

# MONTECITO FIRE PROTECTION DISTRICT

## Finance Committee Meeting Agenda

January 16, 2015 at 2:00 p.m.

Montecito Fire Protection District Headquarters  
595 San Ysidro Road  
Santa Barbara, California

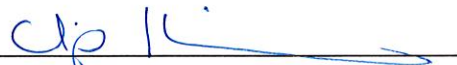
Agenda Items May Be Taken Out of the Order Shown

1. Public comment: Any person may address the Finance Committee 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 is allotted for this discussion.
2. Review and make recommendation for approval of December 2014 financial statements.
3. Review PARS OPEB Trust Program statements for October and November 2014.
4. Review CalPERS Annual Valuation Report as of June 30, 2013 for Miscellaneous and Safety Plans.
5. Review Board-approved Budget Calendar and consider budget policy recommendations for fiscal year 2015-16.
6. Fire Chief's Report.
7. Requests for items to be included for the next Finance Committee Meeting.
8. Adjournment.

Next meeting is scheduled for Thursday, February 12, 2015 at 2:00 p.m.

This agenda is posted pursuant to the provisions of the Government Code commencing at Section 54950. The date of the posting is January 13, 2015.

MONTECITO FIRE PROTECTION DISTRICT

  
\_\_\_\_\_  
Chip Hickman, Fire Chief

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.



NOTES FOR THE FINANCE COMMITTEE MEETING OF THE  
MONTECITO FIRE PROTECTION DISTRICT

Held at Fire District Headquarters 595 San Ysidro Road, Santa Barbara, CA  
on December 11, 2014 at 2:00 p.m.

The meeting was called to order by Director Venable at 2:05 p.m.

**Present:** Director Venable and Director Sinser. Chief Hickman was also present.

- 1. Public comment: Any person may address the Finance Committee 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 is allotted for this discussion.**

No public Comment

- 2. Review and make recommendation for approval of November 2014 financial statements.**

Director Sinser requests that the reports include explanations for line items that are headed "special".

After reviewing the financial statements, the committee agreed to recommend approval of November 2014 financial statements.

- 3. Review and make recommendation for approval of Resolution 2014-17 for the Exception to the 180 Day wait period GC sections 7522.56 & 21224 for post retirement annuitant employment of Terry McElwee.**

Chief Hickman reviewed the staff report and explained the limitations of post retirement annuitant employment.

After discussing the benefits of allowing Chief McElwee to continue as a post retirement annuitant employee, the committee agreed to recommend approval of Resolution 2014-17.

- 4. Review and make recommendation for approval of Resolution 2014-18 identifying certain District owned properties as surplus and donating the surplus property to the Allan Hancock Community College Fire Technology Program.**

Chief Hickman explained the benefits of donating excess Kenwood TK 290 portable radios and accompanying accessories to Allan Hancock Community College Fire Technology Program. After discussing the process of donating the radios and internal tracking methods, the committee agreed to recommend approval of Resolution 2014-18, donating the Kenwood TK 290 portable radios to Allan Hancock Community College.

- 5. Review and make recommendation for approval per Resolution 2013-18, for purchase of replacement vehicle for Division Chief of Operations. (Approved in FY 2014/15 Budget.)**

After Chief Hickman reviewed the staff report, the committee agreed to recommend approval for the purchase of a replacement vehicle for the Division Chief from Paradise Chevrolet.

**6. Review PARS statement.**

No action taken.

**7. Fire Chief's Report.**

The Fire Chief reported on the recent Level 1 MERRAG activation and upcoming weather predictions.

**8. Requests for items to be included for the next Finance Committee Meeting.**

There were no requests.

**The meeting was adjourned at 3:11 p.m.**

# Agenda

## Item #2



**Variance Report**  
**Finance Committee - January 16, 2015**

<b>Report</b>	<b>Line Item</b>	<b>Variance Explanation</b>
1 Balance Sheet	0115	The County posts quarterly fair market value (FMV) adjustments for cash invested in their investment pool.
2 Balance Sheet	0550	The deposit amount required by State Fund, the District's worker's compensation insurance. The policy was cancelled on 12/31/14, therefore this line item will clear in January or February when final payments to State Fund are determined.
3 Balance Sheet	1210	The Accounts Payable detail is included in the Cash Reconciliation report.
4 Balance Sheet	1330	Funds temporarily borrowed from Fund 3653 to help offset potential cash flow shortages due to tax revenue collection schedule.
5 Balance Sheet	1400	The deposit amounts held for the three rental property tenants.
6 Balance Sheet	1730	This account is as a holding account for any deposits made through the County Treasurer. All deposits are cleared with a Budget Journal Entry.
7 Financial Status	Taxes Total	In general, approximately 55% of property tax revenue is distributed by December. The District was at 57% of budgeted revenue.
8 Financial Status	3750	The District has not received payment for last fiscal year. The payment is considered to be collectible.
9 Financial Status	5105	The line item is being used to account for first response services provided to AMR and dispatch services provided to Carpinteria-Summerland Fire.
10 Financial Status	6300	Overtime activity is higher than anticipated due to fire assignments and shift vacancies due extended personnel vacancies.
11 Financial Status	6475	The first (of three) contributions to the PARS OPEB account was made in December for \$536,712.
12 Financial Status	6700	The majority of the unemployment insurance contribution will be made in January with the first payroll of the year.
13 Financial Status	7205	The majority of hazard mitigation projects take place in the spring when the "Neighborhood Projects" start.
14 Financial Status	7348	This account is for budgeted items that have not been purchased yet.
15 Financial Status	7506	Fee paid to the SB County Tax Collector's office. Paid in April/May.
16 Financial Status	7650	This line item is used to account for events/purchases that don't occur every year. For example, Prop 4 override and Officer elections, new hire or promotional expenses, permit expenses, etc.
17 Financial Status Fund 3651	7830 & 7910	Payments for the side fund pension bond are paid semi-annually, and due in July and January. Both payments have been posted for the fiscal year.
18 Financial Status Fund 3652	8300	The year to date expense of \$154,933 is for the Type 6 Patrol that was paid for last fiscal year, but received this fiscal year.
19 Revenue Transactions	3750	At June 30, 2014, the District had an accounts receivable balance for \$112,396 for two fire assignment reimbursements. The receivable is automatically reversed in December.
20 Financial Trend	4476	The District has not received payment federal fire reimbursements as of December. Outstanding amounts can be seen on the Fire Billings Detail.

**Variance Report**  
**Finance Committee - January 16, 2015**

<b>21</b>	Financial Trend	6475	In 2012-13, there were no OPEB payments. In 2013-14, the payments wasn't processed until June 2014.
<b>22</b>	Financial Trend	7630	The previous year included portable radios purchases of over \$25k.
<b>23</b>	Financial Trend	7650	Includes fees of \$28,000 for the Prop 4 Override Election held in July, LAFCO budget allocation of \$12k, and testing material for new hires and promotional process.
<b>24</b>	Expenditure Trend	7120	Large supply of class A foam for engines was purchased for \$3k, annual testing for air bottles cost \$3k, and a repair part for the MAKO air compressor cost over \$1k.
<b>25</b>	Expenditure Trend	7200	Over \$5k of rental property expenses were incurred from September to December, including a \$3k expense for new water heaters.
<b>26</b>	Expenditure Trend	7460	November expenses paid in December included: Citygate (\$17,000) and Price, Postel & Parma (\$7,000).
<b>25</b>	Expenditure Trend	7732	November and December were busy months for training. Several employees attended an auto extrication class, the Conference of CA Arson Investigators, and in-house training on the Firefighter Bill of Rights.



# Balance Sheet

As of: 12/31/2014  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650-3654

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

## Fund 3650 -- Montecito Fire Protection Dist

	Beginning Balance 7/1/2014	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 12/31/2014
<b>Assets &amp; Other Debits</b>				
<b>Assets</b>				
0110 -- Cash in Treasury	4,021,476.42	10,262,771.96	7,267,054.08	7,017,194.30
0115 -- Treasury FMV Adjustment	-2,052.63	0.00	7,671.61	-9,724.24 <b>1</b>
0120 -- Imprest Cash	500.00	0.00	0.00	500.00
0130 -- Cash with Fiscal Agents	17,597.94	11,483.60	19,570.76	9,510.78
0230 -- Accounts Receivable	115,847.81	0.00	115,847.81	0.00
0240 -- Interest Receivable	7,743.87	4,034.08	9,563.52	2,214.43
0550 -- Deposits with Others	67,620.00	3,258.00	0.00	70,878.00 <b>2</b>
<b>Total Assets</b>	<b>4,228,733.41</b>	<b>10,281,547.64</b>	<b>7,419,707.78</b>	<b>7,090,573.27</b>
<b>Liabilities, Equity &amp; Other Credits</b>				
<b>Liabilities</b>				
1010 -- Warrants Payable	0.00	2,384,019.20	2,384,019.20	0.00
1015 -- EFT Payable	0.00	425,397.67	425,397.67	0.00
1210 -- Accounts Payable	134,045.11	2,809,180.14	3,311,726.20	636,591.17 <b>3</b>
1240 -- Accrued Expenses	278,335.41	278,335.41	0.00	0.00
1330 -- Due To Other Funds	0.00	0.00	1,500,000.00	1,500,000.00 <b>4</b>
1400 -- Deposits	3,000.00	0.00	0.00	3,000.00 <b>5</b>
1730 -- Unidentified Deposits	0.00	170,285.54	170,285.54	0.00 <b>6</b>
<b>Total Liabilities</b>	<b>415,380.52</b>	<b>6,067,217.96</b>	<b>7,791,428.61</b>	<b>2,139,591.17</b>
<b>Equity</b>				
2110 -- Fund Balance-Nonspendable	67,620.00	0.00	3,258.00	70,878.00
2130 -- Fund Balance-Committed	1,200,500.00	0.00	0.00	1,200,500.00
2200 -- Fund Balance-Residual	2,545,232.89	24,559,644.21	25,694,015.42	3,679,604.10
<b>Total Equity</b>	<b>3,813,352.89</b>	<b>24,559,644.21</b>	<b>25,697,273.42</b>	<b>4,950,982.10</b>

# Balance Sheet

As of: 12/31/2014  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650-3654  
Layout Options: Summarized By = Fund; Page Break At = Fund

## Fund 3650 -- Montecito Fire Protection Dist

	Beginning Balance 7/1/2014	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 12/31/2014
Total Liabilities, Equity & Other Credits	4,228,733.41	30,626,862.17	33,488,702.03	7,090,573.27

# Balance Sheet

As of: 12/31/2014  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650-3654  
Layout Options: Summarized By = Fund; Page Break At = Fund

## Fund 3651 -- Montecito Fire Pension Oblig

	Beginning Balance 7/1/2014	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 12/31/2014
<b>Assets &amp; Other Debits</b>				
<b>Assets</b>				
0110 -- Cash in Treasury	347.22	769,117.62	379,498.71	389,966.13
0115 -- Treasury FMV Adjustment	-0.18	0.00	540.22	-540.40
0240 -- Interest Receivable	0.36	11.65	4.62	7.39
<b>Total Assets</b>	<b>347.40</b>	<b>769,129.27</b>	<b>380,043.55</b>	<b>389,433.12</b>
<b>Liabilities, Equity &amp; Other Credits</b>				
<b>Liabilities</b>				
1010 -- Warrants Payable	0.00	2,190.00	2,190.00	0.00
1015 -- EFT Payable	0.00	377,308.71	377,308.71	0.00
1210 -- Accounts Payable	0.00	379,498.71	769,307.91	389,809.20
<b>Total Liabilities</b>	<b>0.00</b>	<b>758,997.42</b>	<b>1,148,806.62</b>	<b>389,809.20</b>
<b>Equity</b>				
2140 -- Fund Balance-Assigned	347.40	0.00	0.00	347.40
2200 -- Fund Balance-Residual	0.00	1,539,161.13	1,538,437.65	-723.48
<b>Total Equity</b>	<b>347.40</b>	<b>1,539,161.13</b>	<b>1,538,437.65</b>	<b>-376.08</b>
<b>Total Liabilities, Equity &amp; Other Credits</b>	<b>347.40</b>	<b>2,298,158.55</b>	<b>2,687,244.27</b>	<b>389,433.12</b>

# Balance Sheet

As of: 12/31/2014  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650-3654  
Layout Options: Summarized By = Fund; Page Break At = Fund

## Fund 3652 -- Montecito Fire Cap Outlay Res

	Beginning Balance 7/1/2014	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 12/31/2014
<b>Assets &amp; Other Debits</b>				
<b>Assets</b>				
0110 -- Cash in Treasury	2,070,998.04	23,843.66	0.00	2,094,841.70
0115 -- Treasury FMV Adjustment	-1,057.07	280.32	2,126.23	-2,902.98
0240 -- Interest Receivable	1,981.27	3,804.23	3,993.66	1,791.84
0550 -- Deposits with Others	154,933.00	0.00	154,933.00	0.00
<b>Total Assets</b>	<b>2,226,855.24</b>	<b>27,928.21</b>	<b>161,052.89</b>	<b>2,093,730.56</b>
<b>Liabilities, Equity &amp; Other Credits</b>				
<b>Liabilities</b>				
1730 -- Unidentified Deposits	0.00	19,850.00	19,850.00	0.00
<b>Total Liabilities</b>	<b>0.00</b>	<b>19,850.00</b>	<b>19,850.00</b>	<b>0.00</b>
<b>Equity</b>				
2110 -- Fund Balance-Nonspendable	154,933.00	154,933.00	0.00	0.00
2140 -- Fund Balance-Assigned	2,071,922.24	0.00	0.00	2,071,922.24
2200 -- Fund Balance-Residual	0.00	557,315.23	579,123.55	21,808.32
<b>Total Equity</b>	<b>2,226,855.24</b>	<b>712,248.23</b>	<b>579,123.55</b>	<b>2,093,730.56</b>
<b>Total Liabilities, Equity &amp; Other Credits</b>	<b>2,226,855.24</b>	<b>732,098.23</b>	<b>598,973.55</b>	<b>2,093,730.56</b>

# Balance Sheet

As of: 12/31/2014  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650-3654  
Layout Options: Summarized By = Fund; Page Break At = Fund

## Fund 3653 -- Montecito Fire Land & Building

	Beginning Balance 7/1/2014	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 12/31/2014
<b>Assets &amp; Other Debits</b>				
<b>Assets</b>				
0110 -- Cash in Treasury	7,858,749.96	13,256.75	1,500,531.00	6,371,475.71
0115 -- Treasury FMV Adjustment	-4,011.24	851.20	5,669.38	-8,829.42
0240 -- Interest Receivable	5,688.06	13,018.49	13,256.75	5,449.80
0260 -- Due From Other Funds	0.00	1,500,000.00	0.00	1,500,000.00
<b>Total Assets</b>	<b>7,860,426.78</b>	<b>1,527,126.44</b>	<b>1,519,457.13</b>	<b>7,868,096.09</b>
<b>Liabilities, Equity &amp; Other Credits</b>				
<b>Equity</b>				
2140 -- Fund Balance-Assigned	7,860,426.78	0.00	0.00	7,860,426.78
2200 -- Fund Balance-Residual	0.00	906,200.38	913,869.69	7,669.31
<b>Total Equity</b>	<b>7,860,426.78</b>	<b>906,200.38</b>	<b>913,869.69</b>	<b>7,868,096.09</b>
<b>Total Liabilities, Equity &amp; Other Credits</b>				
	<b>7,860,426.78</b>	<b>906,200.38</b>	<b>913,869.69</b>	<b>7,868,096.09</b>

# Balance Sheet

# Fund closed on 12/31/14

As of: 12/31/2014  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650-3654

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

## Fund 3654 -- Montecito Fire UHR Mello-Roos

	Beginning Balance 7/1/2014	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 12/31/2014
<b>Assets &amp; Other Debits</b>				
<b>Assets</b>				
0110 -- Cash in Treasury	9,519.66	19.07	9,538.73	0.00
0115 -- Treasury FMV Adjustment	-4.86	14.49	9.63	0.00
0240 -- Interest Receivable	9.88	9.19	19.07	0.00
<b>Total Assets</b>	<b>9,524.68</b>	<b>42.75</b>	<b>9,567.43</b>	<b>0.00</b>
<b>Liabilities, Equity &amp; Other Credits</b>				
<b>Liabilities</b>				
1010 -- Warrants Payable	0.00	9,500.00	9,500.00	0.00
1210 -- Accounts Payable	0.00	9,500.00	9,500.00	0.00
<b>Total Liabilities</b>	<b>0.00</b>	<b>19,000.00</b>	<b>19,000.00</b>	<b>0.00</b>
<b>Equity</b>				
2140 -- Fund Balance-Assigned	9,524.68	9,524.68	0.00	0.00
2200 -- Fund Balance-Residual	0.00	19,058.87	19,058.87	0.00
<b>Total Equity</b>	<b>9,524.68</b>	<b>28,583.55</b>	<b>19,058.87</b>	<b>0.00</b>
<b>Total Liabilities, Equity &amp; Other Credits</b>	<b>9,524.68</b>	<b>47,583.55</b>	<b>38,058.87</b>	<b>0.00</b>

# Financial Status

As of: 12/31/2014 (50% Elapsed)  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650-3654

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

## Fund 3650 -- Montecito Fire Protection Dist

Line Item Account	6/30/2015 Fiscal Year Adjusted Budget	12/31/2014 Year-To-Date Actual	6/30/2015 Fiscal Year Variance	6/30/2015 Fiscal Year Pct of Budget
<b>Revenues</b>				
<b>Taxes</b>				
3010 -- Property Tax-Current Secured	13,782,468.00	7,721,764.82	-6,060,703.18	56.03 %
3011 -- Property Tax-Unitary	107,223.00	0.00	-107,223.00	0.00 %
3020 -- Property Tax-Current Unsecd	582,421.00	631,309.28	48,888.28	108.39 %
3040 -- Property Tax-Prior Secured	-60,614.00	-102.20	60,511.80	0.17 %
3050 -- Property Tax-Prior Unsecured	7,918.00	0.00	-7,918.00	0.00 %
3054 -- Supplemental Pty Tax-Current	219,299.00	16,261.83	-203,037.17	7.42 %
3056 -- Supplemental Pty Tax-Prior	14,809.00	-2,580.20	-17,389.20	-17.42 %
<b>Taxes</b>	<b>14,653,524.00</b>	<b>8,366,653.53</b>	<b>-6,286,870.47</b>	<b>57.10 %</b>
<b>Use of Money and Property</b>				
3380 -- Interest Income	17,659.00	4,034.08	-13,624.92	22.84 %
3381 -- Unrealized Gain/Loss Invstmnts	0.00	-7,657.12	-7,657.12	--
3409 -- Other Rental of Bldgs and Land	50,961.00	20,656.56	-30,304.44	40.53 %
<b>Use of Money and Property</b>	<b>68,620.00</b>	<b>17,033.52</b>	<b>-51,586.48</b>	<b>24.82 %</b>
<b>Intergovernmental Revenue-State</b>				
3750 -- State-Emergency Assistance	0.00	-25,509.59	-25,509.59	--
4220 -- Homeowners Property Tax Relief	86,330.00	42,183.11	-44,146.89	48.86 %
<b>Intergovernmental Revenue-State</b>	<b>86,330.00</b>	<b>16,673.52</b>	<b>-69,656.48</b>	<b>19.31 %</b>
<b>Charges for Services</b>				
5105 -- Reimb for District Services	180,140.00	66,474.00	-113,666.00	36.90 %
<b>Charges for Services</b>	<b>180,140.00</b>	<b>66,474.00</b>	<b>-113,666.00</b>	<b>36.90 %</b>
<b>Miscellaneous Revenue</b>				
5909 -- Other Miscellaneous Revenue	5,825.00	24,852.07	19,027.07	426.64 %
<b>Miscellaneous Revenue</b>	<b>5,825.00</b>	<b>24,852.07</b>	<b>19,027.07</b>	<b>426.64 %</b>

# Financial Status

As of: 12/31/2014 (50% Elapsed)  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650-3654

