – (No changes).

NOTE: Authority cited: Sections 20636(c)(6), 20636.1(c)(6), 20120 and 20121, Government Code; Calif. Const. Art. XVI, Section 17. Reference: Sections 20630, 20636, 20636.1 and 20691, Government Code.

Research Note: - (No changes).



**MONTECITO FIRE PROTECTION DISTRICT**  
**Publicly Available Pay Schedule**  
**Effective July 1, 2017**

**MONTHLY SALARY BASE RATES:**

<b>Rank/Title</b>	<b>Start</b>	<b>6 mo.</b>	<b>12 mo.</b>	<b>24 mo.</b>	<b>36 mo.</b>
Fire Chief	20,206				
Division Chief of Operations	16,050	18,101			
Battalion Chief/Fire Marshal	14,636	16,233			
Battalion Chief	13,306	14,757			
Captain/Asst. Fire Marshal	12,128	12,705			
Captain	10,787	11,549			
Wildland Specialist	10,537	11,034			
Engineer/Inspector	10,537	11,034			
Engineer	9,377	10,033			
Firefighter/Paramedic	7,608	8,359	9,114	9,945	
Firefighter	6,849	7,521	8,207	8,952	
Dispatcher	7,133	7,422	7,629		
Communications Coordinator	10,156	10,665	11,197		
Accountant	9,323	9,794	10,286	10,802	11,342
Administrative Assistant	8,799	9,241	9,701	10,188	10,700
Mechanic	7,550	8,214	8,882		

**PART-TIME HOURLY BASE RATE:**

<b>Rank/Title</b>	<b>Start</b>	<b>6 mo.</b>	<b>12 mo.</b>	<b>24 mo.</b>	<b>36 mo.</b>
Wildland Specialist	48.77	54.51			

**SPECIAL COMPENSATION:**

**Longevity Incentives:** Special compensation pay is calculated using the employee's base rate.

<b>Years of Service</b>	<b>Rate</b>
3 to 5	3.0 %
6 to 8	6.0 %
9 to 11	9.0 %
12 to 14	12.0 %
15 to 17	15.0 %
18 to 20	18.0 %
21 to 23	21.0 %
24+	24.0 %

**Dispatch Cadre Members:** Special compensation pay 5% of top step of the Firefighter classification base salary.

Current incentive rate: \$ 447.60 per month

**EMT/AED Certification Incentive:** 5.35% Special compensation pay is calculated using the employee's base rate and longevity incentive.

**FLSA Earnings:** Safety employees working a 24-hour shift schedule receive FLSA compensation equal to 5 hours of straight time pay every 24-day period.

Dispatchers working a 24-hour shift schedule receive FLSA compensation calculated weekly for hours worked in excess of a 40-hour workweek.



# Agenda Item #6





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## STAFF REPORT

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**Prepared for:** Montecito Fire Protection Board of Directors

**Prepared by:** Araceli Gil, District Accountant

**Date:** June 16, 2017

**Topic:** Adopting Price and Population Factors

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### Discussion

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Every year, the Board of Directors adopts price and population factors provided by the California Department of Finance. The factors are used to calculate the District's fiscal year appropriations limit as required by Government Code section 7910. However, because of the Proposition 4 Override, the District is authorized to spend all of the tax revenues it receives and effectively exceed any appropriations limit that it might calculate.

### Conclusion

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The factors are presented in Attachment A and B of Department of Finance letter.

The change in the cost of living, or price factor, is 3.69% (Attachment A).

The change in population for the District must be established by the Board of Directors by selecting either the county average or the unincorporated area of the county (Attachment B).

Staff recommends that the Board move to approve the price factor of 3.69% and the Unincorporated population factor of 0.82%.



DEPARTMENT OF  
**FINANCE**  
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. ■ GOVERNOR  
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

May 2017

Dear Fiscal Officer:

**Subject: Price Factor and Population Information**

**Appropriations Limit**

The California Revenue and Taxation Code, section 2227, requires the Department of Finance (Finance) to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2017, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2017-18. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2017-18 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

**Population Percent Change for Special Districts**

Some special districts must establish an annual appropriations limit. The Revenue and Taxation Code, section 2228 provides additional information regarding the appropriations limit. Article XIII B, section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. The Code and the California Constitution can be accessed at the following website: <http://leginfo.legislature.ca.gov/faces/codes.xhtml>.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

**Population Certification**

The population certification program applies only to cities and counties. Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2017.**

**Please Note:** Prior year's city population estimates may be revised.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

MICHAEL COHEN  
Director  
By:

AMY M. COSTA  
Chief Deputy Director

Attachment

May 2017

## Attachment A

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2017-18 appropriation limit is:

## Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2017-18	3.69

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2017-18 appropriation limit.