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

## Fund 3650 -- Montecito Fire Protection Dist

Line Item Account	6/30/2015 Fiscal Year Adjusted Budget	12/31/2014 Year-To-Date Actual	6/30/2015 Fiscal Year Variance	6/30/2015 Fiscal Year Pct of Budget
<b>Revenues</b>	14,994,439.00	8,491,686.64	-6,502,752.36	56.63 %
<b>Expenditures</b>				
Salaries and Employee Benefits				
6100 -- Regular Salaries	6,623,640.00	2,849,676.32	3,773,963.68	43.02 %
6300 -- Overtime	850,000.00	738,922.51	111,077.49	86.93 % <b>10</b>
6400 -- Retirement Contribution	1,885,332.00	820,855.24	1,064,476.76	43.54 %
6475 -- Retiree Medical OPEB	1,610,136.00	536,712.00	1,073,424.00	33.33 % <b>11</b>
6550 -- FICA/Medicare	99,663.00	48,895.18	50,767.82	49.06 %
6600 -- Health Insurance Contrib	1,262,839.00	711,216.09	551,622.91	56.32 %
6700 -- Unemployment Ins Contribution	8,925.00	315.38	8,609.62	3.53 % <b>12</b>
6900 -- Workers Compensation	683,796.00	382,422.77	301,373.23	55.93 %
<b>Salaries and Employee Benefits</b>	<b>13,024,331.00</b>	<b>6,089,015.49</b>	<b>6,935,315.51</b>	<b>46.75 %</b>
Services and Supplies				
7030 -- Clothing and Personal	12,000.00	2,434.04	9,565.96	20.28 %
7050 -- Communications	96,300.00	44,859.01	51,440.99	46.58 %
7060 -- Food	2,500.00	156.70	2,343.30	6.27 %
7070 -- Household Supplies	24,970.00	9,960.84	15,009.16	39.89 %
7090 -- Insurance	29,302.00	30,051.15	-749.15	102.56 %
7120 -- Equipment Maintenance	25,000.00	16,542.68	8,457.32	66.17 %
7200 -- Structure & Ground Maintenance	38,224.00	12,879.45	25,344.55	33.69 %
7205 -- Fire Defense Zone (Hazard Mitigation)	90,000.00	13,157.38	76,842.62	14.62 % <b>13</b>
7322 -- Consulting & Mgmt Fees	3,100.00	1,292.41	1,807.59	41.69 %
7324 -- Audit and Accounting Fees	22,685.00	7,296.00	15,389.00	32.16 %
7348 -- Instruments & Equip. < \$5000	39,665.00	0.00	39,665.00	0.00 % <b>14</b>
7363 -- Equipment Maintenance (Vehicles)	50,000.00	13,643.64	36,356.36	27.29 %
7400 -- Medical, Dental and Lab (Supplies)	18,136.00	9,540.49	8,595.51	52.61 %
7430 -- Memberships	2,750.00	1,737.00	1,013.00	63.16 %



# Financial Status

As of: 12/31/2014 (50% Elapsed)  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650-3654

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

## Fund 3650 -- Montecito Fire Protection Dist

Line Item Account	6/30/2015 Fiscal Year Adjusted Budget	12/31/2014 Year-To-Date Actual	6/30/2015 Fiscal Year Variance	6/30/2015 Fiscal Year Pct of Budget
7450 -- Office Expense	27,317.00	9,141.07	18,175.93	33.46 %
7460 -- Professional & Special Service	516,000.00	131,820.30	384,179.70	25.55 %
7506 -- Administrative Expense (SBC)	165,000.00	0.00	165,000.00	0.00 % <b>15</b>
7507 -- ADP Payroll Fees	7,500.00	3,129.19	4,370.81	41.72 %
7510 -- Contractual Services	41,400.00	28,700.77	12,699.23	69.33 %
7530 -- Publications & Legal Notices	2,000.00	1,107.60	892.40	55.38 %
7580 -- Rents/Leases-Structure	5,500.00	1,650.00	3,850.00	30.00 %
7630 -- Small Tools & Instruments	11,200.00	1,782.71	9,417.29	15.92 %
7650 -- Special Departmental Expense	94,850.00	51,902.38	42,947.62	54.72 % <b>16</b>
7671 -- Special Projects	9,400.00	7,114.16	2,285.84	75.68 %
7730 -- Transportation and Travel (incl. Business Mtgs)	12,000.00	5,645.71	6,354.29	47.05 %
7731 -- Gasoline-Oil-Fuel	55,000.00	21,308.07	33,691.93	38.74 %
7732 -- Training	61,000.00	18,440.18	42,559.82	30.23 %
7760 -- Utilities	47,000.00	23,413.51	23,586.49	49.82 %
Services and Supplies	1,509,799.00	468,706.44	1,041,092.56	31.04 %
Capital Assets				
8300 -- Equipment	58,500.00	27,246.74	31,253.26	46.58 %
Capital Assets	58,500.00	27,246.74	31,253.26	46.58 %
Expenditures	14,592,630.00	6,584,968.67	8,007,661.33	45.13 %
Other Financing Sources & Uses				
Other Financing Sources	800,000.00	0.00	-800,000.00	0.00 %
5910 -- Oper Trf (In)-General Fund	800,000.00	0.00	-800,000.00	0.00 %
Other Financing Sources	800,000.00	0.00	-800,000.00	0.00 %
Other Financing Uses				
7901 -- Oper Trf (Out)	1,101,529.00	769,113.00	332,416.00	69.82 %
Other Financing Uses	1,101,529.00	769,113.00	332,416.00	69.82 %

# Financial Status

As of: 12/31/2014 (50% Elapsed)  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650-3654

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

## Fund 3650 -- Montecito Fire Protection Dist

Line Item Account	6/30/2015 Fiscal Year Adjusted Budget	12/31/2014 Year-To-Date Actual	6/30/2015 Fiscal Year Variance	6/30/2015 Fiscal Year Pct of Budget
Other Financing Sources & Uses	-301,529.00	-769,113.00	-467,584.00	255.07 %
Changes to Fund Balances				
Increase to Nonspendables	0.00	3,258.00	-3,258.00	--
9605 -- Prepaids/Deposits	0.00	3,258.00	-3,258.00	--
Increase to Nonspendables				
Changes to Fund Balances	0.00	-3,258.00	-3,258.00	--
Montecito Fire Protection Dist	100,280.00	1,134,346.97	1,034,066.97	1,131.18 %

# Financial Status

As of: 12/31/2014 (50% Elapsed)  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650-3654

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

## Fund 3651 -- Montecito Fire Pension Oblig

Line Item Account	6/30/2015 Fiscal Year Adjusted Budget	12/31/2014 Year-To-Date Actual	6/30/2015 Fiscal Year Variance	6/30/2015 Fiscal Year Pct of Budget
<b>Revenues</b>				
Use of Money and Property				
3380 -- Interest Income	0.00	11.65	11.65	--
3381 -- Unrealized Gain/Loss Invstmnts	0.00	-540.22	-540.22	--
Use of Money and Property	0.00	-528.57	-528.57	--
<b>Revenues</b>	0.00	-528.57	-528.57	--
<b>Expenditures</b>				
Services and Supplies				
7460 -- Professional & Special Service	2,190.00	2,190.00	0.00	100.00 %
Services and Supplies	2,190.00	2,190.00	0.00	100.00 %
<b>Other Charges</b>				
7830 -- Interest Expense	83,123.00	83,122.80	0.20	100.00 %
Other Charges	83,123.00	83,122.80	0.20	100.00 %
<b>Expenditures</b>	85,313.00	85,312.80	0.20	100.00 %
<b>Other Financing Sources &amp; Uses</b>				
Other Financing Sources				
5910 -- Oper Trf (In)-General Fund	769,123.00	769,113.00	-10.00	100.00 %
Other Financing Sources	769,123.00	769,113.00	-10.00	100.00 %
<b>Other Financing Uses</b>				
7910 -- Long Term Debt Princ Repayment	684,000.00	683,995.11	4.89	100.00 %
Other Financing Uses	684,000.00	683,995.11	4.89	100.00 %
<b>Other Financing Sources &amp; Uses</b>	85,123.00	85,117.89	-5.11	99.99 %
Montecito Fire Pension Oblig	-190.00	-723.48	-533.48	380.78 %

# Financial Status

As of: 12/31/2014 (50% Elapsed)  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650-3654

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

## Fund 3652 -- Montecito Fire Cap Outlay Res

Line Item Account	6/30/2015 Fiscal Year Adjusted Budget	12/31/2014 Year-To-Date Actual	6/30/2015 Fiscal Year Variance	6/30/2015 Fiscal Year Pct of Budget
<b>Revenues</b>				
Use of Money and Property				
3380 -- Interest Income	0.00	3,804.23	3,804.23	--
3381 -- Unrealized Gain/Loss Invstmnts	0.00	-1,845.91	-1,845.91	--
Use of Money and Property	0.00	1,958.32	1,958.32	--
<b>Miscellaneous Revenue</b>				
5909 -- Other Miscellaneous Revenue	67,850.00	0.00	-67,850.00	0.00 %
Miscellaneous Revenue	67,850.00	0.00	-67,850.00	0.00 %
<b>Revenues</b>	67,850.00	1,958.32	-65,891.68	2.89 %
<b>Expenditures</b>				
<b>Capital Assets</b>				
8300 -- Equipment	117,200.00	154,933.00	-37,733.00	132.20 %
Capital Assets	117,200.00	154,933.00	-37,733.00	132.20 %
<b>Expenditures</b>	117,200.00	154,933.00	-37,733.00	132.20 %
<b>Other Financing Sources &amp; Uses</b>				
<b>Other Financing Sources</b>				
5910 -- Oper Trf (In)-General Fund	332,406.00	0.00	-332,406.00	0.00 %
5919 -- Sale Capital Assets-Prsnl Prop	0.00	19,850.00	19,850.00	--
Other Financing Sources	332,406.00	19,850.00	-312,556.00	5.97 %
<b>Other Financing Sources &amp; Uses</b>	332,406.00	19,850.00	-312,556.00	5.97 %
Montecito Fire Cap Outlay Res	283,056.00	-133,124.68	-416,180.68	-47.03 %

# Financial Status

As of: 12/31/2014 (50% Elapsed)  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650-3654

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

## Fund 3653 -- Montecito Fire Land & Building

Line Item Account	6/30/2015 Fiscal Year Adjusted Budget	12/31/2014 Year-To-Date Actual	6/30/2015 Fiscal Year Variance	6/30/2015 Fiscal Year Pct of Budget
<b>Revenues</b>				
Use of Money and Property				
3380 -- Interest Income	0.00	13,018.49	13,018.49	--
3381 -- Unrealized Gain/Loss Invstmnts	0.00	-4,818.18	-4,818.18	--
Use of Money and Property	0.00	8,200.31	8,200.31	--
<b>Revenues</b>	0.00	8,200.31	8,200.31	--
<b>Expenditures</b>				
Capital Assets				
8100 -- Land	100,000.00	0.00	100,000.00	0.00 %
8700 -- Work in Progress	0.00	531.00	-531.00	--
<b>Capital Assets</b>	100,000.00	531.00	99,469.00	0.53 %
<b>Expenditures</b>	100,000.00	531.00	99,469.00	0.53 %
<b>Other Financing Sources &amp; Uses</b>				
Other Financing Uses				
7901 -- Oper Trf (Out)	800,000.00	0.00	800,000.00	0.00 %
<b>Other Financing Uses</b>	800,000.00	0.00	800,000.00	0.00 %
<b>Other Financing Sources &amp; Uses</b>	-800,000.00	0.00	800,000.00	0.00 %
<b>Montecito Fire Land &amp; Building</b>	-900,000.00	7,669.31	907,669.31	-0.85 %

# Financial Status

# Fund closed on 12/31/14

As of: 12/31/2014 (50% Elapsed)  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650-3654

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

## Fund 3654 -- Montecito Fire UHR Mello-Roos

Line Item Account	6/30/2015 Fiscal Year Adjusted Budget	12/31/2014 Year-To-Date Actual	6/30/2015 Fiscal Year Variance	6/30/2015 Fiscal Year Pct of Budget
<b>Revenues</b>				
Use of Money and Property				
3380 -- Interest Income	0.00	9.19	9.19	--
3381 -- Unrealized Gain/Loss Invstmnts	0.00	-9.63	-9.63	--
Use of Money and Property	0.00	-0.44	-0.44	--
<b>Revenues</b>	0.00	-0.44	-0.44	--
<b>Expenditures</b>				
Services and Supplies				
7460 -- Professional & Special Service	9,525.00	9,500.00	25.00	99.74 %
Services and Supplies	9,525.00	9,500.00	25.00	99.74 %
Expenditures	9,525.00	9,500.00	25.00	99.74 %
Montecito Fire UHR Mello-Roos	-9,525.00	-9,500.44	24.56	99.74 %
<b>Net Financial Impact</b>	<b>-526,379.00</b>	<b>998,667.68</b>	<b>1,525,046.68</b>	<b>-189.72 %</b>

Remaining funds transferred to Fund 3650 on 12/31/14.

# Revenue Transactions

# Revenue activity for December

From 12/1/2014 to 12/31/2014

Selection Criteria: Fund = 3650-3654

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

## Fund 3650 -- Montecito Fire Protection Dist

Document	Post On	Dept	Description	Amount
Line Item Account 3010 -- Property Tax-Current Secured				
AUT - PT02958	12/19/2014		Est Secured 1% Collections 11/19-12/16/14 (3010)	5,529,203.36
			Total Property Tax-Current Secured	5,529,203.36
Line Item Account 3380 -- Interest Income				
AUT - INTACCR	12/31/2014		INTEREST APPORTIONMENT ACCRUAL	2,214.43
			Total Interest Income	2,214.43
Line Item Account 3381 -- Unrealized Gain/Loss Invstmnts				
AUT - FMV1214	12/31/2014		FMV ADJUSTMENTS	-6,557.88
			Total Unrealized Gain/Loss Invstmnts	-6,557.88
Line Item Account 3409 -- Other Rental of Bldgs and Land				
JE - 0112417	12/31/2014		Rental income, Sept.-Nov.	12,512.56
			Total Other Rental of Bldgs and Land	12,512.56
Line Item Account 3750 -- State-Emergency Assistance				
AUT - RACRVsl	12/1/2014		CalOES fire reimbursements: Miguelito/Cocos	-112,396.00
			Total State-Emergency Assistance	-112,396.00
Line Item Account 4220 -- Homeowners Property Tax Relief				
AUT - PT02965	12/31/2014		2014/15 HOE 1pct and Bond Appmt - 35pct	29,528.18
			Total Homeowners Property Tax Relief	29,528.18
Line Item Account 5105 -- Reimb for District Services				
JE - 0111198	12/18/2014		INVOICE# 2014-13 DISPATCH SERVICES	21,435.00
DJE - 0065162	12/30/2014		EMS Mgmt LLC, First response pmt - Q1	23,604.00
			Total Reimb for District Services	45,039.00
Line Item Account 5909 -- Other Miscellaneous Revenue				
DJE - 0065162	12/30/2014		State mandated costs reimbursement, 2001-02	958.00
DJE - 0065162	12/30/2014		Cal Card Rebate, Q3	84.24
DJE - 0065162	12/30/2014		A. Gil purchase of uniform belt buckle	22.57
DJE - 0065162	12/30/2014		Employee purchase of patches	6.40

# Revenue Transactions

From 12/1/2014 to 12/31/2014

Selection Criteria: Fund = 3650-3654

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

## Fund 3650 -- Montecito Fire Protection Dist

Document	Post On	Dept	Description	Amount
			Total Other Miscellaneous Revenue	1,071.21
			Total Montecito Fire Protection Dist	5,500,614.86



# Revenue Transactions

From 12/1/2014 to 12/31/2014

Selection Criteria: Fund = 3650-3654

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

## Fund 3651 -- Montecito Fire Pension Oblig

Document	Post On	Dept	Description	Amount
Line Item Account 3380 -- Interest Income				
AUT - INTACCR	12/31/2014		INTEREST APPORTIONMENT ACCRUAL	7.39
			Total Interest Income	7.39
Line Item Account 3381 -- Unrealized Gain/Loss Invstmnts				
AUT - FMV1214	12/31/2014		FMV ADJUSTMENTS	-540.15 Non-cash adjustment
			Total Unrealized Gain/Loss Invstmnts	-540.15
Line Item Account 5910 -- Oper Trf (In)-General Fund				
JE - 0112132	12/30/2014		Transfer funds per adopted budget FY 2014-15	389,800.00
			Total Oper Trf (In)-General Fund	389,800.00
			Total Montecito Fire Pension Oblig	389,267.24

# Revenue Transactions

From 12/1/2014 to 12/31/2014

Selection Criteria: Fund = 3650-3654

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

## Fund 3652 -- Montecito Fire Cap Outlay Res

Document	Post On	Dept	Description	Amount
Line Item Account 3380 -- Interest Income				
AUT - INTACCR	12/31/2014		INTEREST APPORTIONMENT ACCRUAL	1,791.84
			Total Interest Income	1,791.84
Line Item Account 3381 -- Unrealized Gain/Loss Invstmnts				
AUT - FMV1214	12/31/2014		FMV ADJUSTMENTS	280.32
			Total Unrealized Gain/Loss Invstmnts	280.32
			Total Montecito Fire Cap Outlay Res	2,072.16

280.32 Non-cash adjustment

# Revenue Transactions

From 12/1/2014 to 12/31/2014

Selection Criteria: Fund = 3650-3654

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

## Fund 3653 -- Montecito Fire Land & Building

Document	Post On	Dept	Description	Amount
Line Item Account 3380 -- Interest Income				
AUT - INTACCR	12/31/2014		INTEREST APPORTIONMENT ACCRUAL	5,449.80
			Total Interest Income	5,449.80
Line Item Account 3381 -- Unrealized Gain/Loss Invstmnts				
AUT - FMV1214	12/31/2014		FMV ADJUSTMENTS	851.20
			Total Unrealized Gain/Loss Invstmnts	851.20
			Total Montecito Fire Land & Building	6,301.00

851.20 Non-cash adjustment

# Expenditure Transactions

## Detail of expenses for December

From 12/1/2014 to 12/31/2014

Selection Criteria: Fund = 3650-3654

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

### Fund 3650 -- Montecito Fire Protection Dist

Document	Post On	Dept	Description	Amount	Vendor	Vendor Name
Line Item Account 6100 -- Regular Salaries						
CLM - 0313633	12/1/2014		Survivor benefit & employee contribution, 12/1/14	12,021.18	648385	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM
CLM - 0313640	12/1/2014		Employer & employee contributions, 12/1/14	20,459.55	356600	MASSMUTUAL
EFC - 0011633	12/1/2014		Montecito Fire Payroll, 12/1/14	256,865.34	710175	STATE/FEDERAL TAXES & DIRECT DEPOSITS
JE - 0110966	12/1/2014		Overtime adjustment, 12/1/14	-34,896.69		
CLM - 0313643	12/5/2014		Employee paid insurance, November	1,501.22	244645	AFLAC
CLM - 0316236	12/16/2014		Survivor benefit & employee contribution, 12/16/14	12,318.57	648385	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM
CLM - 0316245	12/16/2014		Employer & employee contributions, 12/16/14	21,601.55	356600	MASSMUTUAL
CLM - 0316247	12/16/2014		Dues & insurance, 12/16/14	6,924.50	556913	Montecito Firemens Assoc
EFC - 0011774	12/16/2014		Montecito Fire Payroll, 12/16/14	269,718.76	710175	STATE/FEDERAL TAXES & DIRECT DEPOSITS
JE - 0111848	12/16/2014		Overtime adjustment, 12/16/14	-51,056.97		
CLM - 0316854	12/31/2014		Health Benefits, January	3,850.78	648390	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM
				<u>519,307.79</u>	Total Regular Salaries	
Line Item Account 6300 -- Overtime						
JE - 0110966	12/1/2014		Overtime adjustment, 12/1/14	34,896.69		
JE - 0111848	12/16/2014		Overtime adjustment, 12/16/14	51,056.97		
				<u>85,953.66</u>	Total Overtime	
Line Item Account 6400 -- Retirement Contribution						
CLM - 0313633	12/1/2014		Retirement contributions, 12/1/14	72,299.31	648385	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM
CLM - 0316236	12/16/2014		Retirement contributions, 12/16/14	74,725.46	648385	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM
				<u>147,024.77</u>	Total Retirement Contribution	
Line Item Account 6475 -- Retiree Medical OPEB						
CLM - 0316860	12/31/2014		PARS OPEB Contribution for FY14-15 (1 of 3)	536,712.00	011208	PARS PUBLIC AGENCY RETIREMENT SERVICES

# Expenditure Transactions

From 12/1/2014 to 12/31/2014

Selection Criteria: Fund = 3650-3654

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

## Fund 3650 -- Montecito Fire Protection Dist

Document	Post On	Dept	Description	Amount	Vendor	Vendor Name
Line Item Account 6550 -- FICA/Medicare				536,712.00		
EFC - 0011633	12/1/2014		Montecito Fire Payroll, 12/1/14	4,087.34	710175	STATE/FEDERAL TAXES & DIRECT DEPOSITS
EFC - 0011774	12/16/2014		Montecito Fire Payroll, 12/16/14	4,057.48	710175	STATE/FEDERAL TAXES & DIRECT DEPOSITS
Total FICA/Medicare				8,144.82		
Line Item Account 6600 -- Health Insurance Contrib						
MIC - 0061267	12/5/2014		Vision insurance - active, December	1,554.80	855111	Vision Service Plan-CA
MIC - 0061267	12/5/2014		Vision insurance - retirees, December	1,183.00	855111	Vision Service Plan-CA
CLM - 0313637	12/8/2014		Dental insurance, December	13,308.88	711633	DELTA DENTAL
CLM - 0316854	12/31/2014		Health Benefits, January	91,287.99	648390	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM
CLM - 0316858	12/31/2014		Life Insurance, January	679.68	007069	LINCOLN NATIONAL LIFE INS
CLM - 0316945	12/31/2014		Employee assistance program, annual fee	1,530.00	199173	Cada-Save/Eap
Total Health Insurance Contrib				109,544.35		
Line Item Account 6700 -- Unemployment Ins Contribution						
EFC - 0011633	12/1/2014		Montecito Fire Payroll, 12/1/14	76.55	710175	STATE/FEDERAL TAXES & DIRECT DEPOSITS
EFC - 0011774	12/16/2014		Montecito Fire Payroll, 12/16/14	2.11	710175	STATE/FEDERAL TAXES & DIRECT DEPOSITS
Total Unemployment Ins Contribution				78.66		
Line Item Account 6900 -- Workers Compensation						
CLM - 0312687	12/2/2014		Worker's comp insurance, December	59,065.17	051689	STATE COMPENSATION INSURANCE FUND
DJE - 0065162	12/30/2014		S. Bumanglag Temp. Disability, 9/22-9/30/14	-1,189.63		
DJE - 0065162	12/30/2014		S. Bumanglag Temp. Disability, 4/16-9/30/14	-7,941.41		
Total Workers Compensation				49,934.13		
Line Item Account 7030 -- Clothing and Personal						
CLM - 0313667	12/5/2014		PPE: Safety glasses	153.75	006215	US BANK CORPORATE PAYMENT

# Expenditure Transactions

From 12/1/2014 to 12/31/2014

Selection Criteria: Fund = 3650-3654

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

## Fund 3650 -- Montecito Fire Protection Dist

Document	Post On	Dept	Description	Amount	Vendor	Vendor Name
AUT - SUTAXJE	12/31/2014		SUTAX JE - December 2014	11.52		SYSTEM
Line Item Account 7050 -- Communications				165.27		
Total Clothing and Personal						
CLM - 0312685	12/2/2014		Emergency service to Command 11	136.50	011178	ANDREW SEYBOLD INC
CLM - 0315383	12/19/2014		CAD connectivity & Internet	2,700.44	776537	COX COMMUNICATIONS
MIC - 0061044	12/19/2014		6 Voter/receiver cards for system upgrade (budget)	6,354.18	806824	TESSCO CORPORATE HEADQUARTERS
MIC - 0061733	12/19/2014		805-181-0808	44.06	308867	VERIZON CALIFORNIA
MIC - 0061733	12/19/2014		805-565-9618	55.05	308867	VERIZON CALIFORNIA
MIC - 0061733	12/19/2014		805-969-0318	57.85	308867	VERIZON CALIFORNIA
MIC - 0061733	12/19/2014		805-RT0-0176	44.06	308867	VERIZON CALIFORNIA
MIC - 0061733	12/19/2014		805-RT0-2320	44.06	308867	VERIZON CALIFORNIA
MIC - 0061733	12/19/2014		805-RT5-5839	133.89	308867	VERIZON CALIFORNIA
MIC - 0061733	12/19/2014		805-RT7-4343	44.06	308867	VERIZON CALIFORNIA
MIC - 0061733	12/19/2014		805-RT7-4365	44.06	308867	VERIZON CALIFORNIA
MIC - 0061733	12/19/2014		805-RTO-6142	107.06	308867	VERIZON CALIFORNIA
MIC - 0061733	12/19/2014		805-UH0-4248	636.99	308867	VERIZON CALIFORNIA
DJE - 0065162	12/30/2014		Verizon refund for closed account (969-7762)	-1,187.82		
Total Communications				9,214.44		
Line Item Account 7070 -- Household Supplies						
CLM - 0315397	12/19/2014		Refuse disposal, Sta. 1	359.67	509950	Marborg Industries
CLM - 0315399	12/19/2014		Household supplies	715.44	579739	Unisource
MIC - 0061740	12/19/2014		Shop towels, Sta. 1	202.72	285433	MISSION UNIFORM SERVICE INC
MIC - 0061740	12/19/2014		Shop towels, Sta. 2	128.90	285433	MISSION UNIFORM SERVICE INC
MIC - 0061745	12/19/2014		Bottled water, Sta. 1	119.35	032539	NESTLE PURE LIFE DIRECT
MIC - 0061745	12/19/2014		Bottled water, Sta. 2	35.85	032539	NESTLE PURE LIFE DIRECT
JE - 0112417	12/31/2014		Trash/recycling for rental prop, Sept.-Nov.	178.42		

# Expenditure Transactions

From 12/1/2014 to 12/31/2014

Selection Criteria: Fund = 3650-3654

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

## Fund 3650 -- Montecito Fire Protection Dist

Document	Post On	Dept	Description	Amount	Vendor	Vendor Name
Line Item Account 7120 -- Equipment Maintenance				1,740.35		
CLM - 0312670	12/1/2014		SCBA parts	123.39	015519	Allstar Fire Equipment Inc
CLM - 0312707	12/1/2014		Qtrly solvent tank maintenance	317.22	691500	SAFETY KLEEN CORP
MIC - 0061029	12/1/2014		MAKO Compressor repair part	374.57	030142	COMPRESSED AIR OF CA
MIC - 0061029	12/1/2014		MAKO Compressor repair part	1,289.57	030142	COMPRESSED AIR OF CA
CLM - 0312683	12/2/2014		SCBA flow testing	2,269.27	037256	MUNICIPAL EMERGENCY SVCS INC
CLM - 0313667	12/5/2014		Key lock boxes (3)	90.69	006215	US BANK CORPORATE PAYMENT SYSTEM
CLM - 0313667	12/5/2014		Repairs for dishwasher and phone	124.25	006215	US BANK CORPORATE PAYMENT SYSTEM
CLM - 0315374	12/18/2014		Household maintenance supplies	42.08	853237	Montecito Village Hardware
CLM - 0315333	12/19/2014		Radio repairs	406.80	011320	NICKS TELECOM
CLM - 0315349	12/19/2014		Class A Foam	3,181.79	436027	BURTONS FIRE INC
CLM - 0315402	12/19/2014		Toilet repair part	27.77	756692	Smardan Hatcher Company
AUT - SUTAXJE	12/31/2014		SUTAX JE - December 2014	4.54		
Total Household Supplies				1,740.35		
Line Item Account 7200 -- Structure & Ground Maintenance				8,251.94		
CLM - 0313667	12/5/2014		Flooring for copy room (2nd order)	222.37	006215	US BANK CORPORATE PAYMENT SYSTEM
CLM - 0315357	12/19/2014		Landscape maintenance	500.00	639830	Peyton Scapes
CLM - 0315400	12/19/2014		Installation of tackable panels	595.00	010107	TECH WALL OF VENTURA INC
JE - 0112417	12/31/2014		Pest control service for rental prop, Sept.-Nov.	276.00		
JE - 0112417	12/31/2014		Landscaping for rental prop, Sept.-Nov.	495.00		
JE - 0112417	12/31/2014		Water heater materials and installation, Oct.-Nov.	2,931.92		
JE - 0112417	12/31/2014		Beehive removal and stucco repair, Oct.	987.46		
JE - 0112417	12/31/2014		Plumbing services - clear main lines, Nov.	374.50		
JE - 0112417	12/31/2014		Soft water service for rental prop, Sept.-Nov.	347.49		
Total Structure & Ground Maintenance				6,729.74		

# Expenditure Transactions

From 12/1/2014 to 12/31/2014

Selection Criteria: Fund = 3650-3654

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

## Fund 3650 -- Montecito Fire Protection Dist

Document	Post On	Dept	Description	Amount	Vendor	Vendor Name
Line Item Account 7322 -- Consulting & Mgmt Fees						
JE - 0112417	12/31/2014		Rental property mgmt. fees, Sept.-Nov.	730.77		
JE - 0112417	12/31/2014		Rental property mgmt. fees, Sept.-Nov.	15.00		
JE - 0112417	12/31/2014		Rental property annual postage fee	48.00		
			<b>Total Consulting &amp; Mgmt Fees</b>	<b>793.77</b>		
Line Item Account 7363 -- Equipment Maintenance						
CLM - 0313667	12/5/2014		Vehicle maint: spare keys, bluetooth kit, other	431.79	006215	US BANK CORPORATE PAYMENT SYSTEM
CLM - 0313667	12/5/2014		Oil and filter supplies	859.15	006215	US BANK CORPORATE PAYMENT SYSTEM
CLM - 0315349	12/19/2014		Repair part for OES	34.03	436027	BURTONS FIRE INC
CLM - 0315349	12/19/2014		Windshields for E91	409.95	436027	BURTONS FIRE INC
CLM - 0315375	12/19/2014		Vehicle batteries for R91 and P921	1,147.77	288138	INTERSTATE BATTERIES OF SIERRA MADRE
CLM - 0315386	12/19/2014		Stock vehicle supplies	112.50	437104	CARQUEST AUTO PARTS
WC - 0007925	12/30/2014		CANCEL WARRANT	-284.04		
AUT - SUTAXJE	12/31/2014		SUTAX JE - December 2014	14.64		
			<b>Total Equipment Maintenance</b>	<b>2,725.79</b>		
Line Item Account 7400 -- Medical, Dental and Lab						
CLM - 0315403	12/19/2014		Annual Lifepak maintenance agreement	3,052.68	008286	PHYSIO CONTROL
DJE - 0065162	12/30/2014		L Muller reimb. for product purchased	-14.29		
CLM - 0316939	12/31/2014		Medical supplies	1,456.58	890283	BOUND TREE MEDICAL
			<b>Total Medical, Dental and Lab</b>	<b>4,494.97</b>		
Line Item Account 7430 -- Memberships						
MIC - 0060814	12/2/2014		CA Conf. Arson Inv. Membership: K. Hickman	65.00	113087	KURT HICKMAN
CLM - 0313667	12/5/2014		CA Conf. Arson Inv. (2 years): R. Lauritson	125.00	006215	US BANK CORPORATE PAYMENT SYSTEM
			<b>Total Memberships</b>	<b>190.00</b>		



# Expenditure Transactions

From 12/1/2014 to 12/31/2014

Selection Criteria: Fund = 3650-3654

Layout Options: Summarized By = Fund, LinelItemAccount; Page Break At = Fund; Columns = Vendor

## Fund 3650 -- Montecito Fire Protection Dist

Document	Post On	Dept	Description	Amount	Vendor	Vendor Name
<b>Line Item Account 7450 -- Office Expense</b>						
CLM - 0312714	12/1/2014		Keyboards for Image Trend tablets (Budgeted)	987.61	405285	CDCE INC
CLM - 0313667	12/5/2014		Certified mail and office supplies for test	49.72	006215	US BANK CORPORATE PAYMENT SYSTEM
CLM - 0313667	12/5/2014		Photos for new website	169.00	006215	US BANK CORPORATE PAYMENT SYSTEM
CLM - 0313663	12/8/2014		G. Ventura Reimb: External HD for server (3)	393.57	751231	GERI SIMMONS VENTURA
CLM - 0315335	12/19/2014		Stationary envelopes (2,000)	332.45	860063	Wilson Printing
CLM - 0315381	12/19/2014		Shipping charges	19.76	505305	The UPS Store
			<b>Total Office Expense</b>	<b>1,952.11</b>		
<b>Line Item Account 7460 -- Professional &amp; Special Service</b>						
CLM - 0312724	12/1/2014		Website programming for employee applications	320.00	007137	E WAVE
MIC - 0061041	12/1/2014		Fitness for Duty Exam	135.00	712657	SANSUM CLINIC, OCCUPATIONAL MEDICINE
MIC - 0061041	12/1/2014		Flu/TB Shot	64.00	712657	SANSUM CLINIC, OCCUPATIONAL MEDICINE
MIC - 0061042	12/1/2014		Labor attorney fees, October	114.00	476600	LIEBERT CASSIDY WHITMORE
MIC - 0061042	12/1/2014		Labor attorney fees, October	710.50	476600	LIEBERT CASSIDY WHITMORE
CLM - 0312672	12/2/2014		SOC Study, October	17,029.25	026576	CITYGATE ASSOCIATES LLC
CLM - 0312684	12/2/2014		Legal services, October	6,999.50	645665	Price Postal & Parma
CLM - 0312720	12/2/2014		Worker's comp legal services	70.00	060193	GOLDMAN MAGDALIN KRIKES LLP
CLM - 0313652	12/8/2014		Legal services for formation/dissolution of CFD	500.00	012882	JONES HALL
CLM - 0315329	12/19/2014		Valley Peak Project: Contract and testing	1,750.00	011178	ANDREW SEYBOLD INC
CLM - 0315338	12/19/2014		Legal services, November	4,130.00	645665	Price Postal & Parma
CLM - 0315362	12/19/2014		Worker's comp legal services	52.50	060193	GOLDMAN MAGDALIN KRIKES LLP
CLM - 0315368	12/19/2014		UHR final plan reviews	4,010.92	513410	MNS ENGINEERS
CLM - 0315401	12/19/2014		SOC Study, November	15,988.41	026576	CITYGATE ASSOCIATES LLC
			<b>Total Professional &amp; Special Service</b>	<b>51,874.08</b>		
<b>Line Item Account 7507 -- ADP Payroll Fees</b>						
EFC - 0011639	12/1/2014		ADP credit adjustment, 11/15/14	-12.30	050379	ADP INC

# Expenditure Transactions

From 12/1/2014 to 12/31/2014

Selection Criteria: Fund = 3650-3654

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

## Fund 3650 -- Montecito Fire Protection Dist

Document	Post On	Dept	Description	Amount	Vendor	Vendor Name
EFC - 0011641	12/1/2014		ADP credit adjustment, 10/31/14	-26.26	050379	ADP INC
EFC - 0011642	12/1/2014		ADP fees, 11/30/14	277.66	050379	ADP INC
EFC - 0011801	12/19/2014		ADP fees, 12/15/14	248.63	050379	ADP INC
			Total ADP Payroll Fees	487.73		
Line Item Account 7510 -- Contractual Services						
CLM - 0312724	12/1/2014		Old website hosting fee: 10/01-12/31/14	373.75	007137	E WAVE
			Total Contractual Services	373.75		
Line Item Account 7630 -- Small Tools & Instruments						
CLM - 0313667	12/5/2014		Small tools for Patrol 91	58.30	006215	US BANK CORPORATE PAYMENT SYSTEM
DJE - 0065162	12/30/2014		Refund for Type 6 Patrol equipment	-553.38		
			Total Small Tools & Instruments	-495.08		
Line Item Account 7650 -- Special Departmental Expense						
CLM - 0313667	12/5/2014		Flowers for BC 914 promo presentation	10.79	006215	US BANK CORPORATE PAYMENT SYSTEM
JE - 0111636	12/18/2014		IN0044109, FA0014438, Hazardous Waste, Sta. 2	351.00		
CLM - 0315381	12/19/2014		Shipping FF tests to CPS for grading	190.02	505305	The UPS Store
MIC - 0061737	12/22/2014		FF/Paramedics new hire exam	1,402.50	879023	CPS
MIC - 0061737	12/22/2014		Fire Captain promotional exam	3,260.50	879023	CPS
CLM - 0316915	12/30/2014		R. Lauritson badge order (reimbursable)	107.42	262802	ENTENMANN ROVIN CO
DJE - 0065162	12/30/2014		R. Lauritson reimb. for badge purchased	-107.42		
DJE - 0065162	12/30/2014		Employee reimbursements for shift calendars	-60.80		
			Total Special Departmental Expense	5,154.01		
Line Item Account 7671 -- Special Projects						
CLM - 0313667	12/5/2014		Public Education supplies: props	37.56	006215	US BANK CORPORATE PAYMENT SYSTEM
AUT - SUTAXJE	12/31/2014		SUTAX JE - December 2014	0.17		
			Total Special Projects	37.73		

# Expenditure Transactions

From 12/1/2014 to 12/31/2014

Selection Criteria: Fund = 3650-3654

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

## Fund 3650 -- Montecito Fire Protection Dist

Document	Post On	Dept	Description	Amount	Vendor	Vendor Name
<b>Line Item Account 7730 -- Transportation and Travel</b>						
CLM - 0313667	12/5/2014		Lunch meetings for training/promotionals	123.73	006215	US BANK CORPORATE PAYMENT SYSTEM
CLM - 0313667	12/5/2014		A. Gil: CalPERS Educational Forum registration	350.00	006215	US BANK CORPORATE PAYMENT SYSTEM
CLM - 0313663	12/8/2014		G. Ventura Reimb: Mileage to Costco/Best Buy	37.52	751231	GERI SIMMONS VENTURA
			Total Transportation and Travel	511.25		
<b>Line Item Account 7731 -- Gasoline-Oil-Fuel</b>						
CLM - 0313667	12/5/2014		Gasoline charges	928.41	006215	US BANK CORPORATE PAYMENT SYSTEM
CLM - 0316895	12/30/2014		Gasoline charges	17.72	169516	CHEVRON AND TEXACO BUSINESS CARD SERVICES
			Total Gasoline-Oil-Fuel	946.13		
<b>Line Item Account 7732 -- Training</b>						
CLM - 0312690	12/2/2014		R. Galbraith Reimb: Paramedic License Recert.	200.00	031572	ROBERT GALBRAITH
CLM - 0312710	12/2/2014		Blue Card Command: D. St. Oegger	346.50	051588	ACROSS THE STREET PRODUCTIONS
CLM - 0312726	12/2/2014		In-house Training: FBOR and Supervision	3,739.71	011064	COMMAND STRATEGIES CONSULTING
MIC - 0060814	12/2/2014		K. Hickman Reimb: CA Conf. Arson Investigators	653.32	113087	KURT HICKMAN
CLM - 0313667	12/5/2014		T. Edwards/S. Davis: Hazard Zone Conf (Indiana)	1,084.69	006215	US BANK CORPORATE PAYMENT SYSTEM
CLM - 0313667	12/5/2014		J. Jenkins: First Net Training	10.00	006215	US BANK CORPORATE PAYMENT SYSTEM
CLM - 0313667	12/5/2014		R. Lauritson: CCAI Conference registration	325.00	006215	US BANK CORPORATE PAYMENT SYSTEM
CLM - 0313666	12/8/2014		J. Jenkins Mileage Reimb: First Net Communications	99.68	403465	JACQUELINE JENKINS
CLM - 0315380	12/19/2014		Training materials	444.84	340893	HAYWARD LUMBER COMPANY SB
CLM - 0316253	12/24/2014		L. Muller Reimb: ROSS Training	316.24	020221	LESLIE MULLER
CLM - 0316255	12/24/2014		E. Klemowicz Reimb: Fire Service Assmt Center	595.00	029286	ERIC KLEMOWICZ
CLM - 0316264	12/24/2014		G. Blake Reimb: Auto Extrication Tech.	776.98	011976	GARET BLAKE
CLM - 0316266	12/24/2014		B. Koepke Reimb: Auto Extrication Tech.	648.20	446263	Bret Koepke

# Expenditure Transactions

From 12/1/2014 to 12/31/2014

Selection Criteria: Fund = 3650-3654

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

## Fund 3650 -- Montecito Fire Protection Dist

Document	Post On	Dept	Description	Amount	Vendor	Vendor Name
CLM - 0316267	12/24/2014		A. Broumand Reimb: Auto Extrication Tech.	425.00	167024	Alex Broumand
CLM - 0316270	12/24/2014		S. Davis Reimb: CPR teaching materials	142.88	024241	SHAUN P DAVIS
CLM - 0316969	12/31/2014		J. Zeitsoff Reimb: Auto Extrication Tech.	390.00	011365	JORDAN ZEITSOFF
CLM - 0316971	12/31/2014		K. Powell Reimb: Auto Extrication Tech.	559.00	266918	KEITH POWELL
			Total Training	10,757.04		
Line Item Account 7760 -- Utilities						
MIC - 0061271	12/5/2014		Water service, Sta. 1	235.13	556712	MONTECITO WATER DISTRICT
MIC - 0061271	12/5/2014		Water service, Sta. 2	157.43	556712	MONTECITO WATER DISTRICT
MIC - 0061738	12/19/2014		Electricity Service, Sta. 1 & 2	2,096.68	767200	SOUTHERN CALIFORNIA EDISON
MIC - 0061738	12/19/2014		Electricity Service, Sta. 1 & 2	4.95	767200	SOUTHERN CALIFORNIA EDISON
MIC - 0061741	12/19/2014		Gas service, Sta. 1 - 12/05/14	54.14	767800	THE GAS COMPANY
MIC - 0061741	12/19/2014		Gas service, Sta. 2 - 12/04/14	70.26	767800	THE GAS COMPANY
JE - 0112417	12/31/2014		Water/sewer for rental prop, Sept.-Nov.	551.03		
JE - 0112417	12/31/2014		Unsecured property tax payment	736.12		
JE - 0112417	12/31/2014		Unsecured property tax reimbursement from tenant	-346.37		
			Total Utilities	3,559.37		
Line Item Account 7901 -- Oper Trf (Out)						
JE - 0112132	12/30/2014		Transfer funds per adopted budget FY 2014-15	389,800.00		
			Total Oper Trf (Out)	389,800.00		
Line Item Account 8300 -- Equipment						
MIC - 0061044	12/19/2014		Channel 11 voter/receiver system upgrade (budget)	5,877.72	806824	TESSCO CORPORATE HEADQUARTERS
			Total Equipment	5,877.72		
			Total Montecito Fire Protection Dist	1,961,842.29		