**2017-18:**

Per Capita Cost of Living Change = 3.69 percent

Population Change = 0.85 percent

Per Capita Cost of Living converted to a ratio:  $\frac{3.69 + 100}{100} = 1.0369$

Population converted to a ratio:  $\frac{0.85 + 100}{100} = 1.0085$

Calculation of factor for FY 2017-18:  $1.0369 \times 1.0085 = 1.0457$

Fiscal Year 2017-18

**Attachment B**  
**Annual Percent Change in Population Minus Exclusions\***  
**January 1, 2016 to January 1, 2017 and Total Population, January 1, 2017**

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2016-2017	1-1-16	1-1-17	1-1-2017
Santa Barbara				
Buellton	3.30	4,965	5,129	5,129
Carpinteria	-0.05	13,950	13,943	13,943
Goleta	1.05	31,431	31,760	31,760
Guadalupe	0.76	7,358	7,414	7,414
Lompoc	-0.33	41,405	41,267	44,042
Santa Barbara	-0.03	93,072	93,043	93,063
Santa Maria	1.64	104,567	106,280	106,280
Solvang	2.49	5,457	5,593	5,593
<b>Unincorporated</b>	<b>0.82</b>	139,109	140,253	143,439
<b>County Total</b>	<b>0.76</b>	441,314	444,682	450,663

\*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.



# Agenda Item #7





SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

## 2017 BOARD OF DIRECTORS ELECTION

### OFFICIAL ELECTION RESOLUTION AND BALLOT ENCLOSED

This is an official election packet that contains items that require ACTION by your Agency's governing body for the selection of up to four (4) candidates to the SDRMA Board of Directors.

#### ELECTION PACKET ENCLOSURES

- Election Ballot Instructions
- Official Resolution and Ballot (Action Required)
- Candidate's Statements of Qualifications (7)
- Self-addressed, Stamped Envelope



1112 I Street, Suite 300  
 Sacramento, California 95814-2865  
 T 916.231.4141 or 800.537.7790 • F 916.231.4111

Maximizing Protection. Minimizing Risk. • [www.sdrma.org](http://www.sdrma.org)

## SDRMA'S BOARD OF DIRECTORS ELECTION BALLOT INSTRUCTIONS

Notification of nominations for four (4) seats on the Special District Risk Management Authority's (SDRMA's) Board of Directors was mailed to the membership in February 2017.

On May 11, 2017, SDRMA's Election Committee reviewed the nomination documents submitted by the candidates in accordance with SDRMA's Policy No. 2017-03 Establishing Guidelines for Director Elections. The Election Committee confirmed that seven (7) candidates met the qualification requirements and those names are included on the Official Election Resolution Ballot.

Enclosed is the Official Election Resolution Ballot along with a Statement of Qualifications as submitted by each candidate. Election instructions are as follows:

1. The enclosed combined Official Election Resolution Ballot must be used to ensure the integrity of the balloting process.
2. After selecting up to four (4) candidates, your agency's governing body must approve the enclosed Official Election Resolution Ballot. **Ballots containing more than four (4) candidate selections will be considered invalid and not counted.**
3. The signed Official Election Resolution Ballot **MUST** be sealed and received **by mail or hand delivery at SDRMA's office on or before 4:30 p.m. on Tuesday, August 29, 2017 to the address below.** Faxes or electronic transmissions are NOT acceptable. A self-addressed, stamped envelope is enclosed.

Special District Risk Management Authority  
 Election Committee  
 1112 "I" Street, Suite 300  
 Sacramento, California 95814

5. The four-year terms for newly elected Directors will begin on January 1, 2018 and terminate on December 31, 2021.
6. Important balloting and election dates are:

**August 29, 2017 - Deadline for members to return the signed Official Election Resolution Ballot**

August 30, 2017 - Ballots are opened and counted

August 31, 2017 - Election results are announced and candidates notified

September 27, 2017 - Newly elected Directors are introduced at the SDRMA Annual Breakfast to be held in Monterey at the CSDA Annual Conference

November 1-2, 2017 – Newly elected Directors are invited to attend SDRMA board meeting (Sacramento)

January 2018 - Newly elected Directors are seated and Board officer elections are held

Please do not hesitate to call SDRMA's Chief Operating Officer Paul Frydendal at 800.537.7790 if you have any questions regarding the election and balloting process.



**RESOLUTION NO. \_\_\_\_\_****A RESOLUTION OF THE GOVERNING BODY OF THE  
Montecito Fire Protection District  
FOR THE ELECTION OF DIRECTORS TO THE SPECIAL DISTRICT  
RISK MANAGEMENT AUTHORITY BOARD OF DIRECTORS**

**WHEREAS**, Special District Risk Management Authority (SDRMA) is a Joint Powers Authority formed under California Government Code Section 6500 et seq., for the purpose of providing risk management and risk financing for California special districts and other local government agencies; and

**WHEREAS**, SDRMA's Sixth Amended and Restated Joint Powers Agreement specifies SDRMA shall be governed by a seven member Board of Directors nominated and elected from the members who have executed the current operative agreement and are participating in a joint protection program; and

**WHEREAS**, SDRMA's Sixth Amended and Restated Joint Powers Agreement Article 7 - Board of Directors specifies that the procedures for director elections shall be established by SDRMA's Board of Directors; and

**WHEREAS**, SDRMA's Board of Directors approved Policy No. 2017-03 Establishing Guidelines for Director Elections specifies director qualifications, terms of office and election requirements; and

**WHEREAS**, Policy No. 2017-03 specifies that member agencies desiring to participate in the balloting and election of candidates to serve on SDRMA's Board of Directors must be made by resolution adopted by the member agency's governing body.