# Expenditure Transactions

From 12/1/2014 to 12/31/2014

Selection Criteria: Fund = 3650-3654

Layout Options: Summarized By = Fund, LinelItemAccount; Page Break At = Fund; Columns = Vendor

## Fund 3651 -- Montecito Fire Pension Oblig

Document	Post On	Dept	Description	Amount	Vendor	Vendor Name
Line Item Account 7830 -- Interest Expense						
CLM - 0316870	12/31/2014		Debt service interest expense	37,809.80	578942	UNION BANK
Total Interest Expense				37,809.80		
Line Item Account 7910 -- Long Term Debt Princ Repayment						
CLM - 0316870	12/31/2014		Principal payment less credit	351,999.40	578942	UNION BANK
Total Long Term Debt Princ Repayment				351,999.40		
Total Montecito Fire Pension Oblig				389,809.20		

# Expenditure Transactions

From 12/1/2014 to 12/31/2014

Selection Criteria: Fund = 3650-3654

Layout Options: Summarized By = Fund, LinelItemAccount; Page Break At = Fund; Columns = Vendor

## Fund 3654 -- Montecito Fire UHR Mello-Roos

Document	Post On	Dept	Description	Amount	Vendor	Vendor Name
Line Item Account 7460 -- Professional & Special Service						
CLM - 0313644	12/8/2014		Legal services for formation/dissolution of CFD	9,500.00	012882	JONES HALL
			Total Professional & Special Service	9,500.00		
			Total Montecito Fire UHR Mello-Roos	9,500.00		

# Financial Trend

As of: 12/31/2014  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650

Layout Options: Summarized By = Fund, LinelItemAccount; Page Break At = Fund; Columns = 3yr

## Fund 3650 -- Montecito Fire Protection Dist

Line Item Account	12/31/2012 Year-To-Date Actual	12/31/2013 Year-To-Date Actual	12/31/2014 Year-To-Date Actual
<b>Revenues</b>			
<b>Taxes</b>			
3010 -- Property Tax-Current Secured	6,828,470.98	7,286,709.71	7,721,764.82
3011 -- Property Tax-Unitary	55,101.64	48,318.28	0.00
3020 -- Property Tax-Current Unsecd	559,672.68	565,367.01	631,309.28
3040 -- Property Tax-Prior Secured	-39,479.85	-24,396.06	-102.20
3050 -- Property Tax-Prior Unsecured	0.00	0.00	0.00
3054 -- Supplemental Pty Tax-Current	43,572.65	71,574.43	16,261.83
3056 -- Supplemental Pty Tax-Prior	9,265.85	16,454.14	-2,580.20
<b>Taxes</b>	<b>7,456,603.95</b>	<b>7,964,027.51</b>	<b>8,366,653.53</b>
<b>Use of Money and Property</b>			
3380 -- Interest Income	2,957.20	5,000.90	4,034.08
3381 -- Unrealized Gain/Loss Invstmnts	3,802.30	-6,346.91	-7,657.12
3409 -- Other Rental of Bldgs and Land	0.00	16,288.00	20,656.56
<b>Use of Money and Property</b>	<b>6,759.50</b>	<b>14,941.99</b>	<b>17,033.52</b>
<b>Intergovernmental Revenue-State</b>			
3750 -- State-Emergency Assistance	0.00	40,276.11	-25,509.59
4220 -- Homeowners Property Tax Relief	43,208.44	43,165.06	42,183.11
<b>Intergovernmental Revenue-State</b>	<b>43,208.44</b>	<b>83,441.17</b>	<b>16,673.52</b>
<b>Intergovernmental Revenue-Federal</b>			
4476 -- Federal Emergency Assistance	-0.57	292,440.48	0.00
<b>Intergovernmental Revenue-Federal</b>	<b>-0.57</b>	<b>292,440.48</b>	<b>0.00</b>
<b>Charges for Services</b>			
5105 -- Reimb for District Services (Acct 5909)	0.00	0.00	66,474.00
<b>Charges for Services</b>	<b>0.00</b>	<b>0.00</b>	<b>66,474.00</b>
			New account

# Financial Trend

As of: 12/31/2014  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650

Layout Options: Summarized By = Fund, LinelItemAccount; Page Break At = Fund; Columns = 3yr

## Fund 3650 -- Montecito Fire Protection Dist

Line Item Account	12/31/2012 Year-To-Date Actual	12/31/2013 Year-To-Date Actual	12/31/2014 Year-To-Date Actual
Miscellaneous Revenue			
5909 -- Other Miscellaneous Revenue	62,886.60	95,331.79	24,852.07
Miscellaneous Revenue	62,886.60	95,331.79	24,852.07
Revenues	7,569,457.92	8,450,182.94	8,491,686.64
Expenditures			
Salaries and Employee Benefits			
6100 -- Regular Salaries	2,740,872.94	3,105,277.57	2,849,676.32
6300 -- Overtime	625,747.94	478,066.70	738,922.51
6400 -- Retirement Contribution	767,987.77	794,850.91	820,855.24
6475 -- Retiree Medical OPEB	0.00	0.00	536,712.00
6500 -- FICA Contribution	0.00	11,601.42	0.00
6550 -- FICA/Medicare	42,844.73	35,192.30	48,895.18
6600 -- Health Insurance Contrib	679,644.00	692,531.60	711,216.09
6700 -- Unemployment Ins Contribution	113.57	7,337.52	315.38
6900 -- Workers Compensation	285,484.14	378,983.96	382,422.77
Salaries and Employee Benefits	5,142,695.09	5,503,841.98	6,089,015.49
Services and Supplies			
7030 -- Clothing and Personal	1,351.26	9,775.39	2,434.04
7050 -- Communications	38,998.55	38,715.42	44,859.01
7060 -- Food	55.90	214.12	156.70
7070 -- Household Supplies	8,709.88	12,651.89	9,960.84
7090 -- Insurance	29,628.73	29,867.10	30,051.15
7120 -- Equipment Maintenance	47,695.22	70,639.38	16,542.68
7200 -- Structure & Ground Maintenance	9,158.47	11,597.88	12,879.45
7205 -- Fire Defense Zone (Hazard Mitigation, Acct 7440)	0.00	0.00	13,157.38
7322 -- Consulting & Mgmt Fees	0.00	977.28	1,292.41



# Financial Trend

As of: 12/31/2014  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650

Layout Options: Summarized By = Fund, LinelItemAccount; Page Break At = Fund; Columns = 3yr

## Fund 3650 -- Montecito Fire Protection Dist

Line Item Account	12/31/2012 Year-To-Date Actual	12/31/2013 Year-To-Date Actual	12/31/2014 Year-To-Date Actual
7324 -- Audit and Accounting Fees	10,000.00	8,402.50	7,296.00
7348 -- Instruments & Equip. < \$5000	0.00	0.00	0.00 New account
7363 -- Equipment Maintenance (Vehicles)	0.00	0.00	13,643.64 New account
7400 -- Medical, Dental and Lab	4,027.64	4,252.03	9,540.49
7430 -- Memberships	1,365.00	1,452.00	1,737.00
7440 -- Miscellaneous Expense (Acct 7205)	13,326.92	6,090.00	0.00 Closed account
7450 -- Office Expense	11,206.29	13,696.97	9,141.07
7460 -- Professional & Special Service	127,578.66	76,715.27	131,820.30
7506 -- Administrative Expense (SBC)	0.00	0.00	0.00 15
7507 -- ADP Payroll Fees	2,363.31	2,775.22	3,129.19
7510 -- Contractual Services	0.00	0.00	28,700.77 New account
7530 -- Publications & Legal Notices	85.28	105.04	1,107.60
7580 -- Rents/Leases-Structure	0.00	1,625.00	1,650.00
7630 -- Small Tools & Instruments	10,323.28	28,104.45	1,782.71 22
7650 -- Special Departmental Expense	11,788.82	13,431.56	51,902.38 23
7653 -- Training Fees & Supplies	697.03	300.00	0.00
7671 -- Special Projects	1,945.08	1,920.31	7,114.16
7730 -- Transportation and Travel	4,520.29	7,239.39	5,645.71
7731 -- Gasoline-Oil-Fuel	26,069.86	27,649.96	21,308.07
7732 -- Training	7,040.19	7,281.48	18,440.18
7760 -- Utilities	21,111.33	25,521.39	23,413.51
Services and Supplies	389,046.99	401,001.03	468,706.44
Capital Assets			
8300 -- Equipment	19,743.08	25,940.70	27,246.74
Capital Assets	19,743.08	25,940.70	27,246.74
Expenditures	5,551,485.16	5,930,783.71	6,584,968.67

# Financial Trend

As of: 12/31/2014  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650

Layout Options: Summarized By = Fund, LinelItemAccount; Page Break At = Fund; Columns = 3yr

## Fund 3650 -- Montecito Fire Protection Dist

Line Item Account	12/31/2012 Year-To-Date Actual	12/31/2013 Year-To-Date Actual	12/31/2014 Year-To-Date Actual
Other Financing Sources & Uses			
Other Financing Sources			
5910 -- Oper Trf (In)-General Fund	0.00	0.00	0.00
Other Financing Sources	0.00	0.00	0.00
Other Financing Uses			
7901 -- Oper Trf (Out)	716,856.00	741,159.80	769,113.00
Other Financing Uses	716,856.00	741,159.80	769,113.00
Other Financing Sources & Uses	-716,856.00	-741,159.80	-769,113.00
Changes to Fund Balances			
Decrease to Restricted			
9797 -- Unrealized Gains	453.99	0.00	0.00
Decrease to Restricted	453.99	0.00	0.00
Increase to Nonspendables			
9605 -- Prepaids/Deposits	11,932.00	4,386.00	3,258.00
Increase to Nonspendables	11,932.00	4,386.00	3,258.00
Increase to Restricted			
9797 -- Unrealized Gains	4,256.29	0.00	0.00
Increase to Restricted	4,256.29	0.00	0.00
Changes to Fund Balances	-15,734.30	-4,386.00	-3,258.00
Montecito Fire Protection Dist	1,285,382.46	1,773,853.43	1,134,346.97
Net Financial Impact	1,285,382.46	1,773,853.43	1,134,346.97

# Expenditure Trend

As of: 12/31/2014  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund; Columns = 6mo, MTDActual

## Fund 3650 -- Montecito Fire Protection Dist

Line Item Account	7/31/2014 Month-To-Date Actual	8/31/2014 Month-To-Date Actual	9/30/2014 Month-To-Date Actual	10/31/2014 Month-To-Date Actual	11/30/2014 Month-To-Date Actual	12/31/2014 Month-To-Date Actual
<b>Expenditures</b>						
<b>Salaries and Employee Benefits</b>						
6100 -- Regular Salaries	238,912.52	523,829.26	523,452.31	520,698.51	523,475.93	519,307.79
6300 -- Overtime	20,950.64	175,655.83	184,876.62	202,513.32	68,972.44	85,953.66
6400 -- Retirement Contribution	75,462.46	150,017.66	149,975.91	148,897.06	149,477.38	147,024.77
6475 -- Retiree Medical OPEB	0.00	0.00	0.00	0.00	0.00	536,712.00
6550 -- FICA/Medicare	3,727.41	9,508.25	9,535.78	9,986.68	7,992.24	8,144.82
6600 -- Health Insurance Contrib	187,213.94	106,013.75	103,223.22	103,196.10	102,024.73	109,544.35
6700 -- Unemployment Ins Contribution	0.00	27.98	63.63	69.33	75.78	78.66
6900 -- Workers Compensation	94,078.74	114,872.34	59,065.17	64,472.39	0.00	49,934.13
<b>Total Salaries and Employee Benefits</b>	<b>620,345.71</b>	<b>1,079,925.07</b>	<b>1,030,192.64</b>	<b>1,049,833.39</b>	<b>852,018.50</b>	<b>1,456,700.18</b>
<b>Services and Supplies</b>						
7030 -- Clothing and Personal	0.00	0.00	804.46	1,451.76	12.55	165.27
7050 -- Communications	6,059.15	10,262.34	6,491.73	6,197.10	6,634.25	9,214.44
7060 -- Food	0.00	0.00	147.20	9.50	0.00	0.00
7070 -- Household Supplies	746.60	1,670.72	2,072.28	2,247.69	1,483.20	1,740.35
7090 -- Insurance	29,302.00	0.00	0.00	749.15	0.00	0.00
7120 -- Equipment Maintenance	2,255.44	2,213.10	947.72	973.97	1,900.51	8,251.94
7200 -- Structure & Ground Maintenance	500.00	761.00	2,750.09	1,460.62	678.00	0.00
7205 -- Fire Defense Zone (Hazard Mitigation)	0.00	0.00	2,750.00	6,700.00	3,707.38	0.00
7322 -- Consulting & Mgmt Fees	0.00	0.00	498.64	0.00	0.00	793.77
7324 -- Audit and Accounting Fees	3,648.00	0.00	0.00	0.00	3,648.00	0.00
7348 -- Instruments & Equip. < \$5000	0.00	0.00	0.00	0.00	0.00	0.00
7363 -- Equipment Maintenance (Vehicles)	0.00	1,040.93	2,754.84	3,810.37	3,311.71	2,725.79
7400 -- Medical, Dental and Lab	0.00	1,776.96	1,241.42	1,220.10	807.04	4,494.97
7430 -- Memberships	940.00	350.00	0.00	257.00	0.00	190.00
7450 -- Office Expense	698.98	3,569.82	1,757.23	938.07	224.86	1,952.11
7460 -- Professional & Special Service	3,339.00	16,803.47	38,060.37	19,958.38	1,785.00	51,874.08

# Expenditure Trend

As of: 12/31/2014  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund; Columns = 6mo, MTDActual

## Fund 3650 -- Montecito Fire Protection Dist

Line Item Account	7/31/2014		8/31/2014		9/30/2014		10/31/2014		11/30/2014		12/31/2014	
	Month-To-Date Actual	Month-To-Date Actual	Month-To-Date Actual	Month-To-Date Actual	Month-To-Date Actual	Month-To-Date Actual	Month-To-Date Actual	Month-To-Date Actual	Month-To-Date Actual	Month-To-Date Actual	Month-To-Date Actual	Month-To-Date Actual
7506 -- Administrative Expense (SBC)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7507 -- ADP Payroll Fees	0.00	1,231.55	256.79	482.91	670.21	482.91	482.91	482.91	482.91	482.91	482.91	487.73
7510 -- Contractual Services	23,377.77	1,121.25	1,875.00	1,953.00	0.00	1,953.00	1,953.00	1,953.00	1,953.00	1,953.00	1,953.00	373.75
7530 -- Publications & Legal Notices	54.60	1,053.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7580 -- Rents/Leases-Structure	825.00	0.00	0.00	0.00	825.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7630 -- Small Tools & Instruments	0.00	184.63	1,178.89	0.00	914.27	0.00	0.00	0.00	0.00	0.00	0.00	-495.08
7650 -- Special Departmental Expense	121.05	1.60	30,613.29	3,417.70	12,594.73	3,417.70	3,417.70	3,417.70	3,417.70	3,417.70	3,417.70	5,154.01
7671 -- Special Projects	486.00	987.28	2,103.79	1,295.13	2,204.23	1,295.13	1,295.13	1,295.13	1,295.13	1,295.13	1,295.13	37.73
7730 -- Transportation and Travel	0.00	343.05	164.94	634.02	3,992.45	634.02	634.02	634.02	634.02	634.02	634.02	511.25
7731 -- Gasoline-Oil-Fuel	0.00	3,504.92	5,112.16	3,717.01	8,027.85	3,717.01	3,717.01	3,717.01	3,717.01	3,717.01	3,717.01	946.13
7732 -- Training	1,210.50	140.00	451.65	0.00	5,880.99	0.00	0.00	0.00	0.00	0.00	0.00	10,757.04
7760 -- Utilities	2,912.16	2,851.87	4,023.26	6,870.13	3,196.72	6,870.13	6,870.13	6,870.13	6,870.13	6,870.13	6,870.13	3,559.37
<b>Total Services and Supplies</b>	<b>76,476.25</b>	<b>49,867.49</b>	<b>106,055.75</b>	<b>42,562.40</b>	<b>84,280.16</b>	<b>42,562.40</b>	<b>42,562.40</b>	<b>42,562.40</b>	<b>42,562.40</b>	<b>42,562.40</b>	<b>42,562.40</b>	<b>109,464.39</b>
<b>Capital Assets</b>												
8300 -- Equipment	17,861.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,877.72
8700 -- Work in Progress	0.00	0.00	531.00	0.00	-531.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Capital Assets</b>	<b>17,861.44</b>	<b>0.00</b>	<b>531.00</b>	<b>0.00</b>	<b>-531.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5,877.72</b>
<b>Total Expenditures</b>	<b>714,683.40</b>	<b>1,129,792.56</b>	<b>1,136,779.39</b>	<b>898,088.48</b>	<b>1,133,582.55</b>	<b>898,088.48</b>	<b>898,088.48</b>	<b>898,088.48</b>	<b>898,088.48</b>	<b>898,088.48</b>	<b>898,088.48</b>	<b>1,572,042.29</b>
<b>Other Financing Sources &amp; Uses</b>												
<b>Other Financing Uses</b>												
7901 -- Oper Trf (Out)	379,313.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	389,800.00
<b>Total Other Financing Uses</b>	<b>379,313.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>389,800.00</b>
<b>Total Other Financing Sources &amp; Uses</b>	<b>379,313.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>389,800.00</b>

# Expenditure Trend

As of: 12/31/2014  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund; Columns = 6mo, MTDActual

## Fund 3650 -- Montecito Fire Protection Dist

Line Item Account	7/31/2014 Month-To-Date Actual	8/31/2014 Month-To-Date Actual	9/30/2014 Month-To-Date Actual	10/31/2014 Month-To-Date Actual	11/30/2014 Month-To-Date Actual	12/31/2014 Month-To-Date Actual
Changes to Fund Balances						
Changes to Nonspendable						
9605 -- Prepaids/Deposits	0.00	3,258.00	0.00	0.00	0.00	0.00
Total Changes to Nonspendable	0.00	3,258.00	0.00	0.00	0.00	0.00
Total Changes to Fund Balances	0.00	3,258.00	0.00	0.00	0.00	0.00
Total Montecito Fire Protection Dist	1,093,996.40	1,133,050.56	1,136,779.39	1,133,582.55	898,088.48	1,961,842.29
Total Report	1,093,996.40	1,133,050.56	1,136,779.39	1,133,582.55	898,088.48	1,961,842.29



**MONTECITO FIRE PROTECTION DISTRICT**  
**CASH RECONCILIATION - ALL FUNDS**  
**December 31, 2014**

	Fund 3650 General	Fund 3651 Pension Obl.	Fund 3652 Capital Outlay	Fund 3653 Land & Bldg	Fund 3654 Mello-Roos	All Funds
Cash Balance at 12/1/14	2,348,383.65	166.13	2,094,841.70	6,371,475.71	9,538.73	10,824,405.92
Income:						
Tax Revenue	5,558,731.54	-	-	-	-	5,558,731.54
CSFD Dispatch Services	21,435.00	-	-	-	-	21,435.00
EMS Mgmt LLC - First response pmt	23,604.00	-	-	-	-	23,604.00
State Treasurer costs reimbursement	958.00	-	-	-	-	958.00
Cal Card rebate	84.24	-	-	-	-	84.24
Employee purchases: belt buckle	22.57	-	-	-	-	22.57
Employee purchases: patches	6.40	-	-	-	-	6.40
Transfer from Fund 3654	38.73	-	-	-	(38.73)	-
	<u>5,604,880.48</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(38.73)</u>	<u>5,604,841.75</u>
Expenses:						
Claims Processed	(709,032.91)	(389,809.20)	-	-	(9,500.00)	(1,108,342.11)
Payroll	<u>(939,169.80)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(939,169.80)</u>
Other:						
Interfund Transfers	(389,800.00)	389,800.00	-	-	-	-
Reimbursed expenses*	11,338.79	-	-	-	-	11,338.79
	<u>(2,026,663.92)</u>	<u>(9.20)</u>	<u>-</u>	<u>-</u>	<u>(9,500.00)</u>	<u>(2,036,173.12)</u>
Cash Balance at 12/31/14	<u>5,926,600.21</u>	<u>156.93</u>	<u>2,094,841.70</u>	<u>6,371,475.71</u>	<u>-</u>	<u>14,393,074.55</u>
Cash in Treasury per Balance Sheet	<u>7,017,194.30</u>	<u>389,966.13</u>	<u>2,094,841.70</u>	<u>6,371,475.71</u>	<u>-</u>	<u>15,873,477.84</u>
<b>Difference</b>	<u>1,090,594.09</u>	<u>389,809.20</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,480,403.29</u>
<b>Reconciliation:</b>						
Outstanding payroll claims						
Delta Dental	13,481.50	-	-	-	-	13,481.50
Vision Service Plan	2,737.80	-	-	-	-	2,737.80
CalPERS retirement contributions	87,142.05	-	-	-	-	87,142.05
Mass Mutual contributions	19,844.00	-	-	-	-	19,844.00
Pay checks	147.76	-	-	-	-	147.76
Payroll Taxes & Direct Deposit	330,649.81	-	-	-	-	330,649.81
Accounts Payable						
PARS OPEB Trust	536,712.00	-	-	-	-	536,712.00
CalPERS Health Benefits	95,138.77	-	-	-	-	95,138.77
Cada-Save/EAP	1,530.00	-	-	-	-	1,530.00
Bound Tree Medical	1,456.58	-	-	-	-	1,456.58
Lincoln Life Insurance	679.68	-	-	-	-	679.68
K. Powell Reimbursement	559.00	-	-	-	-	559.00
J. Zeitsoff Reimbursement	390.00	-	-	-	-	390.00
Entenmann Rovin	107.42	-	-	-	-	107.42
Chevron Texaco Card	17.72	-	-	-	-	17.72
Union Bank Bond Payment	-	389,809.20	-	-	-	389,809.20
	<u>1,090,594.09</u>	<u>389,809.20</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,480,403.29</u>

## \* Summary of reimbursed expenses:

State Compensation Ins Fund - Temporary disability payment, 9/22-9/30/14, \$1,189.63  
State Compensation Ins Fund - Temporary disability payment, 4/16-9/30/14, \$7,941.41  
Verizon - Refund for closed account, \$1,187.82  
South Coast Fire Equipment - Refund for Type 6 Patrol equipment, \$553.38  
L. Muller - Reimbursement for product purchased, \$14.29  
R. Lauritson - Reimbursement for badge purchased, \$107.42  
Employee reimbursements for shift calendars, \$60.80  
South Coast Vehicle Emergency - cancelled warrant, reissued in December, \$284.04

**MONTECITO FIRE PROTECTION DISTRICT  
WARRANTS AND CLAIMS DETAIL  
December 2014**

Payee	Description	Amount
<b>Fund 3650 - General</b>		
Across The Street Productions	Blue Card Command: D. St. Oegger	346.50
ADP Inc	ADP fees, 2 periods	487.73
Aflac	Employee paid insurance, November	1,501.22
Allstar Fire Equipment Inc	SCBA parts	123.39
Andrew Seybold Inc	Emergency service to Command 11	136.50
Andrew Seybold Inc	Valley Peak Project: Contract and testing	1,750.00
Blake, Garet	G. Blake Reimb: Auto Extrication Tech.	776.98
Bound Tree Medical	Medical supplies	1,456.58
Broumand, Alex	A. Broumand Reimb: Auto Extrication Tech.	425.00
Burtens Fire Inc	Class A Foam	3,181.79
Burtens Fire Inc	Windshields for E91 and repair part for OES	443.98
Cada-Save/EAP	Employee assistance program, annual fee	1,530.00
Carquest Auto Parts	Stock vehicle supplies	112.50
CDCE Inc	Keyboards for Image Trend tablets (Budgeted)	987.61
Chevron And Texaco Business Card	Gasoline charges	17.72
Citygate Associates LLC	SOC Study, Oct./Nov. (Project cost - \$112,685)	33,017.66
Command Strategies Consulting	In-house Training: FBOR and Supervision	3,739.71
Compressed Air of CA	MAKO Compressor repair part	1,664.14
Cox Communications	CAD connectivity & Internet	2,700.44
CPS	Fire Captain and Firefighter exams	4,663.00
Davis, Shaun	S. Davis Reimb: CPR teaching materials	142.88
E Wave	Website programming for employee applications	320.00
E Wave	Old website hosting fee: 10/01-12/31/14	373.75
Entenmann Rovin Co	R. Lauritson badge order (reimbursable)	107.42
Galbraith, Robert	R. Galbraith Reimb: Paramedic License Recert.	200.00
Goldman Magdalin Krikes LLP	Worker's comp legal services (2 months)	122.50
Hayward Lumber Company	Training materials	444.84
Hickman, Kurt	CA Conf. Arson Inv. Membership: K. Hickman	65.00
Hickman, Kurt	K. Hickman Reimb: CA Conf. Arson Investigators	653.32
Interstate Batteries of Sierra Madre	Vehicle batteries for R91 and P921	1,147.77
Jenkins, Jackie	J. Jenkins Mileage Reimb: First Net Comm.	99.68
Jones Hall	Legal services for formation/dissolution of CFD	500.00
Klemowicz, Eric	E. Klemowicz Reimb: Fire Service Assmt Center	595.00
Koepke, Bret	B. Koepke Reimb: Auto Extrication Tech.	648.20
Liebert Cassidy Whitmore	Labor attorney fees, October	824.50
Marborg Industries	Refuse disposal, Sta. 1	359.67
Mission Uniform Service Inc	Shop towels	331.62
MNS Engineers	UHR final plan reviews	4,010.92
Montecito Village Hardware	Household maintenance supplies	42.08
Montecito Water District	Water service	392.56
Muller, Leslie	L. Muller Reimb: ROSS Training	316.24
Municipal Emergency Svcs Inc	SCBA flow testing	2,269.27
Nestle Pure Life Direct	Bottled water	155.20
Nicks Telecom	Radio repairs	406.80
Public Agencies Retirement Service	PARS OPEB Contribution for FY14-15	536,712.00
Peyton Scapes	Landscape maintenance	500.00
Physio Control	Annual Lifepak maintenance (budgeted)	3,052.68
Powell, Keith	K. Powell Reimb: Auto Extrication Tech.	559.00
Price Postel & Parma	Legal services, October	6,999.50
Price Postel & Parma	Legal services, November	4,130.00



**MONTECITO FIRE PROTECTION DISTRICT  
WARRANTS AND CLAIMS DETAIL  
December 2014**

Payee	Description	Amount
Safety Kleen Corp	Quarterly solvent tank maintenance	317.22
Sansum Clinic	Fitness exam and TB/flu shots	199.00
SB County Auditor-Controller	Additional user tax	30.87
SB County Auditor-Controller	Annual hazardous materials permit	351.00
Smardan Hatcher Company	Toilet repair part	27.77
Southern California Edison	Electricity Service	2,101.63
State Compensation Insurance Fund	Worker's comp insurance, December	59,065.17
Tech Wall of Ventura Inc	Installation of tackable panels	595.00
Tessco Corporate Headquarters	6 Voter/receiver cards for system upgrade (budget)	6,354.18
Tessco Corporate Headquarters	Channel 11 voter/receiver system upgrade (budget)	5,877.72
The Gas Company	Gas service	124.40
The UPS Store	Shipping FF tests to CPS for grading	209.78
Unisource	Household supplies	715.44
US Bank Corporate Card	J. Jenkins: First Net Training	10.00
	Flowers for BC 914 promo presentation	10.79
	Public Education supplies: props	37.56
	Certified mail and office supplies for test	49.72
	Small tools for Patrol 91	58.30
	Key lock boxes (3)	90.69
	Lunch meetings for training/promotionals	123.73
	Repairs for dishwasher and phone	124.25
	CA Conf. Arson Inv. 2 yr. Membership: R. Lauritson	125.00
	Safety glasses	153.75
	Photos for new website	169.00
	Flooring for copy room	222.37
	R. Lauritson: CCAI Conference registration	325.00
	A. Gil: CalPERS Educational Forum registration	350.00
	Vehicle maint: spare keys, bluetooth kit, other	431.79
	Oil and filter supplies	859.15
	Gasoline charges	928.41
	T. Edwards/S. Davis: Hazard Zone Conf (Indiana)	1,084.69
Ventura, Geri	G. Ventura Reimb: External HD for server (3)	393.57
Ventura, Geri	G. Ventura Reimb: Mileage to Costco/Best Buy	37.52
Verizon California	Phone services	1,211.14
Wilson Printing	Stationery envelopes (2,000)	332.45
Zeitsoff, Jordan	J. Zeitsoff Reimb: Auto Extrication Tech.	390.00
	Fund 3650 Total	<u>709,032.91</u>
<b><u>Fund 3651 - Pension Obligation</u></b>		
Union Bank	Bond debt service interest expense, January 15	37,809.80
Union Bank	Bond principal payment, January 15	351,999.40
	Fund 3651 Total	<u>389,809.20</u>
<b><u>Fund 3654 - UHR Mello-Roos</u></b>		
Jones Hall	Legal services for formation/dissolution of CFD	9,500.00
	Fund 3654 Total	<u>9,500.00</u>

**MONTECITO FIRE PROTECTION DISTRICT  
PAYROLL EXPENDITURES  
December 2014**

Regular Salaries	\$	491,219.50
Part-Time Salaries		4,283.20
Directors Fees		1,524.59
Auxiliary		1,164.50
FLSA Safety		12,136.70
FLSA Dispatch		3,472.45
Regular Overtime		103,719.64
Chief Officers - Extra Duty		15,072.00
Dispatch Cadre Earnings		1,984.20
Mass Mutual 457 Contribution		8,400.00
Uniform Allowance		21,916.66
Text Message Allowance		<u>4,200.00</u>
 Gross Wages	 \$	 669,093.44
 District Contributions to Insurance		 108,186.97
District Contributions to Medicare/FICA		8,942.63
District Contributions to SUI		6,734.96
CalPERS Employee Contribution, District paid		48,254.82
CalPERS Employer Contribution, Employee paid		(24,314.15)
CalPERS, District Contribution		125,074.68
Health and Dependent Care FSA Contributions		(1,302.33)
Due to AFLAC		<u>(1,501.22)</u>
 Total Benefits		 <u>270,076.36</u>
 <b>Grand Total</b>	 <b>\$</b>	 <b><u>939,169.80</u></b>

**MONTECITO FIRE PROTECTION DISTRICT  
FIRE ASSIGNMENTS - BILLING  
FY 2014-2015**

Fire Name, #	Invoice #	Period Covered	Invoice Date	Agency	Total Due	Date Received	Amount Received
El Portal, CA-YNP-0083	2014-09	07/27-08/14/14	10/23/14	USFS	\$ 14,789.54		
Little Deer (July), CA-KNF-005564		08/01-08/24/14	10/30/14	Cal-OES	88,281.48		
Bald Fire, CA-LNF-003479		08/02-08/06/14	10/24/14	Cal-OES	33,595.72		
Eiler Fire, CA-SHU-006933		08/06-08/16/14	10/24/14	Cal-OES	96,835.29	01/02/15	<b>96,835.29</b>
Cover BTU-August, CA-BTU-010882		08/09-08/15/14		Cal-OES	76,030.11		
Junction, CA-MMU-014633		08/18-08/21/14	10/30/14	Cal-OES	23,118.98		
Tecolote, CA-ANF-004034		08/18/14	11/21/14	Cal-OES	9,548.73		
Tecolote, CA-ANF-004034	2014-10	08/18/14	10/23/14	USFS	1,622.00		
Way, CA-CND-003148	2014-11	08/19-08/25/14	10/23/14	USFS	11,203.88		
Silverado Fire, CA-CNF-002873		09/13-09/15/14	11/21/14	Cal-OES	18,443.29		
King Fire, CA-ENF-023461	2014-12	09/18-10/02/14	10/23/14	USFS	29,750.38		
Boles Fire, CA-SKU-007064 (Revised)		09/16-09/21/14	11/12/14	Cal-OES	35,018.46		
King Fire, CA-ENF-023461 (OES & 391)		09/20-09/26/14	12/04/14	Cal-OES	184,372.37		
					<b>\$ 622,610.25</b>		<b>\$ 96,835.29</b>

**PRICE, POSTEL & PARMA LLP**

COUNSELLORS AT LAW  
 POST OFFICE 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

November 10, 2014  
 File #: 12611  
 Invoice #: 118161  
 Billing Attorney: MSM

**ACCOUNT SUMMARY BALANCE**

RE: GENERAL MATTERS Our File Number: 12611-00000	3,009.00
RE: BOARD MTGS Our File Number: 12611-00061	1,711.00
RE: DE SITTER PROPERTY Our File Number: 12611-00078	2,036.50
RE: RELM RADIOS Our File Number: 12611-00084	243.00
<hr/> <b>Current Total Charges</b>	<hr/> 6,999.50

\* \* \* \* \*

**SUMMARY OF CURRENT CHARGES**

Current Fees	6,999.50	
Total Current Fees & Costs	<u>6,999.50</u>	
<b>Total Current Due</b>		<b>\$6,999.50</b>

**SUMMARY OF PAST DUE BALANCES**

<b>Total Past Due</b>		<b>\$0.00</b>
-----------------------	--	---------------

**PRICE, POSTEL & PARMA LLP**

COUNSELLORS AT LAW  
 POST OFFICE 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

December 5, 2014  
 File #: 12611  
 Invoice #: 118412  
 Billing Attorney: MSM

**ACCOUNT SUMMARY BALANCE**

RE: GENERAL MATTERS	1,475.00
Our File Number: 12611-00000	

RE: BOARD MTGS	2,655.00
Our File Number: 12611-00061	

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<b>Current Total Charges</b>	<b>4,130.00</b>
------------------------------	-----------------

\* \* \* \* \*

**SUMMARY OF CURRENT CHARGES**

Current Fees	4,130.00	
Total Current Fees & Costs	<u>4,130.00</u>	
<b>Total Current Due</b>		<b>\$4,130.00</b>

**SUMMARY OF PAST DUE BALANCES**

<b>Total Past Due</b>		<b>\$0.00</b>
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# Agenda

## Item #3







**MONTECITO FIRE PROTECTION DISTRICT**  
**PARS OPEB Trust Program**

**Monthly Account Report for the Period**  
**10/1/2014 to 10/31/2014**

Stephen Hickman  
 Fire Chief  
 Montecito Fire Protection District  
 595 San Ysidro Rd.  
 Santa Barbara, CA 93108

*Account Summary*

Source	Beginning Balance as of 10/1/2014	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 10/31/2014
Employer Contribution	\$4,166,126.30	\$0.00	\$45,108.57	\$867.94	\$0.00	\$0.00	\$4,210,366.93
<b>Totals</b>	<b>\$4,166,126.30</b>	<b>\$0.00</b>	<b>\$45,108.57</b>	<b>\$867.94</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$4,210,366.93</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			Inception Date
			3-Years	5-Years	10-Years	
1.08%	1.11%	6.40%	9.54%	N/A	N/A	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.

Inception Date: Plan's inception date

**MONTECITO FIRE PROTECTION DISTRICT**  
**PARS OPEB Trust Program**Monthly Account Report for the Period  
11/1/2014 to 11/30/2014Stephen Hickman  
Fire Chief  
Montecito Fire Protection District  
595 San Ysidro Rd.  
Santa Barbara, CA 93108**Account Summary**

Source	Beginning Balance as of 11/1/2014	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 11/30/2014
Employer Contribution	\$4,210,366.93	\$0.00	\$58,445.65	\$1,867.07	\$0.00	\$0.00	\$4,266,945.51
<b>Totals</b>	<b>\$4,210,366.93</b>	<b>\$0.00</b>	<b>\$58,445.65</b>	<b>\$1,867.07</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$4,266,945.51</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			Inception Date
			3-Years	5-Years	10-Years	
1.39%	0.46%	6.57%	10.36%	N/A	N/A	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.

Inception Date: Plan's inception date

# Agenda

## Item #4





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## STAFF REPORT

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**Prepared for:** Montecito Fire Protection Finance Committee  
**Prepared by:** Araceli Gil, District Accountant  
**Date:** January 12, 2015  
**Topic:** CalPERS Annual Valuation Reports as of June 30, 2013

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### Summary

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Every year, CalPERS performs an actuarial valuation of each pension plan to determine contribution rates for the upcoming fiscal year. There is a two-year lag between the Valuation Date and the Contribution Fiscal Year, therefore the June 30, 2013 report provides the contribution rates for the 2015-16 fiscal year.

Montecito Fire Protection District (the District) has four pension plans: Miscellaneous, Safety, PEPRAs Miscellaneous, and PEPRAs Safety Fire. Only Miscellaneous and Safety plans received valuation reports for June 30, 2013 because the District didn't have any members in the PEPRAs plans until 2014.

### Background or History

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There are recent changes, approved by the CalPERS Board of Administration, that affect the June 30, 2013 valuation report, primarily changes to the amortization and rate smoothing policies and the risk pooling structure.

The new amortization and smoothing policy will pay for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period, with a 5-year ramp up/down. Initially, the contribution rates will increase, but long-term contribution rates will be lower and all plans should be fully funded in 30 years.

The change in the risk pooling structure addresses issues and changes created by the Public Employees' Pension Reform Act of 2013 (PEPRA), effective January 1, 2013. PEPRA created new retirement formulas for employees hired after January 1, 2013. This means that existing miscellaneous and safety pools will see a decline in members and payroll assumptions, leading to an inevitable underfunding of the plans.

In an effort to combat the issues caused by PEPRA, CalPERS changed made two major changes:  
1) contributions directed towards the unfunded liability of a plan will be collected as a dollar

amount, rather than a percentage of payroll as it has been in the past, and 2) the total unfunded liability amount for each pool has been allocated to each plan (or agency) in that pool, therefore any payments made by an employer, will go towards paying down that agency's own specific unfunded liability.

Payments for the plan's normal cost contribution will continue to be collected as a percentage of payroll.

The cover letters for each of the reports provides a more detailed explanation of the changes and provides the new "Employer Normal Cost Rate" to be used for payroll-based contributions and the required "Employer Payment of Unfunded Liability" for the District's plans.

## **Discussion**

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### **Miscellaneous Plan:**

The Employer Normal Cost Rate for 2015-16 is 14.110%, and the Employer Payment of Unfunded Liability is \$69,258. On page 7 of the miscellaneous report, the "Actuarially Determined Employer Contributions" table provides a comparison breakdown of the factors used to calculate the required contributions for 2014-15 and 2015-16. The Total Employer Contribution Rate for 2015-16 is 20.803% (inclusive of the normal cost rate plus the unfunded liability payment), compared to the prior year rate of 19.161%. This is a net increase of 1.64%. In 2013-14 the employer contribution rate was 18.148%, and in 2012-13 was 17.698%.

The plan has an Accrued Liability (AL) of \$6,683,609 and Market Value of Assets (MVA) of \$5,298,386, which equates to an Unfunded Liability (UL) of \$1,385,223. The plan is funded at 79.3% (pg. 8 of the miscellaneous plan report). Capitol PFG favors a target of 80% and the District's miscellaneous plan is close to achieving that funded ratio.

### **Safety Plan:**

The Employer Normal Cost Rate for 2015-16 is 18.191% and the Employer Payment of Unfunded Liability is \$501,292. On page 7 of the safety report, the "Actuarially Determined Employer Contributions" table provides a comparison breakdown of the factors used to calculate the required contributions for 2014-15 and 2015-16. The Total Employer Contribution Rate for 2015-16 is 26.597%, (inclusive of the normal cost rate plus the unfunded liability payment), compared to the prior year rate of 23.948%. In 2013-14 the employer contribution rate was 23.397%, and in 2012-13 was 22.744%.

The plan has an Accrued Liability (AL) of \$58,614,969 and Market Value of Assets (MVA) of \$47,236,817, which equates to an Unfunded Liability (UL) of \$11,378,152. The plan is funded at 80.6% (pg. 8 of the safety plan report). The safety plan meets Capitol PFG's target of 80%.

**Retirement Contributions:**

In an effort to provide a simple calculation to show how the contribution rate changes will affect the 2015-16 budget, in the table below, the FY 2014-15 column depicts the budgeted employer contributions using the 2014-15 projected payroll and contribution rates. The FY 2015-16 column, calculates the new 2015-16 employer normal cost contribution using the same 2014-15 projected payroll and required dollar amount for the unfunded liability.

	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>Increase</b>
Misc. District Contribution	193,193	142,265	
Less cost share (4.5%)	-45,372	-45,372	
Unfunded Liability Pmt	0	69,258	
<b>Total District portion</b>	<b>147,821</b>	<b>166,151</b>	<b>18,330</b>

	<b>FY 2014-15</b>	<b>FY 2015-16</b>	
Safety District Contribution	1,394,764	1,059,468	
Less cost share (4.5%)	-262,086	-262,086	
Unfunded Liability Pmt <sup>1</sup>	0	501,292	
<b>Total District portion</b>	<b>1,132,678</b>	<b>1,298,674</b>	<b>165,996</b>

<b>184,326</b>
----------------

**Conclusion**

The increase in CalPERS pension contribution requirements is normal and falls in line with projected contributions from last year's Valuation Reports. Staff's recommendation is to fund the increase in required contributions for FY 2015-16 through the General Fund budget.

Additionally, Staff would like to take advantage of the "Annual Lump Sum Prepayment Option" presented on page 7 of each of the reports. Total savings for each plan would be \$2,460 and \$17,803 for the miscellaneous and safety plans, respectively, for a total savings of \$20,263.

As mentioned earlier in this report, CalPERS has allocated unfunded liabilities to each individual plan, which allows employers to make additional lump sum payments to reduce that plan's unfunded liability at an accelerated rate. The District's Miscellaneous and Safety plans are hovering around a 80% funding status as of June 30, 2013, therefore in following Capitol PFG's guidelines, Staff recommends that no additional payments be made towards the CalPERS pension funds at this time. Instead, a continued effort towards paying down the PARS OPEB unfunded liabilities is recommended.