**NOW, THEREFORE, BE IT RESOLVED** that the governing body of the Montecito Fire Protection District selects the following candidates to serve as Directors on the SDRMA Board of Directors:

(continued)



**OFFICIAL 2017 ELECTION BALLOT  
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY  
BOARD OF DIRECTORS**

**VOTE FOR ONLY FOUR (4) CANDIDATES**

Mark each selection directly onto the ballot, voting for no more than four (4) candidates. Each candidate may receive only one (1) vote per ballot. A ballot received with more than four (4) candidates selected will be considered invalid and not counted. All ballots must be sealed and received by mail or hand delivery in the enclosed self-addressed, stamped envelope at SDRMA on or before 4:30 p.m., Tuesday, August 29, 2017. Faxes or electronic transmissions are NOT acceptable.

- TIMOTHY UNRUH**  
District Manager, Kern County Cemetery District No. 1
- JAMES M. HAMLIN (Jim)**  
Board Director, Burney Water District
- MIKE SCHEAFER (INCUMBENT)**  
Director/President, Costa Mesa Sanitary District
- MICHAEL J. KAREN**  
Board Director, Apple Valley Fire Protection District
- DAVID ARANDA (INCUMBENT)**  
General Manager, Mountain Meadows Community Services District
- CINDI BEAUDET**  
General Manager, Temecula Public Cemetery District
- JEAN BRACY, SDA (INCUMBENT)**  
Deputy Director – Administration, Mojave Desert Air Quality Management District

ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2017 by the Montecito Fire Protection District by the following roll call votes listed by name:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ATTEST:  
  
\_\_\_\_\_

APPROVED:  
  
\_\_\_\_\_

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

**This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.**

Nominee/Candidate Timothy Unruh  
 District/Agency Kern County Cemetery District No.1  
 Work Address 18662 Santa Fe Way, PO Box 354, Shafter, CA 93263  
 Work Phone 661-746-3921 Home Phone 661-746-6725

**Why do you want to serve on the SDRMA Board of Directors? (Response Required)**

The work of SDRMA is critical to the everyday operations of a Special District. Knowing that the district and the board is protected gives a 'Peace of Mind' to our daily operations. Sitting on this Board will give me an opportunity to give back to SDRMA and its membership. As a manager of a moderate sized Special District, I am especially interested in maintaining an involvement from that small district perspective. It is imperative that SDRMA maintains cost effective service to the Special District community and it's important that smaller districts have a voice in their insurance needs.

**What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)**

I spent three years as a Director for CSDA including one year as Legislation Committee Chairman. I currently sit on the CSDA Legislation Committee and am a Special District Administrator (SDA). Our District is in its fourth term as a District of Distinction which now includes the Transparency Certification. I currently sit as a Director with a city appointment on Kern Mosquito and Vector board. I have been a Director of the California Association of Public Cemeteries for 15 years and currently am Chairman of the Legislation Committee. I have been involved with the Kern County Special Districts Association since 1995 from when we worked to obtain LAFCo representation for Special Districts.

Most importantly, I have been a manager for the Kern County Cemetery District for 30 years and work daily to keep our cemetery district strong and effective in our community. To that end, I have the SDRMA General Safety Specialist Certification and with that training I work for a compliant, safe and healthy working relationship with our staff.

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?  
(Response Required)**

I feel that community history is very important and am a volunteer with the local Historical Society. I also have sat on the local school board and have been involved with our youth through our church as well as our community through sports and especially by giving our young people a safe and entertaining place to visit after our home football games.

This being said, I feel that I am a committed and thorough person who knows that to get things done you must be involved and be able to think out of the box in difficult situations. You must listen to those around you and sometimes that means keeping one's mouth shut.

I have worked as a Manager for many years and understand the needs of special districts. What SDRMA offers is an integral part of special district operations and I feel that I can bring a passion for the practical needs of Special Districts.

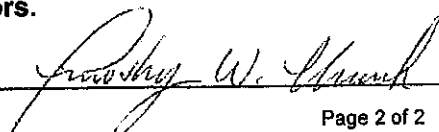
**What is your overall vision for SDRMA? (Response Required)**

SDRMA has shown great concern for the Special Districts in California as is seen in their commitment to meeting our insurance needs. This is done by listening to the membership and continuing to work on being a better and complete insurance stop. I feel that the Health Insurance part of their programs will be the next large growth area. As we deal with PERB's and the needs of our work force, this area will help to meet the needs of our agencies.

Their education is excellent and they have defined their role in local government very well. It will be necessary to maintain this role and work to educate the membership. SDRMA's commitment to be a cost-effective insurance provider has work well in the past and will continue to do so as long as the Board and staff work together to fulfill their mission statement.

**I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.**

Candidate Signature



Date: April 24, 2017



**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – **no attachments will be accepted**. No statements are endorsed by SDRMA.

Nominee/Candidate James M. Hamlin (Jim)  
 District/Agency Burney Water & Sewer District  
 Work Address 20541 Burney Court, Burney, Ca. 96013  
 Work Phone (530) 335-2040 Home Phone (530) 335-2040

**Why do you want to serve on the SDRMA Board of Directors? (Response Required)**

Able to look at actuarial evidence. Being able to set adequate rates for both  
Insurance program and districts. SDRMA needs to operate as a business.