The members of the Finance Committee don't need to take any action at the January meeting, but can discuss any questions or concerns and determine if a conference call with the plan's actuary is necessary at the February meeting.

<sup>1</sup> The Employer Payment of Unfunded Liability is new to 2015-16, it was previously included as part of the entire District Contribution rate.







California Public Employees' Retirement System  
 Actuarial Office  
 P.O. Box 942709  
 Sacramento, CA 94229-2709  
 TTY: (916) 795-3240  
 (888) 225-7377 phone – (916) 795-2744 fax  
[www.calpers.ca.gov](http://www.calpers.ca.gov)

**October 2014**

**MISCELLANEOUS PLAN OF THE MONTECITO FIRE PROTECTION DISTRICT  
 (CalPERS ID: 1337420437)  
 Annual Valuation Report as of June 30, 2013**

Dear Employer,

As an attachment to this letter, you will find a copy of the June 30, 2013 actuarial valuation report of your pension plan. Because this plan is in a risk pool and the CalPERS Board approved structural changes to risk pooling on May 21, 2014 you will notice some changes between your last actuarial report and this one. An overview of the changes to pooling is provided below and we urge you to carefully review the information provided in this report.

Because this plan is in a risk pool, the following valuation report has been separated into two Sections:

- Section 1 contains specific information for your plan, including the development of your pooled employer contributions and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to your plan, as of June 30, 2013.

Section 2 can be found on the CalPERS website at ([www.calpers.ca.gov](http://www.calpers.ca.gov)) then select in order "Employers", "Actuarial, Risk Pooling & GASB 27 Information", "Risk Pooling", "Risk Pool Annual Valuation Reports", then select the appropriate pool report.

Your 2013 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. Your CalPERS staff actuary, whose signature appears in the Actuarial Certification Section on page 1, is available to discuss your report with you after October 31, 2014.

**Future Contribution Rates**

Fiscal Year	Employer Normal Cost Rate	+	Employer Payment of Unfunded Liability
2015-16	14.110%		\$ 69,258
2016-17 (projected)	15.1%		\$ 81,676

The exhibit above displays the Minimum Employer Contributions, before any cost sharing, for 2015-16 along with estimates of the contributions for 2016-17. The estimated contributions for 2016-17 are based on a projection of the most recent information we have available, including an estimated 18.0 percent investment return for fiscal 2013-14, the impact of the new amortization methods adopted by the CalPERS Board in April 2013 that will impact employer rates for the first time in 2015-16 and new actuarial assumptions adopted by the CalPERS Board in February 2014 that will impact rates for the first time in 2016-17. These new demographic assumptions include a 20-year projected improvement in mortality.

A projection of employer contributions beyond 2016-17 can be found in the Risk Analysis Section of this report, "Analysis of Future Investment Return Scenarios", under a variety of investment return scenarios. Please disregard any projections provided to you in the past. Member contributions, other than cost sharing (whether paid by the employer or the employee), are in addition to the above amounts. The employer contributions in this report do not reflect any cost sharing arrangements you may have with your employees.

The estimate for 2016-17 also assumes that there are no future contract amendments and no liability gains or losses (such as larger than expected pay increases, more retirements than expected, etc.) This is a very important assumption because these gains and losses do occur and can have a significant effect on your contributions. Even for the largest plans or pools, such gains and losses can impact the employer's contribution rate by one or two percent of payroll or even more in some less common circumstances. These gains and losses cannot be predicted in advance so the projected employer contributions are estimates. Your actual employer contributions for 2016-17 will be provided in next year's valuation report.

### **Changes since the Prior Year's Valuation**

On April 17, 2013, the CalPERS Board of Administration approved a recommendation to change the CalPERS amortization and rate smoothing policies. Beginning with the June 30, 2013 valuations that set the 2015-16 rates, CalPERS will employ an amortization and smoothing policy that will pay for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period. The impact of this new actuarial methodology is reflected in the "*Analysis of Future Investment Return Scenarios*" subsection of the "*Risk Analysis*" section of your report.

On January 1, 2013, the Public Employees' Pension Reform Act of 2013 (PEPRA) took effect. In addition to creating new retirement formulas for newly hired members PEPRA also effectively closed all existing active risk pools to new employees. As such it is no longer appropriate to assume that the payroll of the risk pools for the classic formulas will continue to grow at 3 percent annually. Funding the promised pension benefits as a percentage of payroll would lead to the underfunding of the plans. In addition the current allocation of the existing unfunded liabilities based on payroll would create equity issues for employers within the risk pools. Furthermore the declining payroll of the classic formula risk pools will lead to unacceptable levels of employer rate volatility.

In order to address these issues the CalPERS Board of Administration approved at their May 21, 2014 meeting structural changes to the risk pools. All pooled plans will be combined into two active pools, one for all miscellaneous groups and one for all safety groups, effective with the 2013 valuations. By combining the pools this way the payroll of the risk pools and the employers within the pools can once again be expected to increase at the assumed 3 percent annual growth. However two important changes are being made which will affect employers.

1. Beginning with FY 2015-16 CalPERS will collect employer contributions toward your unfunded liability and side fund as dollar amounts instead of the prior method of a contribution rate. This change will address the funding issue that would still arise from the declining population of classic formula members. Although employers will be invoiced at the beginning of the fiscal year for their unfunded liability and side fund

payments the plan's normal cost contribution will continue to be collected as a percentage of payroll.

2. The pool's unfunded liability will be allocated to each individual plan based on the plan's total liability rather than by plan individual payroll. This will allow employers to track their own unfunded liability and pay it down faster if they choose. The change in the allocation of unfunded liabilities will result in some employers paying more towards their unfunded liability and some paying less.

On January 1, 2013, the Public Employees' Pension Reform Act of 2013 (PEPRA) took effect. The impact of the PEPRA changes are included in the rates and the benefit provision listings of the June 30, 2013 valuation for the 2015-16 rates. For more information on PEPRA, please refer to the CalPERS website.

In 2014 CalPERS completed a 2-year asset liability management study incorporating actuarial assumptions and strategic asset allocation. On February 19, 2014 the CalPERS Board of Administration adopted relatively modest changes to the current asset allocation that will reduce the expected volatility of returns. The adopted asset allocation is expected to have a long-term blended return that continues to support a discount rate assumption of 7.5 percent. The Board also approved several changes to the demographic assumptions that more closely align with actual experience. The most significant of these is mortality improvement to acknowledge the greater life expectancies we are seeing in our membership and expected continued improvements. The new actuarial assumptions will be used to set the FY 2016-17 contribution rates for public agency employers. The increase in liability due to new actuarial assumptions will be calculated in the 2014 actuarial valuation and will be amortized over a 20-year period with a 5-year ramp-up/ramp-down in accordance with Board policy.

Besides the above noted changes, there may also be changes specific to your plan such as contract amendments and funding changes.

Further descriptions of general changes are included in the "*Highlights and Executive Summary*" section and in Appendix A, "*Statement of Actuarial Data, Methods and Assumptions*" of your section 2 report. We understand that you might have a number of questions about these results. While we are very interested in discussing these results with your agency, in the interest of allowing us to give every public agency their result, we ask that, you wait until after October 31 to contact us with actuarial related questions.

If you have other questions, please call our customer contact center at (888) CalPERS or (888-**225-7377**).

Sincerely,



ALAN MILLIGAN  
Chief Actuary

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**ACTUARIAL VALUATION**

as of June 30, 2013

**for the  
MISCELLANEOUS PLAN  
of the  
MONTECITO FIRE PROTECTION DISTRICT  
(CalPERS ID: 1337420437)**

**REQUIRED CONTRIBUTIONS  
FOR FISCAL YEAR  
July 1, 2015 - June 30, 2016**

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**SECTION 2 – RISK POOL ACTUARIAL VALUATION INFORMATION**

# Section 1

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

---

**Plan Specific Information  
for the  
MISCELLANEOUS PLAN  
of the  
MONTECITO FIRE PROTECTION  
DISTRICT**

**(CalPERS ID: 1337420437)  
(Rate Plan: 33)**

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## ACTUARIAL CERTIFICATION

Section 1 of this report is based on the member and financial data contained in our records as of June 30, 2013 which was provided by your agency and the benefit provisions under your contract with CalPERS. Section 2 of this report is based on the member and financial data as of June 30, 2013 provided by employers participating in the SAFETY risk pool to which your plan belongs and benefit provisions under the CalPERS contracts for those agencies.

As set forth in Section 2 of this report, the Pool Actuary has certified that, in their opinion, the valuation of the Risk Pool containing your MISCELLANEOUS PLAN has been performed in accordance with generally accepted actuarial principles consistent with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for the Risk Pool as of the date of this valuation and as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

Having relied upon the information set forth in Section 2 of this report and based on the census and benefit provision information for your plan, it is my opinion as your Plan Actuary that the Side Fund and other Unfunded Accrued Liability bases as of June 30, 2013 and employer contribution rate as of July 1, 2015, have been properly and accurately determined in accordance with the principles and standards stated above.

The undersigned is an actuary for CalPERS, who is a member of both the American Academy of Actuaries and Society of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



STUART BENNETT, ASA, MAAA  
Senior Pension Actuary, CalPERS  
Plan Actuary

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## **HIGHLIGHTS AND EXECUTIVE SUMMARY**

- **INTRODUCTION**
- **PURPOSE OF SECTION 1**
- **REQUIRED EMPLOYER CONTRIBUTION**
- **PLAN'S FUNDED STATUS**
- **PROJECTED CONTRIBUTIONS**

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## Introduction

This report presents the results of the June 30, 2013 actuarial valuation of the MISCELLANEOUS PLAN of the MONTECITO FIRE PROTECTION DISTRICT of the California Public Employees' Retirement System (CalPERS). This actuarial valuation was used to set the 2015-16 required employer contribution rates.

On April 17, 2013, the CalPERS Board of Administration approved a recommendation to change the CalPERS amortization and rate smoothing policies. Beginning with the June 30, 2013 valuations that set the 2015-16 rates, CalPERS will employ an amortization and smoothing policy that will pay for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period. The impact of this new actuarial methodology is reflected in the "*Analysis of Future Investment Return Scenarios*" subsection of the "*Risk Analysis*" section of your report.

On January 1, 2013, the Public Employees' Pension Reform Act of 2013 (PEPRA) took effect. In addition to creating new retirement formulas for newly hired members PEPRA also effectively closed all existing active risk pools to new employees. As such it is no longer appropriate to assume that the payroll of the risk pools for the classic formulas will continue to grow at 3 percent annually. Funding the promised pension benefits as a percentage of payroll would lead to the underfunding of the plans. In addition the current allocation of the existing unfunded liabilities based on payroll would create equity issues for employers within the risk pools. Furthermore the declining payroll of the classic formula risk pools will lead to unacceptable levels of employer rate volatility.

In order to address these issues the CalPERS Board of Administration approved at their May 21, 2014 meeting structural changes to the risk pools. All pooled plans will be combined into two active pools, one for all miscellaneous groups and one for all safety groups, effective with the 2013 valuations. By combining the pools this way the payroll of the risk pools and the employers within the pools can once again be expected to increase at the assumed 3 percent annual growth. However two important changes are being made which will affect employers.

1. Beginning with FY 2015-16 CalPERS will collect employer contributions toward your unfunded liability and side fund as dollar amounts instead of the prior method of a contribution rate. This change will address the funding issue that would still arise from the declining population of classic formula members. Although employers will be invoiced at the beginning of the fiscal year for their unfunded liability and side fund payments the plan's normal cost contribution will continue to be collected as a percentage of payroll.
2. The pool's unfunded liability will be allocated to each individual plan based on the plan's total liability rather than by the plan's individual payroll. This will allow employers to track their own unfunded liability and pay it down faster if they choose. The change in the allocation of unfunded liabilities will result in some employers paying more towards their unfunded liability and some paying less.

The impact of most of the PEPRA changes will first show up in the rates and the benefit provision listings of the June 30, 2013 valuation that sets the contribution rates for the 2015-16 fiscal year. For more detailed information on changes due to PEPRA, please refer to the CalPERS website.

In 2014 CalPERS completed a 2-year asset liability management study incorporating actuarial assumptions and strategic asset allocation. On February 19, 2014 the CalPERS Board of Administration adopted relatively modest changes to the current asset allocation that will reduce the expected volatility of returns (see Appendix). The adopted asset allocation is expected to have a long-term blended return that continues to support a discount rate assumption of 7.5 percent. The Board also approved several changes to the demographic assumptions that more closely align with actual experience. The most significant of these is mortality improvement to acknowledge the greater life expectancies we are seeing in our membership and expected continued improvements. The new actuarial assumptions will be used to set the FY 2016-17 contribution rates for public agency employers. The increase in liability due to new actuarial assumptions will be calculated in the 2014 actuarial valuation and will be amortized over a 20-year period with a 5-year ramp-up/ramp-down in accordance with Board policy.

## Purpose of Section 1

This section 1 report for the MISCELLANEOUS PLAN of the MONTECITO FIRE PROTECTION DISTRICT of the California Public Employees' Retirement System (CalPERS) was prepared by the Plan Actuary in order to:

- Set forth the assets and accrued liabilities of this plan as of June 30, 2013;
- Determine the required employer contribution for this plan for the fiscal year July 1, 2015 through June 30, 2016;
- Provide actuarial information as of June 30, 2013 to the CalPERS Board of Administration and other interested parties; and
- Provide pension information as of June 30, 2013 to be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement Number 27 for a Cost Sharing Multiple Employer Defined Benefit Pension Plan.

The use of this report for any other purposes may be inappropriate. In particular, this report does not contain information applicable to alternative benefit costs. The employer should contact their actuary before disseminating any portion of this report for any reason that is not explicitly described above.

### California Actuarial Advisory Panel Recommendations

This report includes all the basic disclosure elements as described in the *Model Disclosure Elements for Actuarial Valuation Reports* recommended in 2011 by the California Actuarial Advisory Panel (CAAP), with the exception of including the original base amounts of the various components of the unfunded liability in the Schedule of Amortization Bases shown on page 12.

Additionally, this report includes the following "Enhanced Risk Disclosures" also recommended by the CAAP in the Model Disclosure Elements document:

- A "Deterministic Stress Test," projecting future results under different investment income scenarios
- A "Sensitivity Analysis," showing the impact on current valuation results using a 1 percent plus or minus change in the discount rate.

## Required Employer Contribution

Actuarially Determined Employer Contributions:	Fiscal Year	Fiscal Year
	2014-15 <sup>1</sup>	2015-16
Employer Contributions (in Projected Dollars)		
Plan's Employer Normal Cost	\$ 102,714	\$ 114,516
Plan's Payment on Amortization Bases	56,683	69,258 <sup>2</sup>
Surcharge for Class 1 Benefits <sup>3</sup>		
a) FAC 1	6,164	6,758
b) 8% EPMC	13,207	13,930
c) PRSA	10,218	10,825
Phase out of Normal Cost Difference <sup>4</sup>	0	0
Amortization of Side Fund	0	0
Total Employer Contribution	\$ 188,986	\$ 215,287
Projected Payroll for the Contribution Fiscal Year	\$ 986,304	\$ 1,034,939
Required Employer Contributions (Percentage of Payroll)		
Plan's Net Employer Normal Cost	10.414%	11.065%
Plan's Payment on Amortization Bases	5.747%	6.693% <sup>2</sup>
Surcharge for Class 1 Benefits <sup>3</sup>		
a) FAC 1	0.625%	0.653%
b) 8% EPMC	1.339%	1.346%
c) PRSA	1.036%	1.046%
Phase out of Normal Cost Difference <sup>4</sup>	0.000%	0.000%
Amortization of Side Fund	0.000%	0.000%
Total Employer Contribution Rate	19.161%	20.803%

Required Employer Contribution for FY 2015-16	
<b>Employer Contribution Rate<sup>5</sup></b>	<b>14.110%</b>
<b>Plus Monthly Employer Dollar UAL Payment<sup>6</sup></b>	<b>\$ 5,772</b>
<b>Annual Lump Sum Prepayment Option</b>	<b>\$ 66,798</b>
<i>For FY 2015-16 the total minimum required employer contribution is the <b>sum</b> of the Plan's Employer Contribution Rate (expressed as a percentage of payroll) <b>plus</b> the Employer Unfunded Accrued Liability (UAL) Contribution Amount (in dollars). Whereas in prior years it was possible to prepay total employer contributions for the fiscal year, beginning with FY 2015-16 and beyond, only the UAL portion of the employer contribution can be prepaid.</i>	

Pre-payment  
 savings  
 69,258  
 - 66,798  
 2,460

<sup>1</sup> The results shown for FY 2014-15 reflect the prior year valuation and do not reflect any lump sum payment, side fund payoff or rate adjustment made after annual valuation report is completed.

<sup>2</sup> For FY 2015-16 the Plan's Payment on Amortization Bases reflects the sum of all UAL amortization bases including the Plan's Side Fund (where applicable).

<sup>3</sup> Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

<sup>4</sup> Risk pooling was implemented for most plans as of June 30, 2003. The normal cost difference was scheduled to be phased out over a five year period. The phase out of normal cost difference is 100 percent for the first year of pooling, and is incrementally reduced by 20 percent of the original normal cost difference for each subsequent year.

<sup>5</sup> The minimum employer contribution under PEPR is the greater of the required employer contribution or the total employer normal cost.

<sup>6</sup> The Plan's Payment on Amortization Bases Contribution amount for FY 2015-16 will be billed as a level dollar amount monthly over the course of the year. Late payments will accrue interest at an annual rate of 7.5 percent. Lump sum

CALPERS ACTUARIAL VALUATION - June 30, 2013  
MISCELLANEOUS PLAN OF THE MONTECITO FIRE PROTECTION DISTRICT  
CalPERS ID: 1337420437

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payments may be made through my|CalPERS. Plan Normal Cost contributions will be made as part of the payroll reporting process. As a percentage of payroll your UAL contribution is 6.693 percent.



## Plan's Funded Status

	<b>June 30, 2012</b>	<b>June 30, 2013</b>
1. Present Value of Projected Benefits (PVB)	\$ 7,192,251	\$ 7,865,826
2. Entry Age Normal Accrued Liability	6,015,254	6,683,609
3. Plan's Market Value of Assets (MVA)	4,481,001	5,298,386
4. Unfunded Liability [(2) - (3)]	1,534,253	1,385,223
5. Funded Ratio [(3) / (2)]	74.5%	79.3%

## Projected Contributions

The contribution rate and amount shown below is an estimate for the employer contribution for fiscal year 2016-17. The estimated contribution is based on a projection of the most recent information we have available, including an estimate of the investment return for fiscal year 2013-14, namely 18.0 percent. It also reflects implementation of the direct rate smoothing method and the impact of new actuarial assumptions.

Projected Employer Contribution Rate:	15.1%
Projected Plan UAL Contribution	\$ 81,676

The estimate also assumes that there are no liability gains or losses among the plans in your risk pool, that your plan has no new amendments in the next year, and that your plan's and your risk pool's payrolls both increase exactly 3.0 percent in the 2013-14 fiscal year. Therefore, the projected employer contribution for 2016-17 is strictly an estimate. Your actual rate for 2016-17 will be provided in next year's valuation report. A more detailed analysis of your projected employer contributions over the next five years can be found in the "Risk Analysis" section of this report.

## **ASSETS AND LIABILITIES**

- **DEVELOPMENT OF PLAN'S SHARE OF POOL'S UAL**
- **DEVELOPMENT OF PLAN'S SHARE OF POOL'S MVA**
- **SCHEDULE OF PLAN'S SIDE FUND & OTHER AMORTIZATION BASES**
- **ALTERNATIVE AMORTIZATION SCHEDULES**
- **FUNDING HISTORY**
- **PLAN'S TOTAL NORMAL COST RATE**

## Development of the Plan's Share of Pool's Unfunded Accrued Liability

It is the policy of the CalPERS to ensure equity within the risk pools by allocating the pool's unfunded accrued liability in a manner that treats each employer fairly and that maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. Commencing with the June 30, 2013 actuarial valuations and for purposes of allocating the pool's unfunded accrued liability to all the individual plans within the pool, an individual plan's total unfunded accrued liability (Preliminary Plan UAL) on a specific valuation date will be set equal to the sum of the outstanding unamortized balances on the valuation date for the following:

- a) Side Fund
- b) Plan's share of Pool UAL due to benefit changes (including golden handshakes) provided to the members of that plan
- c) Plan's share of the Pool UAL created before the valuation date for reasons other than benefit changes

1.	Plan's Accrued Liability	\$	6,683,609
2.	Plan's Side Fund		0
3.	Increase in Plan's AL for amendments in FY 2012-13		0
4.	Pool's Accrued Liability	\$	1,149,488,509
5.	Sum of Pool's Individual Plan Side Funds		40,940,096
6.	Increase in Pool's AL for amendments in FY 2012-13		0
7.	Pre-2013 Pool's UAL	\$	133,387,408
8.	Plan's Share of Pre-2013 Pool's UAL $[(1)-(2)-(3)]/[(4)-(5)-(6)] * (7)$	\$	<b>804,213</b>
9.	Pool's 2013 Investment & Asset (Gain)/Loss		102,935,378
10.	Pool's 2013 Other (Gain)/Loss		(6,811,175)
11.	Plan's Share of Pool's Asset (Gain)/Loss $[(1)-(2)-(3)]/[(4)-(5)-(6)] * (9)$		620,613
12.	Plan's Share of Pool's Other (Gain)/Loss $[(1)]/[(4)] * (10)$		(39,603)
13.	Plan's UAL as of 6/30/2013 $[(2)+(8)+(11)+(12)]$	\$	<b>1,385,223</b>

## Development of the Plan's Share of Pool's Market Value of Assets

1.	Plan's Accrued Liability	\$	6,683,609
2.	Plan's UAL	\$	1,385,223
3.	Plan's Share of Pool's MVA (1)-(2)	\$	<b>5,298,386</b>

## Schedule of Plan's Side Fund and Other Amortization Bases

There is a two-year lag between the Valuation Date and the Contribution Fiscal Year.