**What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)**

Served on hospital district for 24 1/2 years, California Hospital District board  
for 8 years, Burney water Sewer board for three years. I had my own insurance  
brokerage for 43 years. I did not have an E & O Claim.

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?  
(Response Required)**

see previous question

**What is your overall vision for SDRMA? (Response Required)**

SDRMA must operate as a viable business. Many district carriers and board members are reluctant to raise rates. When I served on Ca. Hospital Board, many of the board members were not willing to operate as a business because it would affect their hospitals bottom line.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature James M. Hamelin Date 4-1-2017

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

**This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.**

Nominee/Candidate **MIKE SCHEAFER**  
 District/Agency **COSTA MESA SANITARY DISTRICT**  
 Work Address **1551-B BAKER ST, COSTA MESA, CA 92626**  
 Work Phone **714-435-0300** Home Phone **714-552-9858**

**Why do you want to serve on the SDRMA Board of Directors? (Response Required)**

As an incumbent on the SDRMA Board I wish to continue providing the service and knowledge that I have been consistent with during my current term. As an insurance professional for over 44 years I bring the experience needed to manage the risks Districts are faced with. Over my term I have consistently made decisions to provide the protections necessary at the most affordable cost. Districts continue to encounter new challenges to their risk management programs. My years of experience, my continued involvement in insurance education and my desire to protect make me a sound choice to continue on the Board of SDRMA.

**What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)**

Current SDRMA Board Member. President Costa Mesa Sanitary District Board of Directors. Former City Councilmember for the City of Costa Mesa. Former Parks and Recreation Commissioner for the City of Costa Mesa.

Leadership positions, including Board President for the following: Little League Baseball, Boys and Girls Club of the Harbor Area, Costa Mesa Senior Center, The Albert Dixon Memorial Foundation (non profit providing funds for other non-profit agencies).

Over 30 years experience with Lions Clubs International. Served as District Governor, Club President several times. Chaired the California Convention Committee several times. Membership in the organization continues.

My leadership role in all these organizations gave, and give, me experience in the risks that face each. My insurance experience helps me make prudent decisions when challenged with those risks.

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?  
(Response Required)**

Many of the organizations that I have either been elected to or volunteered for quickly put me in a leadership role. They recognized my ability to handle the risks and challenges the organizations meet. I was able to steer those organizations in a clear path to minimize the risk.

I continue to hold a teaching credential in Insurance Education with the local community college District. Additionally I was a professor of Insurance Continuing Education for many years. I have a passion for passing on the knowledge I have acquired over my career.

I have always faced the risk management challenges of any organization with the confidence that the desired outcomes would be realized.

**What is your overall vision for SDRMA? (Response Required)**

My vision is to continue providing the protection and service to the Special Districts that make them strong in their risk management efforts. I will continue to work for those ends while keeping strong my conviction that rates need to be adequate yet affordable for the Districts.

New technologies, changes in legislation, make it extremely difficult for Districts to keep up with the factors posing new challenges to risk management, insurance, etc. My experience in those areas, my position as an elected official, make me keenly aware of how to protect the Districts.

I will continue to be committed to making SDRMA the leader in protecting the risk management needs of our Special Districts.

**I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.**

Candidate Signature \_\_\_\_\_



Date \_\_\_\_\_

4/25/17

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

**This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.**

Nominee/Candidate Michael J. Karen  
District/Agency Apple Valley Fire Board  
Work Address N/A  
Work Phone N/A Home Phone 760-713-3273

**Why do you want to serve on the SDRMA Board of Directors? (Response Required)**

I would be honored to serve on the SDRMA Board of Directors because I am interested in not only risk management, but insurance as well. I have run my own company and have seen first hand how accidents can affect the bottom line.

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**What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)**

I was appointed to the Apple Valley Fire Board in February of 2016. I was re-elected the same year. During my time on the board, I have already been a part of many great things. The board and I helped to pass Measure A which funds our district in perpetuity. We also passed and have streamlined the budget. I have also been a part of evaluations as well.

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**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates - **no attachments will be accepted**. No statements are endorsed by SDRMA.

Nominee/Candidate David Aranda  
 District/Agency Mountain Meadows Community Services District  
 Work Address 17980 Highline Rd - Tehachapi CA 93561  
 Work Phone 661-822-7616 Home Phone 661-300-1231

**Why do you want to serve on the SDRMA Board of Directors? (Response Required)**

Working with six other board members and the staff as a team is challenging and rewarding.

Over the years of my service on the SDRMA Board I hope the members have found my input to be beneficial and it is my desire to continue to look after the members receiving the best service at a fair cost.

**What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)**

Service on SDRMA  
 Service on SOWCA - I was part of the group that consolidate two entities into one entity which was very cost effective  
 Service on SDLF  
 Past Service on CSDA - current Education Committee member

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?  
(Response Required)**

Serving as a General MANAGER over the past twenty plus years and serving as a Board Member ASISTS me in understanding the proper process that benefits the operation of SDRMA  
Eighteen years of experience with SDRMA provides a good knowledge base to benefit the members

**What is your overall vision for SDRMA? (Response Required)**

- 1) Continue to provide excellent service
- 2) Continue the balance of a financially strong pool that provides great policy coverage at the best pricing possible.
- 3) Serve the members with cutting edge software, customer service oriented employees and a Board that remembers who we are serving!

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature

Date

4-20-17



**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates -- no attachments will be accepted. No statements are endorsed by SDRMA.

Nominee/Candidate      Cindi Beaudet  
District/Agency      Temecula Public Cemetery District  
Work Address            41911 C Street, Temecula CA 92592  
Work Phone              (951)699-1630                              Home Phone      (951)541-8736

**Why do you want to serve on the SDRMA Board of Directors? (Response Required)**

As a member of SDRMA, I've learned first hand the risk and challenges that comes with my type of Special District. I think it is important to have an active and knowledgeable voice representing our industry and districts and that understands the role special districts play and their importance. I will bring sound policy principles to the table and work with my fellow board members in the spirit of collaboration to ensure SDRMA continues to be a cost effective, high quality risk management service.

**What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)**

I have played an active role in the cemetery industry in both the private sector and with special districts for almost two decades and was elected in 2006 to the Board of California Association of Public Cemeteries (CAPC). While on the Board for CAPC one of my roles was Education Committee Chair, working with executive staff to identify learning and certification opportunities for our members. This experience has provided me with the skills and knowledge of board development, procedures, protocol and policy development.

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?  
(Response Required)**

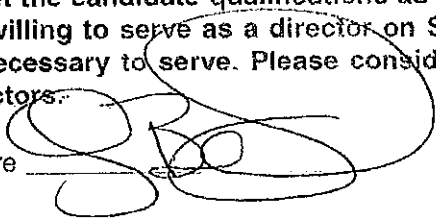
Since 2004 I have served as General Manager to the Temecula Public Cemetery District. I consider myself to be well versed in cemetery leadership, risk mitigation, best management practices and risk reduction. I hold a life insurance license from the State of California. I am an advocate for the cemetery profession, serving as a formal mentor for CAPC. I am engaged and involved heavily in my community and understand first hand the challenges and risk associated with cemetery operations and management.

**What is your overall vision for SDRMA? (Response Required)**

My overall vision for SDRMA is that it appropriately and accurately addresses the risk and mitigation needs of all its members in a thoughtful and deliberate manner; considering the size, scope and nuances of each type of public agency. This thoughtful consideration will provide better service to our members while maintaining the cost effective quality programs SDRMA continues to offer.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature



Date

4/27/17

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

**This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.**

Nominee/Candidate    Jean Bracy, SDA  
District/Agency        Mojave Desert Air Quality Management District  
Work Address            14306 Park Ave., Victorville, CA 92392  
Work Phone              760-245-1661

**Why do you want to serve on the SDRMA Board of Directors?**

I have served on the SDRMA Board of Directors since 2010. In 2017 I was elected by the Board to be the **Board President**. The Board strives to provide a variety of avenues for members to be successful and has adopted many important programs and policies aimed to provide members **cost effective coverage**. Each year, the Board **carefully considered** rates for services and from 2009 to 2016 voted to hold rates flat for the property/liability program. Through strategic planning SDRMA has a **strong financial base**. SDRMA has included **Cyber Coverage**; provided a **FREE Law Legal Hotline**; established a **multiple-policy discount (5%)** for each member who belongs to both the property/liability and the workers compensation programs; shares investment earnings with members through a **longevity distribution**; established the **loss prevention allowance funds** which reimburses members for safety-related costs up to \$1,000; launched and enhanced the SDRMA **interactive website**; provided **FREE online training** through Target Solutions; launched a **Safety Specialist Certificate** program; and contracted with Company Nurse to provide **FREE screening services** for work-related injury cases. I have worked closely with SDRMA for **17 years**. I am attracted to its member-focused, pro-active, and positive mission. I would like to see – and be a part of – SDRMA continue this member-centric approach.

**What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization)**

I am serving my eighth year on the **SDRMA Board of Directors** and in 2017 I am the Board President. I am serving my fifth year on the Board of Directors for the **Special District Leadership Foundation (SDLF)** and I am the Board Secretary. On this Board I have been part of the continuing expansion of the SDLF programs, including the premier program, **District of Distinction**, also the Special District Administrator Certificate, the Recognition of Special District Governance, and the District Transparency Certificate of Excellence.

My career experience with special districts has helped me to understand the issues specific to smaller organizations. I have learned what it really means for an organization to do more with less. I have also learned that political realities for special districts are distinct from other forms of governments. As the Deputy Director – Administration for the Mojave Desert Air Quality Management District, I am the staff representative to the Governing Board Committees for Budget and Personnel. I am a member of and have chaired the California Air Pollution Control Officers Association (CAPCOA), statewide committees for Fiscal and Human Resource officers. I organized and have chaired the Alternate Fuel Task Force for the Mojave Desert air basin; I have represented the District in the Antelope Valley Clean Cities Coalition.

My working opportunities have crossed several public service types. I served as the Victorville city representative to the Technical Advisory Committee for the Victor Valley Transit Authority and as the City representative and officer on the Executive Committee of the Regional Economic Development Authority. I volunteered four years on the Board of Directors of the Victor Valley Federal Credit Union. For six years, I worked as an adjunct professor at Victor Valley Community College teaching Public Works Administration.