- The assets, liabilities and funded status of the plan are measured as of the valuation date; June 30, 2013.
- The employer contribution determined by the valuation is for the fiscal year beginning two years after the valuation date; fiscal year 2015-16.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and due to the need to provide public agencies with their employer contribution well in advance of the start of the fiscal year.

The Unfunded Liability is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The Unfunded Liability is rolled forward each year by subtracting the expected Payment on the Unfunded Liability for the fiscal year and adjusting for interest. The Expected Payment on the Unfunded Liability for a fiscal year is equal to the Expected Employer Contribution for the fiscal year minus the Expected Normal Cost for the year. The Employer Contribution Rate for the first fiscal year is determined by the actuarial valuation two years ago and the rate for the second year is from the actuarial valuation one year ago. The Normal Cost Rate for each of the two fiscal years is assumed to be the same as the rate determined by the current valuation. All expected dollar amounts, with the exception of the Side Fund base, are determined by multiplying the rate by the expected payroll for the applicable fiscal year, based on payroll as of the valuation date.

Reason for Base	Date Established	Amortization Period	Balance 6/30/13	Expected Payment 2013-14	Balance 6/30/14	Expected Payment 2014-15	Balance 6/30/15	Amounts for Fiscal 2015-16	
								Scheduled Payment for 2015-16	Payment as Percentage of Payroll
SIDE FUND	06/30/13	3	\$0	\$0	\$0	\$0	\$0	\$0	0.000%
SHARE OF PRE-2013 POOL UAL	06/30/13	21	\$804,213	\$44,289	\$818,609	\$61,038	\$816,719	\$59,815	5.780%
ASSET (GAIN)/LOSS	06/30/13	30	\$620,613	\$0	\$667,159	\$0	\$717,196	\$10,087	0.975%
NON-ASSET (GAIN)/LOSS	06/30/13	30	\$(39,603)	\$0	\$(42,573)	\$0	\$(45,766)	\$(644)	(0.062%)
<b>TOTAL</b>			<b>\$1,385,223</b>	<b>\$44,289</b>	<b>\$1,443,195</b>	<b>\$61,038</b>	<b>\$1,488,149</b>	<b>\$69,258</b>	<b>6.693%</b>

**Commencing with the June 30, 2013 actuarial valuations, the side fund will be treated as a liability as opposed to an asset. Prior to June 30, 2013, a positive side fund conveyed that a public agency had a surplus when risk pooling began June 30, 2003. Conversely, a negative side fund signified that a public agency had an unfunded liability that required elimination through an amortization payment schedule. After June 30, 2013 a positive side fund will signify that an agency has an unfunded liability while a negative side fund will indicate a surplus asset. The amortization schedule will remain unchanged, with the exception that a plan with a negative side fund may have its amortization period extended at the discretion of the plan actuary.**

Your plan's allocated share of the risk's pool's unfunded accrued liability is based on your plan's accrued liability and is amortized over the average amortization period of the combined existing amortization bases prior to June 30, 2013. The payments on this base for Fiscal Year 2013-14 and 2014-15 are allocated by your plan's payroll.

The (gain)/loss base is your plan's allocated share of the risk pool's asset gain/loss for the Fiscal Year 2012-13, the change in unfunded accrued liability due to direct rate smoothing and your plan's allocated share of the risk pool's other liability gains and losses for fiscal year 2012-13. This base will be amortized according to Board policy over 30 years with a 5-year ramp-up.

## Alternate Amortization Schedules

The amortization schedule shown on the previous page shows the minimum contributions required according to CalPERS amortization policy. There has been considerable interest from many agencies in paying off these unfunded accrued liabilities sooner and the possible savings in doing so. As a result, we have provided alternate amortization schedules to help analyze your current amortization schedule and illustrate the advantages of accelerating unfunded liability payments towards your plan's unfunded liability of \$1,488,149 as of June 30, 2015, which will require total payments of \$3,648,239.

Shown below are the level rate payments required to amortize your plan's unfunded liability assuming a fresh start over the various periods noted. Note that the payments under each scenario would increase by 3 percent for each year into the future.

Period	Level Rate			
	2015-16 Payment	Total Payments	Total Interest	Savings
25	\$ 98,358	\$ 3,586,060	\$ 2,097,911	\$ 62,179
20	\$ 112,363	\$ 3,019,236	\$ 1,531,087	\$ 629,003

Current CalPERS Board policy calls for lump sum contributions in excess of the required employer contribution shall first be used to eliminate the side fund, if applicable, and then the plan's share of the pool's unfunded accrued liability.

Please contact your plan actuary before making such a payment to ensure that the payment is applied correctly.

## Funding History

The Funding History below shows the actuarial accrued liability, the plan's share of the pool's market value of assets, plan's share of the pool's unfunded liability, funded ratio and the annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Plan's Share of Pool's Unfunded Liability	Funded Ratio	Annual Covered Payroll
06/30/2011	\$ 5,452,466	\$ 4,290,152	\$ 1,162,314	78.7%	\$ 855,862
06/30/2012	6,015,254	4,481,001	1,534,253	74.5%	902,608
06/30/2013	6,683,609	5,298,386	1,385,223	79.3%	947,116

## Plan's Total Normal Cost Rate

The Public Employees' Pension Reform Act of 2013 requires that new employees pay at least 50 percent of the total annual normal cost and that current employees approach the same goal through collective bargaining. Please refer to the CalPERS website for more details.

Shown below are the total annual normal cost rates for your plan.

	Fiscal Year 2014-15	Fiscal Year 2015-16
Plan's Net Total Normal Cost Rate for 3% @ 60	18.175%	18.827%
Surcharge for Class 1 Benefits		
a) FAC 1	0.625%	0.653%
b) 8% EPMC	1.339%	1.346%
c) PRSA	<u>1.036%</u>	<u>1.046%</u>
Plan's Total Normal Cost Rate	21.175%	21.872%

## **RISK ANALYSIS**

- **VOLATILITY RATIOS**
- **PROJECTED EMPLOYER CONTRIBUTIONS**
- **ANALYSIS OF FUTURE INVESTMENT RETURN SCENARIOS**
- **ANALYSIS OF DISCOUNT RATE SENSITIVITY**
- **HYPOTHETICAL TERMINATION LIABILITY**

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## Volatility Ratios

The actuarial calculations supplied in this communication are based on a number of assumptions about very long-term demographic and economic behavior. Unless these assumptions (terminations, deaths, disabilities, retirements, salary growth, and investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise the employer's rates from one year to the next. Therefore, the rates will inevitably fluctuate, especially due to the ups and downs of investment returns.

### Asset Volatility Ratio (AVR)

Plans that have higher asset to payroll ratios produce more volatile employer rates due to investment return. For example, a plan with an asset to payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility, than a plan with an asset to payroll ratio of 4. Below we have shown your asset volatility ratio, a measure of the plan's current rate volatility. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.

### Liability Volatility Ratio (LVR)

Plans that have higher liability to payroll ratios produce more volatile employer rates due to investment return and changes in liability. For example, a plan with a liability to payroll ratio of 8 is expected to have twice the contribution volatility of a plan with a liability to payroll ratio of 4. The liability volatility ratio is also included in the table below. It should be noted that this ratio indicates a longer-term potential for contribution volatility and the asset volatility ratio, described above, will tend to move closer to this ratio as the plan matures.

Rate Volatility	As of June 30, 2013	
1. Market Value of Assets	\$	5,298,386
2. Payroll		947,116
3. Asset Volatility Ratio (AVR = 1. / 2.)		5.6
4. Accrued Liability	\$	6,683,609
5. Liability Volatility Ratio (LVR = 4. / 2.)		7.1

## Projected Employer Contributions

The estimated rate for 2016-17 is based on a projection of the most recent information we have available, including an estimated 18.0 percent investment return for fiscal 2013-14, the impact of the new smoothing methods adopted by the CalPERS Board in April 2013 that will impact employer rates for the first time in 2015-16 and new actuarial assumptions adopted by the CalPERS Board in February 2014. These new demographic assumptions include a 20-year projected improvement in mortality. A complete listing of the new demographic assumptions to be implemented with the June 30, 2014 annual actuarial valuation and incorporated in the projected rates for FY 2016-17 and beyond can be found on the CalPERS website at: <http://www.calpers.ca.gov/eip-docs/about/pubs/employer/actuarial-assumptions.xls>

The table below shows projected employer contribution rates (before cost sharing) for the next five Fiscal Years, **assuming CalPERS earns 18.0% for fiscal year 2013-14 and 7.50 percent every fiscal year thereafter**, and assuming that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur between now and the beginning of the fiscal year 2016-17.

	New Rate	Projected Future Employer Contribution Rates				
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<b>Normal Cost %:</b>	14.110%	15.1%	15.1%	15.1%	15.1%	15.1%
<b>UAL \$</b>	\$ 69,258	\$ 81,676	\$ 94,776	\$ 108,590	\$ 123,147	\$ 127,532

## Analysis of Future Investment Return Scenarios

In 2014 CalPERS completed a 2-year asset liability management study incorporating actuarial assumptions and strategic asset allocation. On February 19, 2014 the CalPERS Board of Administration adopted relatively modest changes to the current asset allocation that will reduce the expected volatility of returns. The adopted asset allocation is expected to have a long- term blended return that continues to support a discount rate assumption of 7.5 percent. The newly adopted asset allocation has a lower expected investment volatility that will result in better risk characteristics than an equivalent margin for adverse deviation. The current asset allocation has an expected standard deviation of 12.45 percent while the newly adopted asset allocation has a lower expected standard deviation of 11.76 percent.

The investment return for fiscal year 2013-14 was announced July 14, 2014. The investment return in fiscal year 2013-14 is 18.42 percent before administrative expenses. This year, there will be no adjustment for real estate and private equities. For purposes of projecting future employer rates, we are assuming a 18.0 percent investment return for fiscal year 2013-14.

The investment return realized during a fiscal year first affects the contribution rate for the fiscal year 2 years later. Specifically, the investment return for 2013-14 will first be reflected in the June 30, 2014 actuarial valuation that will be used to set the 2016-17 employer contribution rates, the 2014-15 investment return will first be reflected in the June 30, 2015 actuarial valuation that will be used to set the 2017-18 employer contribution rates and so forth.

Based on a 18.0 percent investment return for fiscal year 2013-14, the April 17, 2013 CalPERS Board-approved amortization and rate smoothing method change, the February 18, 2014 new demographic assumptions including 20-year mortality improvement using Scale BB and assuming that all other actuarial assumptions will be realized, and that no further changes to assumptions, contributions, benefits, or funding will occur between now and the beginning of the fiscal year 2016-17, the effect on the 2016-17 Employer Rate is as follows:

	Estimated 2016-17 Employer Contribution	Estimated Increase in Employer Contribution between 2015-16 and 2016-17
<b>Normal Cost %:</b>	15.1%	1.0%
<b>UAL \$</b>	\$ 81,676	\$ 12,418

As part of this report, a sensitivity analysis was performed to determine the effects of various investment returns during fiscal years 2014-15, 2015-16 and 2016-17 on the 2017-18, 2018-19 and 2019-20 employer rates. Once again, the projected rate increases assume that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur.

Five different investment return scenarios were selected.

- The first scenario is what one would expect if the markets were to give us a 5<sup>th</sup> percentile return from July 1, 2014 through June 30, 2017. The 5<sup>th</sup> percentile return corresponds to a -3.8 percent return for each of the 2014-15, 2015-16 and 2016-17 fiscal years.
- The second scenario is what one would expect if the markets were to give us a 25<sup>th</sup> percentile return from July 1, 2014 through June 30, 2017. The 25<sup>th</sup> percentile return corresponds to a 2.8 percent return for each of the 2014-15, 2015-16 and 2016-17 fiscal years.
- The third scenario assumed the return for 2014-15, 2015-16, 2016-17 would be our assumed 7.5 percent investment return which represents about a 49<sup>th</sup> percentile event.
- The fourth scenario is what one would expect if the markets were to give us a 75<sup>th</sup> percentile return from July 1, 2014 through June 30, 2017. The 75<sup>th</sup> percentile return corresponds to a 12.0 percent return for each of the 2014-15, 2015-16 and 2016-17 fiscal years.
- Finally, the last scenario is what one would expect if the markets were to give us a 95<sup>th</sup> percentile return from July 1, 2014 through June 30, 2017. The 95<sup>th</sup> percentile return corresponds to a 18.9 percent return for each of the 2014-15, 2015-16 and 2016-17 fiscal years.

The table below shows the estimated projected contribution rates and the estimated increases for your plan under the five different scenarios.

2014-17 Investment Return Scenario	Estimated Employer UAL Contribution			Estimated Total Change in Employer UAL Contribution between 2016-17 and 2019-20
	2017-18	2018-19	2019-20	
-3.8% (5th percentile)	\$ 106,071	\$ 142,657	\$ 191,701	\$ 110,025
2.8% (25th percentile)	\$ 99,474	\$ 123,070	\$ 152,916	\$ 71,240
7.5%	\$ 94,776	\$ 108,590	\$ 123,147	\$ 41,471
12.0%(75th percentile)	\$ 90,278	\$ 94,311	\$ 92,905	\$ 11,229
18.9%(95th percentile)	\$ 83,380	\$ 0	\$ 0	\$ (81,676)

In addition to the UAL Contribution amounts shown above the estimated employer normal cost of 15.1% of payroll will also be payable in each of the fiscal years shown above. The projected plan normal cost is expected to remain relatively stable over this time period.

## Analysis of Discount Rate Sensitivity

The following analysis looks at the 2015-16 employer contributions under two different discount rate scenarios. Shown below are the employer contributions assuming discount rates that are 1 percent lower and 1 percent higher than the current valuation discount rate. This analysis gives an indication of the potential required employer contribution rates if the PERF were to realize investment returns of 6.50 percent or 8.50 percent over the long-term.

This type of analysis gives the reader a sense of the long-term risk to the employer contributions.

2015-16 Employer Contribution			
As of June 30, 2013	6.50% Discount Rate (-1%)	7.50% Discount Rate (assumed rate)	8.50% Discount Rate (+1%)
Plan's Employer Normal Cost	19.6%	14.1%	10.1%
Accrued Liability	\$ 7,503,639	\$ 6,683,609	\$ 5,988,565
Unfunded Accrued Liability	\$ 2,205,253	\$ 1,385,223	\$ 690,179

## Hypothetical Termination Liability

Below is an estimate of the financial position of your plan if you had terminated your contract with CalPERS as of June 30, 2013 using the discount rates shown below. Your plan liability on a termination basis is calculated differently compared to the plan's ongoing funding liability. For this hypothetical termination liability both compensation and service is frozen as of the valuation date and no future pay increases or service accruals are included. In December 2012, the CalPERS Board adopted a more conservative investment policy and asset allocation strategy for the Terminated Agency Pool. Since the Terminated Agency Pool has limited funding sources, expected benefit payments are secured by risk-free assets. With this change, CalPERS increased benefit security for members while limiting its funding risk. This asset allocation has a lower expected rate of return than the PERF. Consequently, the lower discount rate for the Terminated Agency pool results in higher liabilities for terminated plans.

In order to terminate your plan, you must first contact our Retirement Services Contract Unit to initiate a Resolution of Intent to Terminate. The completed Resolution will allow your plan actuary to give you a preliminary termination valuation with a more up-to-date estimate of your plan liabilities. CalPERS advises you to consult with your plan actuary before beginning this process.

Valuation Date	Hypothetical Termination Liability <sup>1</sup>	Market Value of Assets (MVA)	Unfunded Termination Liability	Termination Funded Ratio	Termination Liability Discount Rate <sup>2</sup>
06/30/2011	\$ 7,343,698	\$ 4,290,152	\$ 3,053,546	58.4%	\$ 4.82%
06/30/2012	10,215,734	4,481,001	5,734,733	43.9%	2.98%
06/30/2013	10,160,094	5,298,386	4,861,708	52.1%	3.72%

<sup>1</sup> The hypothetical liabilities calculated above include a 7 percent mortality load contingency in accordance with Board policy. Other actuarial assumptions, such as wage and inflation assumptions, can be found in appendix A.

<sup>2</sup> The discount rate assumption used for termination valuations is a weighted average of the 10 and 30-year US Treasury yields in effect on the valuation date that equal the duration of the pension liabilities. For purposes of this hypothetical termination liability estimate, the discount rate used, is the yield on the 30-year US Treasury Separate Trading of Registered Interest and Principal of Securities (STRIPS). Note that as of June 30, 2014 the 30-year STRIPS rate is 3.55 percent.

## Participant Data

The table below shows a summary of your plan's member data upon which this valuation is based:

	<b>June 30, 2012</b>	<b>June 30, 2013</b>
Projected Payroll for Contribution Purposes	\$ 986,304	\$ 1,034,939
Number of Members		
Active	9	9
Transferred	0	0
Separated	1	1
Retired	3	3

## List of Class 1 Benefit Provisions

- One Year Final Compensation
- 8% EPMC
- Post-Retirement Survivor Allowance

## Information for Compliance with GASB Statement No. 27 for Cost-Sharing Multiple-Employer Defined Benefit Plan

**Disclosure under GASB 27 follows. However, note that effective for financial statements for fiscal years beginning after June 15, 2014, GASB 68 replaces GASB 27. Disclosure required under GASB 68 will require additional reporting. CalPERS is intending to provide GASB 68 disclosure information upon request for an additional fee. We urge you to start discussions with your auditors on how to implement GASB 68.**

Your plan is part of the Miscellaneous Risk Pool, a cost-sharing multiple-employer defined benefit plan. Under GASB 27, an employer should recognize annual pension expenditures/expense equal to its contractually required contributions to the plan. Pension liabilities and assets result from the difference between contributions required and contributions made. The contractually required contribution for the period July 1, 2015 to June 30, 2016 has been determined by an actuarial valuation of the plan as of June 30, 2013. Your unadjusted contribution for the indicated period is a normal cost contribution of 14.110 percent of payroll and an unfunded accrued liability dollar amount of \$69,258. In order to calculate the dollar value of the contractually required contributions for inclusion in financial statements prepared as of June 30, 2016, this normal cost contribution rate, less any employee cost sharing, and as modified by any subsequent financing changes or contract amendments for the year, would be multiplied by the payroll of covered employees that was actually paid during the period July 1, 2015 to June 30, 2016 combined with the UAL amount of \$69,258. However, if this contribution is fully prepaid in a lump sum, then the dollar value of contractually required contributions is equal to the lump sum prepayment. The employer and the employer's auditor are responsible for determining the contractually required contributions. Further, the required contributions in dollars and the percentage of that amount contributed for the current year and each of the two preceding years is to be disclosed under GASB 27.

A summary of principal assumptions and methods used to determine the contractually required contributions is shown below for the cost-sharing multiple-employer defined benefit plan.

Valuation Date	June 30, 2013
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Asset Valuation Method	Market Value
Actuarial Assumptions	
Discount Rate	7.50% (net of administrative expenses)
Projected Salary Increases	3.30% to 14.20% depending on Age, Service, and type of employment
Inflation	2.75%
Payroll Growth	3.00%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%.

Complete information on assumptions and methods is provided in Appendix A of the Section 2 report. Appendix B of the Section 2 report contains a description of benefits included in the Risk Pool Actuarial Valuation.

A Schedule of Funding for the Risk Pool's actuarial value of assets, accrued liability, their relationship, and the relationship of the unfunded liability (UL) to payroll for the risk pool(s) to which your plan belongs can be found in Section 2 of the report.

## **PLAN'S MAJOR BENEFIT OPTIONS**

**SECTION 1 – PLAN SPECIFIC INFORMATION FOR THE MISCELLANEOUS PLAN OF THE MONTECITO FIRE PROTECTION DISTRICT**

**Plan’s Major Benefit Options**

Shown below is a summary of the major optional benefits for which your agency has contracted. A description of principal standard and optional plan provisions is in Appendix B within Section 2 of this report.