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?**

As professional and as a volunteer, I have a wide range of experiences with organizational structures, long term and vision planning, development of staff and volunteers, and resource and program management. My experience of leading organizational activities and implementing change for growth includes bringing together intergenerational and multicultural groups to achieve common goals.

I am an effective manager with expertise in efficient and productive management implementing process improvements in finance, human resources, risk management, and a wide variety of related administrative and organizational functions. I have led highly skilled teams to support the achievement of overall agency goals and objectives.

I earned a Master's Degree in Public Administration from California State University, San Bernardino

I earned the Special District Administrator Certification from the Special Districts Leadership Foundation

I earned the Recognition of Special District Governance from the Special Districts Leadership Foundation

I earned the Masters Certification in Labor Relations from the California Public Employers Labor Relations Association (CALPELRA)

**What is your overall vision for SDRMA?**

I want to continue contributing my experience and expertise to SDRMA's overall function to further strengthen and enhance the lines of services provided by SDRMA. I want to see members educated to be wise in their management to reduce costs and deliver their very important missions to their communities. I want to be part of the mission to enhance the member's experience through claims management and education that leads to loss prevention.

**I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.**

Candidate Signature

*John Bailey*

Date

2-27-17

# Agenda Item #8



MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE  
MONTECITO FIRE PROTECTION DISTRICT

Held at Fire District Headquarters, 595 San Ysidro Road May 22, 2017 at 2:00 p.m.

Director van Duinwyk called the meeting to order at 2:00 p.m.

**Present:** Director van Duinwyk, Director Venable, Director Easton. Chief Hickman and District Counsel Mark Manion were also present.

**Absent:** Director Powell, Director Lee

- 1. Public comment: Any person may address the Board at this time on any non-agenda matter that is within the subject matter jurisdiction of the Montecito Fire Protection District. (30 minutes total time allotted for this discussion.)**

There were no public comments at this meeting.

- 2. Time Certain, 2:00 p.m. – Receive presentation from PARS/Highmark representatives regarding the PARS Pension Rate Stabilization Program (PRSP).**

Representatives from PARS/Highmark provided a power point presentation regarding the Pension Rate Stabilization Program (PRSP).

- 3. Public Information and Education project update by Core Idea Consultant, Robert TenEyck.**

- a. Review Communication Plan, Initiative 3.**

Core Idea Consultant, Robert TenEyck provided an update regarding Initiative 3.

- 4. Report from the Finance Committee:**

- a. Consider recommendation to approve Resolution 2017-01, Adoption of the Public Agencies Post-Employment Benefits Trust and Administrative Services Contract.**

Motion made by Director van Duinwyk, seconded by Director Venable to approve Resolution 2017-01, Adoption of the Public Agencies Post-Employment Benefits Trust and Administrative Services Contract. The Roll Call Vote was as follows:

Ayes: J. Venable, P. van Duinwyk, S. Easton

Nays: None

Abstain: None

Absent: M. Lee, J. A. Powell

**b. Report on CalPERS Annual Valuation Report as of June 30, 2015 for Miscellaneous and Safety Plans.**

District Accountant, Araceli Gil provided a report regarding the CalPERS Annual Valuation Report as of June 30, 2015.

**c. Discuss CalPERS discount rate change and consider recommendation to establish a pension liabilities funding plan.**

Director van Duinwyk provided a report regarding the recommendation to establish a pension liabilities funding plan. Motion made by Director van Duinwyk, seconded by Director Easton and unanimously passed to establish a pension liabilities funding plan as stated in the staff report. The Chief added that staff would meet with Capital PFG regarding final numbers.

**d. Review Draft Preliminary Budget for FY 2017-18.**

District Accountant, Araceli Gil provided a report regarding the 2017-18 budget.

**e. Consider recommendation to approve March and April 2017 financial statements.**

District Accountant, Araceli Gil provided a report regarding the March and April 2017 financial statements. Motion made by Director van Duinwyk, seconded by Director Venable and unanimously passed to approve the March and April 2017 financial statements.

**5. Consider the adoption of Resolution 2017-02 authorizing an amendment to the contract between Montecito Fire Protection District and the California Public Employees' Retirement System.**

District Accountant, Araceli Gil provided a report regarding Resolution 2017-02. Motion made by Director Easton, seconded by Director Venable to adopt Resolution 2017-02, authorizing an amendment to the contract between MFPD and the CalPERS Retirement System. The Roll Call vote was as follows:

Ayes: J. Venable, P. van Duinwyk, S. Easton

Nays: None

Abstain: None

Absent: M. Lee, J. A. Powell

**6. Approval of Minutes of the April 24, 2017 Regular Meeting.**

Motion to approve the minutes of the April 24, 2017 Regular Meeting made by Director Easton, seconded by Director Venable and unanimously passed.



**7. Fire Chief's report.**

Chief Hickman provided an update regarding significant calls last month. The Chief stated that E391 has returned from a Mutual Aid assignment in Coalinga. Chief Hickman stated that Bob Hazard is writing an article in the Montecito Journal regarding ADU's. Chief Hickman requested to move the Regular Board meeting on June 26 to June 16. The Board agreed to the change.

**8. Board of Director's report.**

There were no items to report at this meeting.

**9. Suggestions from Directors for items other than regular agenda items to be included for the June 16, 2017 Special Board meeting.**

Director Easton requested a closed session regarding Station 3.

The Meeting Adjourned at 3:38 p.m.

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President Peter van Duinwyk

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Secretary John Venable



# Agenda Item #9



and efficiently and the hazard removed.

With much gratitude to your Department and the Neighborhood Fire Prevention Project and all the men and women who serve our community.

Thank you

Dawn Stone

740 Chelham Way

S. A. 93108

Dear Chief Hickman,  
I wish to thank the Montecito Fire Department and the Neighborhood Fire Prevention Project for the help I recently received.

A week before chipping was to begin on our street a windstorm brought down a large tree in our yard. I called and spoke with Kerry Kellogg who was hired on the Project flyer. Within an hour he was at my house sizing up the situation. A few days later he brought Paul Sanchez from Branch Out and together they said we could get the tree removed and chipped as part of the Project.

The work was done quickly



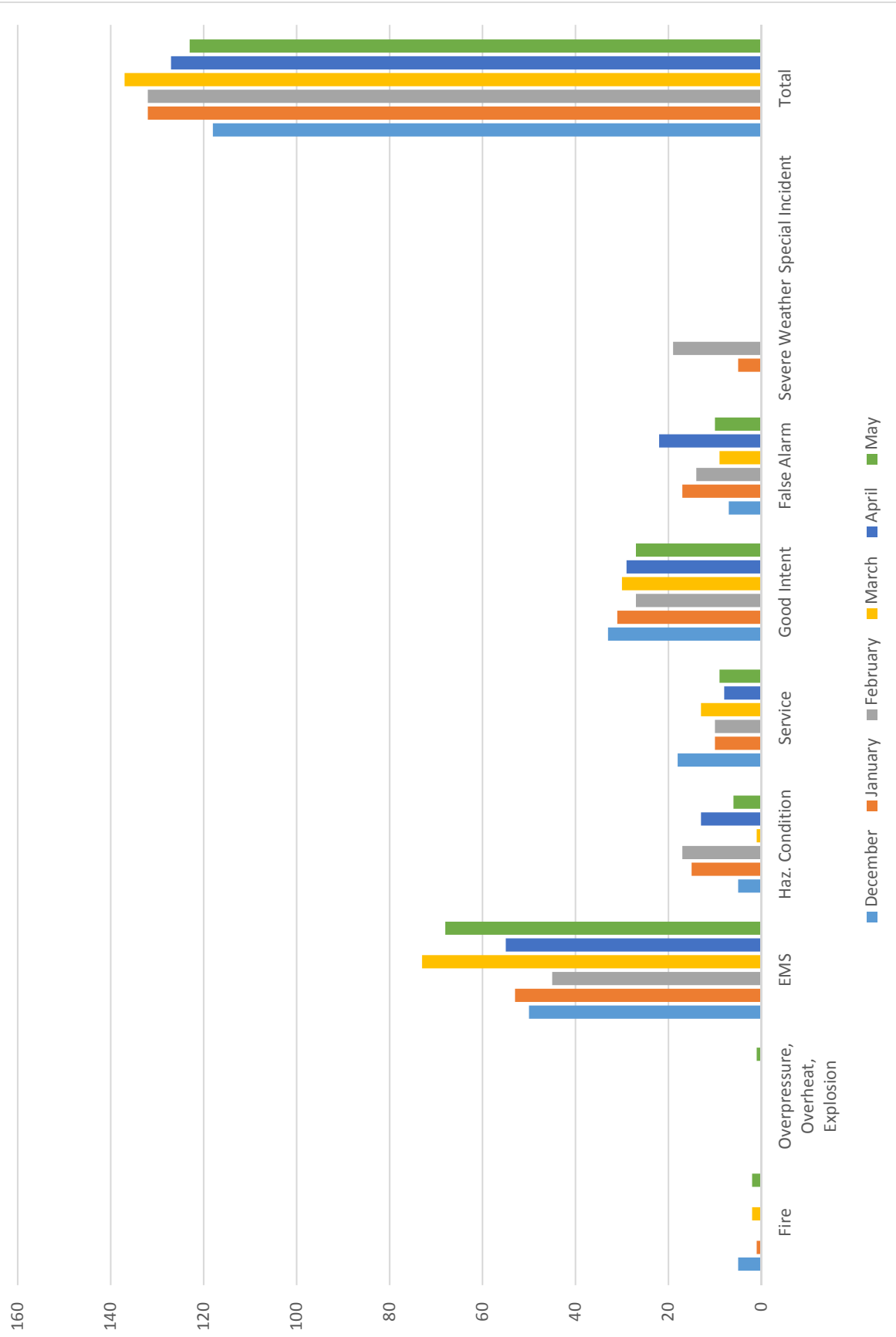
 Dear Kerry

I thank you for responding so promptly to my phone call after a wind storm felled a tree in our yard. You were here within an hour of my phone call and sized up the situation. I was pleased to meet Saul and his crew from Branch Out. So hardworking and so pleasant. We still have much work to do on our property and will surely use them again and recommend them to friends. Kevin got the fence back in place! Again, thank you for your help and support.

With gratitude,  
Dawn

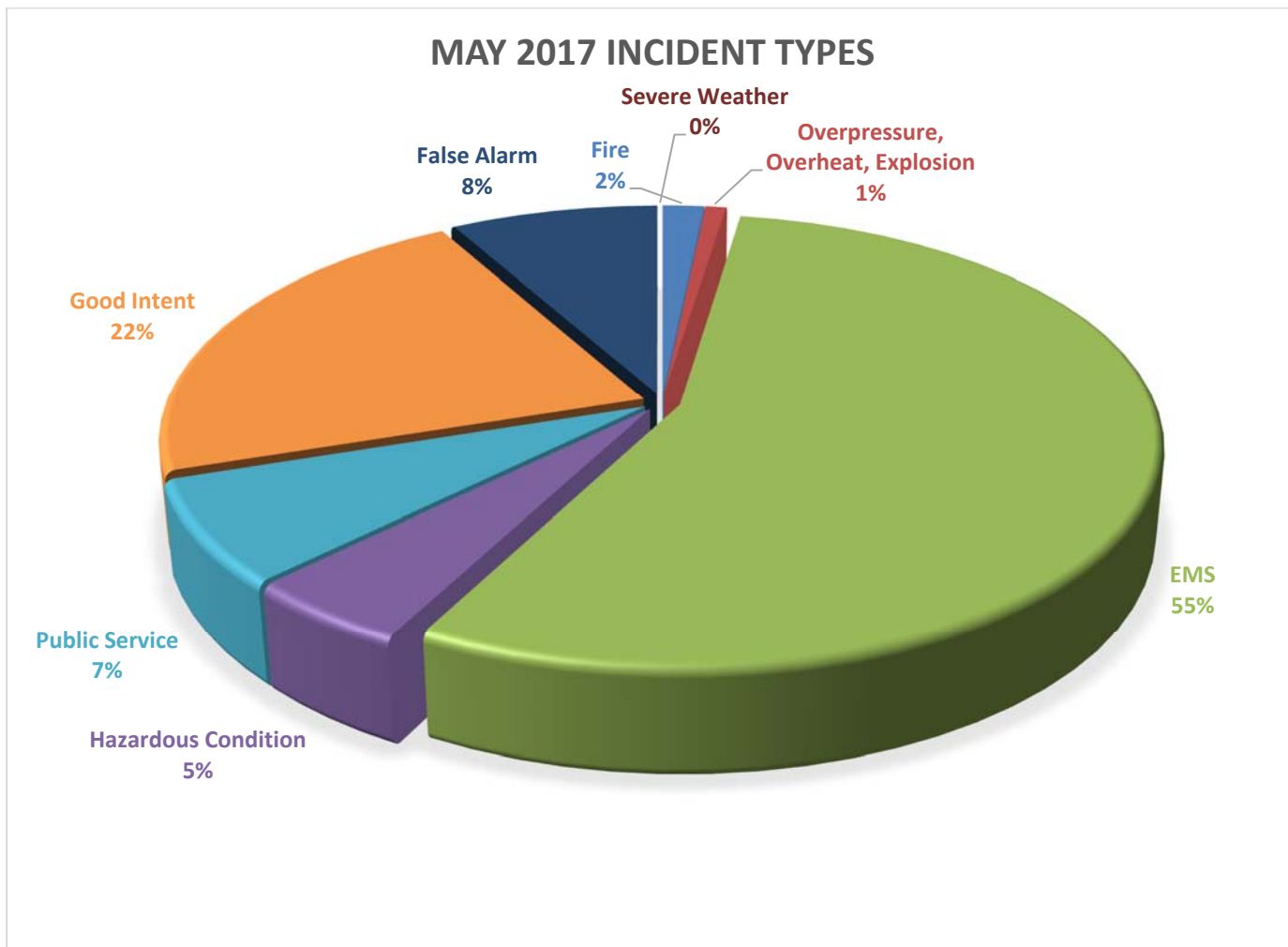


### DECEMBER 2016 - MAY 2017 INCIDENT TREND



**APRIL 2017**  
**CALLS BY INCIDENT TYPE**  
**TOTAL INCIDENTS: 123**

FIRE: 2	EMS: 68
OVERHEAT, EXPLOSION: 1	PUBLIC SERVICE**: 9
HAZARDOUS CONDITION: 6	GOOD INTENT*: 27
FALSE ALARM: 10	SPECIAL INCIDENT TYPES: 0
SEVERE WEATHER: 0	



\*Good Intent: Firefighters respond to a reported emergency, but find a different type of incident or nothing at all upon arrival to the area. Example: A caller reports smoke on the hillside. Firefighters arrive to discover a grading operation at a construction site is creating dust mistaken for smoke. Dispatched and Cancelled Enroute falls in this category.

\*\* Public Service: Non-emergency requests for assistance. Examples: lock out, animal rescue, ring removal, water problem; lift assists, seized gate, stalled elevator, providing the Sheriff's Department with a ladder to enter a building.