	Contract package	
	Receiving	Active Misc
<b>Benefit Provision</b>		
Benefit Formula		3.0% @ 60
Social Security Coverage Full/Modified		no full
Final Average Compensation Period		12 mos.
Sick Leave Credit		yes
Non-Industrial Disability		standard
Industrial Disability		no
Pre-Retirement Death Benefits		yes
Optional Settlement 2W		level 3
1959 Survivor Benefit Level		no
Special Alternate (firefighters)		no
Post-Retirement Death Benefits Lump Sum	\$500	\$500
Survivor Allowance (PRSA)	yes	yes
COLA	2%	2%



# Safety Plan Valuation Report





California Public Employees' Retirement System  
 Actuarial Office  
 P.O. Box 942709  
 Sacramento, CA 94229-2709  
 TTY: (916) 795-3240  
 (888) 225-7377 phone – (916) 795-2744 fax  
[www.calpers.ca.gov](http://www.calpers.ca.gov)

**October 2014**

**SAFETY PLAN OF THE MONTECITO FIRE PROTECTION DISTRICT  
 (CalPERS ID: 1337420437)  
 Annual Valuation Report as of June 30, 2013**

Dear Employer,

As an attachment to this letter, you will find a copy of the June 30, 2013 actuarial valuation report of your pension plan. Because this plan is in a risk pool and the CalPERS Board approved structural changes to risk pooling on May 21, 2014 you will notice some changes between your last actuarial report and this one. An overview of the changes to pooling is provided below and we urge you to carefully review the information provided in this report.

Because this plan is in a risk pool, the following valuation report has been separated into two Sections:

- Section 1 contains specific information for your plan, including the development of your pooled employer contributions and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to your plan, as of June 30, 2013.

Section 2 can be found on the CalPERS website at ([www.calpers.ca.gov](http://www.calpers.ca.gov)) then select in order "Employers", "Actuarial, Risk Pooling & GASB 27 Information", "Risk Pooling", "Risk Pool Annual Valuation Reports", then select the appropriate pool report.

Your 2013 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. Your CalPERS staff actuary, whose signature appears in the Actuarial Certification Section on page 1, is available to discuss your report with you after October 31, 2014.

**Future Contribution Rates**

Fiscal Year	Employer Normal Cost Rate	+	Employer Payment of Unfunded Liability
2015-16	18.191%		\$ 501,292
2016-17 (projected)	19.1%		\$ 610,631

The exhibit above displays the Minimum Employer Contributions, before any cost sharing, for 2015-16 along with estimates of the contributions for 2016-17. The estimated contributions for 2016-17 are based on a projection of the most recent information we have available, including an estimated 18.0 percent investment return for fiscal 2013-14, the impact of the new amortization methods adopted by the CalPERS Board in April 2013 that will impact employer rates for the first time in 2015-16 and new actuarial assumptions adopted by the CalPERS Board in February 2014 that will impact rates for the first time in 2016-17. These new demographic assumptions include a 20-year projected improvement in mortality.

A projection of employer contributions beyond 2016-17 can be found in the Risk Analysis Section of this report, "Analysis of Future Investment Return Scenarios", under a variety of investment return scenarios. Please disregard any projections provided to you in the past. Member contributions, other than cost sharing (whether paid by the employer or the employee), are in addition to the above amounts. The employer contributions in this report do not reflect any cost sharing arrangements you may have with your employees.

The estimate for 2016-17 also assumes that there are no future contract amendments and no liability gains or losses (such as larger than expected pay increases, more retirements than expected, etc.) This is a very important assumption because these gains and losses do occur and can have a significant effect on your contributions. Even for the largest plans or pools, such gains and losses can impact the employer's contribution rate by one or two percent of payroll or even more in some less common circumstances. These gains and losses cannot be predicted in advance so the projected employer contributions are estimates. Your actual employer contributions for 2016-17 will be provided in next year's valuation report.

### **Changes since the Prior Year's Valuation**

On April 17, 2013, the CalPERS Board of Administration approved a recommendation to change the CalPERS amortization and rate smoothing policies. Beginning with the June 30, 2013 valuations that set the 2015-16 rates, CalPERS will employ an amortization and smoothing policy that will pay for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period. The impact of this new actuarial methodology is reflected in the "*Analysis of Future Investment Return Scenarios*" subsection of the "*Risk Analysis*" section of your report.

On January 1, 2013, the Public Employees' Pension Reform Act of 2013 (PEPRA) took effect. In addition to creating new retirement formulas for newly hired members PEPRA also effectively closed all existing active risk pools to new employees. As such it is no longer appropriate to assume that the payroll of the risk pools for the classic formulas will continue to grow at 3 percent annually. Funding the promised pension benefits as a percentage of payroll would lead to the underfunding of the plans. In addition the current allocation of the existing unfunded liabilities based on payroll would create equity issues for employers within the risk pools. Furthermore the declining payroll of the classic formula risk pools will lead to unacceptable levels of employer rate volatility.

In order to address these issues the CalPERS Board of Administration approved at their May 21, 2014 meeting structural changes to the risk pools. All pooled plans will be combined into two active pools, one for all miscellaneous groups and one for all safety groups, effective with the 2013 valuations. By combining the pools this way the payroll of the risk pools and the employers within the pools can once again be expected to increase at the assumed 3 percent annual growth. However two important changes are being made which will affect employers.

1. Beginning with FY 2015-16 CalPERS will collect employer contributions toward your unfunded liability and side fund as dollar amounts instead of the prior method of a contribution rate. This change will address the funding issue that would still arise from the declining population of classic formula members. Although employers will be invoiced at the beginning of the fiscal year for their unfunded liability and side fund

payments the plan's normal cost contribution will continue to be collected as a percentage of payroll.

2. The pool's unfunded liability will be allocated to each individual plan based on the plan's total liability rather than by plan individual payroll. This will allow employers to track their own unfunded liability and pay it down faster if they choose. The change in the allocation of unfunded liabilities will result in some employers paying more towards their unfunded liability and some paying less.

On January 1, 2013, the Public Employees' Pension Reform Act of 2013 (PEPRA) took effect. The impact of the PEPRA changes are included in the rates and the benefit provision listings of the June 30, 2013 valuation for the 2015-16 rates. For more information on PEPRA, please refer to the CalPERS website.

In 2014 CalPERS completed a 2-year asset liability management study incorporating actuarial assumptions and strategic asset allocation. On February 19, 2014 the CalPERS Board of Administration adopted relatively modest changes to the current asset allocation that will reduce the expected volatility of returns. The adopted asset allocation is expected to have a long-term blended return that continues to support a discount rate assumption of 7.5 percent. The Board also approved several changes to the demographic assumptions that more closely align with actual experience. The most significant of these is mortality improvement to acknowledge the greater life expectancies we are seeing in our membership and expected continued improvements. The new actuarial assumptions will be used to set the FY 2016-17 contribution rates for public agency employers. The increase in liability due to new actuarial assumptions will be calculated in the 2014 actuarial valuation and will be amortized over a 20-year period with a 5-year ramp-up/ramp-down in accordance with Board policy.

Besides the above noted changes, there may also be changes specific to your plan such as contract amendments and funding changes.

Further descriptions of general changes are included in the "*Highlights and Executive Summary*" section and in Appendix A, "*Statement of Actuarial Data, Methods and Assumptions*" of your section 2 report. We understand that you might have a number of questions about these results. While we are very interested in discussing these results with your agency, in the interest of allowing us to give every public agency their result, we ask that, you wait until after October 31 to contact us with actuarial related questions.

If you have other questions, please call our customer contact center at (888) CalPERS or (888-**225-7377**).

Sincerely,



ALAN MILLIGAN  
Chief Actuary

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**ACTUARIAL VALUATION**

as of June 30, 2013

**for the  
SAFETY PLAN  
of the  
MONTECITO FIRE PROTECTION DISTRICT  
(CalPERS ID: 1337420437)**

**REQUIRED CONTRIBUTIONS  
FOR FISCAL YEAR  
July 1, 2015 - June 30, 2016**

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**SECTION 2 – RISK POOL ACTUARIAL VALUATION INFORMATION**

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# Section 1

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

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**Plan Specific Information  
for the  
SAFETY PLAN  
of the  
MONTECITO FIRE PROTECTION  
DISTRICT**

**(CalPERS ID: 1337420437)  
(Rate Plan: 34)**

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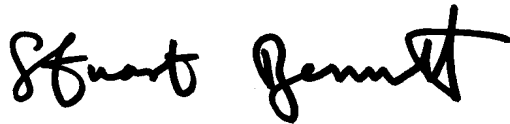
## ACTUARIAL CERTIFICATION

Section 1 of this report is based on the member and financial data contained in our records as of June 30, 2013 which was provided by your agency and the benefit provisions under your contract with CalPERS. Section 2 of this report is based on the member and financial data as of June 30, 2013 provided by employers participating in the SAFETY risk pool to which your plan belongs and benefit provisions under the CalPERS contracts for those agencies.

As set forth in Section 2 of this report, the Pool Actuary has certified that, in their opinion, the valuation of the Risk Pool containing your SAFETY PLAN has been performed in accordance with generally accepted actuarial principles consistent with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for the Risk Pool as of the date of this valuation and as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

Having relied upon the information set forth in Section 2 of this report and based on the census and benefit provision information for your plan, it is my opinion as your Plan Actuary that the Side Fund and other Unfunded Accrued Liability bases as of June 30, 2013 and employer contribution rate as of July 1, 2015, have been properly and accurately determined in accordance with the principles and standards stated above.

The undersigned is an actuary for CalPERS, who is a member of both the American Academy of Actuaries and Society of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



STUART BENNETT, ASA, MAAA  
Senior Pension Actuary, CalPERS  
Plan Actuary

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## **HIGHLIGHTS AND EXECUTIVE SUMMARY**

- **INTRODUCTION**
- **PURPOSE OF SECTION 1**
- **REQUIRED EMPLOYER CONTRIBUTION**
- **PLAN'S FUNDED STATUS**
- **PROJECTED CONTRIBUTIONS**

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## Introduction

This report presents the results of the June 30, 2013 actuarial valuation of the SAFETY PLAN of the MONTECITO FIRE PROTECTION DISTRICT of the California Public Employees' Retirement System (CalPERS). This actuarial valuation was used to set the 2015-16 required employer contribution rates.

On April 17, 2013, the CalPERS Board of Administration approved a recommendation to change the CalPERS amortization and rate smoothing policies. Beginning with the June 30, 2013 valuations that set the 2015-16 rates, CalPERS will employ an amortization and smoothing policy that will pay for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period. The impact of this new actuarial methodology is reflected in the "*Analysis of Future Investment Return Scenarios*" subsection of the "*Risk Analysis*" section of your report.

On January 1, 2013, the Public Employees' Pension Reform Act of 2013 (PEPRA) took effect. In addition to creating new retirement formulas for newly hired members PEPRA also effectively closed all existing active risk pools to new employees. As such it is no longer appropriate to assume that the payroll of the risk pools for the classic formulas will continue to grow at 3 percent annually. Funding the promised pension benefits as a percentage of payroll would lead to the underfunding of the plans. In addition the current allocation of the existing unfunded liabilities based on payroll would create equity issues for employers within the risk pools. Furthermore the declining payroll of the classic formula risk pools will lead to unacceptable levels of employer rate volatility.

In order to address these issues the CalPERS Board of Administration approved at their May 21, 2014 meeting structural changes to the risk pools. All pooled plans will be combined into two active pools, one for all miscellaneous groups and one for all safety groups, effective with the 2013 valuations. By combining the pools this way the payroll of the risk pools and the employers within the pools can once again be expected to increase at the assumed 3 percent annual growth. However two important changes are being made which will affect employers.

1. Beginning with FY 2015-16 CalPERS will collect employer contributions toward your unfunded liability and side fund as dollar amounts instead of the prior method of a contribution rate. This change will address the funding issue that would still arise from the declining population of classic formula members. Although employers will be invoiced at the beginning of the fiscal year for their unfunded liability and side fund payments the plan's normal cost contribution will continue to be collected as a percentage of payroll.
2. The pool's unfunded liability will be allocated to each individual plan based on the plan's total liability rather than by the plan's individual payroll. This will allow employers to track their own unfunded liability and pay it down faster if they choose. The change in the allocation of unfunded liabilities will result in some employers paying more towards their unfunded liability and some paying less.

The impact of most of the PEPRA changes will first show up in the rates and the benefit provision listings of the June 30, 2013 valuation that sets the contribution rates for the 2015-16 fiscal year. For more detailed information on changes due to PEPRA, please refer to the CalPERS website.

In 2014 CalPERS completed a 2-year asset liability management study incorporating actuarial assumptions and strategic asset allocation. On February 19, 2014 the CalPERS Board of Administration adopted relatively modest changes to the current asset allocation that will reduce the expected volatility of returns (see Appendix). The adopted asset allocation is expected to have a long-term blended return that continues to support a discount rate assumption of 7.5 percent. The Board also approved several changes to the demographic assumptions that more closely align with actual experience. The most significant of these is mortality improvement to acknowledge the greater life expectancies we are seeing in our membership and expected continued improvements. The new actuarial assumptions will be used to set the FY 2016-17 contribution rates for public agency employers. The increase in liability due to new actuarial assumptions will be calculated in the 2014 actuarial valuation and will be amortized over a 20-year period with a 5-year ramp-up/ramp-down in accordance with Board policy.

## Purpose of Section 1

This section 1 report for the SAFETY PLAN of the MONTECITO FIRE PROTECTION DISTRICT of the California Public Employees' Retirement System (CalPERS) was prepared by the Plan Actuary in order to:

- Set forth the assets and accrued liabilities of this plan as of June 30, 2013;
- Determine the required employer contribution for this plan for the fiscal year July 1, 2015 through June 30, 2016;
- Provide actuarial information as of June 30, 2013 to the CalPERS Board of Administration and other interested parties; and
- Provide pension information as of June 30, 2013 to be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement Number 27 for a Cost Sharing Multiple Employer Defined Benefit Pension Plan.

The use of this report for any other purposes may be inappropriate. In particular, this report does not contain information applicable to alternative benefit costs. The employer should contact their actuary before disseminating any portion of this report for any reason that is not explicitly described above.

### California Actuarial Advisory Panel Recommendations

This report includes all the basic disclosure elements as described in the *Model Disclosure Elements for Actuarial Valuation Reports* recommended in 2011 by the California Actuarial Advisory Panel (CAAP), with the exception of including the original base amounts of the various components of the unfunded liability in the Schedule of Amortization Bases shown on page 12.

Additionally, this report includes the following "Enhanced Risk Disclosures" also recommended by the CAAP in the Model Disclosure Elements document:

- A "Deterministic Stress Test," projecting future results under different investment income scenarios
- A "Sensitivity Analysis," showing the impact on current valuation results using a 1 percent plus or minus change in the discount rate.

## Required Employer Contribution

Actuarially Determined Employer Contributions:	Fiscal Year	Fiscal Year
	2014-15 <sup>1</sup>	2015-16
Employer Contributions (in Projected Dollars)		
Plan's Employer Normal Cost	\$ 852,429	\$ 931,992
Plan's Payment on Amortization Bases	327,989	501,292 <sup>2</sup>
Surcharge for Class 1 Benefits <sup>3</sup>		
a) FAC 1	48,781	53,437
b) PRSA	93,806	99,479
Phase out of Normal Cost Difference <sup>4</sup>	0	0
Amortization of Side Fund	0	0
Total Employer Contribution	\$ 1,323,005	\$ 1,586,200
Projected Payroll for the Contribution Fiscal Year	\$ 5,524,492	\$ 5,963,987
Required Employer Contributions (Percentage of Payroll)		
Plan's Net Employer Normal Cost	15.430%	15.627%
Plan's Payment on Amortization Bases	5.937%	8.406% <sup>2</sup>
Surcharge for Class 1 Benefits <sup>3</sup>		
a) FAC 1	0.883%	0.896%
b) PRSA	1.698%	1.668%
Phase out of Normal Cost Difference <sup>4</sup>	0.000%	0.000%
Amortization of Side Fund	0.000%	0.000%
Total Employer Contribution Rate	23.948%	26.597%

### Required Employer Contribution for FY 2015-16

<b>Employer Contribution Rate<sup>5</sup></b>	<b>18.191%</b>
<b>Plus Monthly Employer Dollar UAL Payment<sup>6</sup></b>	<b>\$ 41,774</b>
<b>Annual Lump Sum Prepayment Option</b>	<b>\$ 483,489</b>

For FY 2015-16 the total minimum required employer contribution is the **sum** of the Plan's Employer Contribution Rate (expressed as a percentage of payroll) **plus** the Employer Unfunded Accrued Liability (UAL) Contribution Amount (in dollars). Whereas in prior years it was possible to prepay total employer contributions for the fiscal year, beginning with FY 2015-16 and beyond, only the UAL portion of the employer contribution can be prepaid.

Pre-payment  
 savings  
 501,292  
 - 483,489  
 17,803

<sup>1</sup> The results shown for FY 2014-15 reflect the prior year valuation and do not reflect any lump sum payment, side fund payoff or rate adjustment made after annual valuation report is completed.

<sup>2</sup> For FY 2015-16 the Plan's Payment on Amortization Bases reflects the sum of all UAL amortization bases including the Plan's Side Fund (where applicable).

<sup>3</sup> Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

<sup>4</sup> Risk pooling was implemented for most plans as of June 30, 2003. The normal cost difference was scheduled to be phased out over a five year period. The phase out of normal cost difference is 100 percent for the first year of pooling, and is incrementally reduced by 20 percent of the original normal cost difference for each subsequent year.

<sup>5</sup> The minimum employer contribution under PEPPRA is the greater of the required employer contribution or the total employer normal cost.

<sup>6</sup> The Plan's Payment on Amortization Bases Contribution amount for FY 2015-16 will be billed as a level dollar amount monthly over the course of the year. Late payments will accrue interest at an annual rate of 7.5 percent. Lump sum payments may be made through my|CalPERS. Plan Normal Cost contributions will be made as part of the payroll reporting process. As a percentage of payroll your UAL contribution is 8.406 percent.

## Plan's Funded Status

	<b>June 30, 2012</b>	<b>June 30, 2013</b>
1. Present Value of Projected Benefits (PVB)	\$ 66,884,831	\$ 69,106,750
2. Entry Age Normal Accrued Liability	56,478,079	58,614,969
3. Plan's Market Value of Assets (MVA)	42,808,597	47,236,817
4. Unfunded Liability [(2) - (3)]	13,669,482	11,378,152
5. Funded Ratio [(3) / (2)]	75.8%	80.6%

## Projected Contributions

The contribution rate and amount shown below is an estimate for the employer contribution for fiscal year 2016-17. The estimated contribution is based on a projection of the most recent information we have available, including an estimate of the investment return for fiscal year 2013-14, namely 18.0 percent. It also reflects implementation of the direct rate smoothing method and the impact of new actuarial assumptions.

Projected Employer Contribution Rate:	19.1%
Projected Plan UAL Contribution	\$ 610,631

The estimate also assumes that there are no liability gains or losses among the plans in your risk pool, that your plan has no new amendments in the next year, and that your plan's and your risk pool's payrolls both increase exactly 3.0 percent in the 2013-14 fiscal year. Therefore, the projected employer contribution for 2016-17 is strictly an estimate. Your actual rate for 2016-17 will be provided in next year's valuation report. A more detailed analysis of your projected employer contributions over the next five years can be found in the "Risk Analysis" section of this report.

## **ASSETS AND LIABILITIES**

- **DEVELOPMENT OF PLAN'S SHARE OF POOL'S UAL**
- **DEVELOPMENT OF PLAN'S SHARE OF POOL'S MVA**
- **SCHEDULE OF PLAN'S SIDE FUND & OTHER AMORTIZATION BASES**
- **ALTERNATIVE AMORTIZATION SCHEDULES**
- **FUNDING HISTORY**
- **PLAN'S TOTAL NORMAL COST RATE**

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## Development of the Plan's Share of Pool's Unfunded Accrued Liability

It is the policy of the CalPERS to ensure equity within the risk pools by allocating the pool's unfunded accrued liability in a manner that treats each employer fairly and that maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. Commencing with the June 30, 2013 actuarial valuations and for purposes of allocating the pool's unfunded accrued liability to all the individual plans within the pool, an individual plan's total unfunded accrued liability (Preliminary Plan UAL) on a specific valuation date will be set equal to the sum of the outstanding unamortized balances on the valuation date for the following:

- a) Side Fund
- b) Plan's share of Pool UAL due to benefit changes (including golden handshakes) provided to the members of that plan
- c) Plan's share of the Pool UAL created before the valuation date for reasons other than benefit changes

1.	Plan's Accrued Liability	\$	58,614,969
2.	Plan's Side Fund		0
3.	Increase in Plan's AL for amendments in FY 2012-13		0
4.	Pool's Accrued Liability	\$	2,330,820,131
5.	Sum of Pool's Individual Plan Side Funds		75,763,636
6.	Increase in Pool's AL for amendments in FY 2012-13		57,960
7.	Pre-2013 Pool's UAL	\$	212,120,247
8.	Plan's Share of Pre-2013 Pool's UAL $[(1)-(2)-(3)]/[(4)-(5)-(6)] * (7)$	\$	<b>5,513,716</b>
9.	Pool's 2013 Investment & Asset (Gain)/Loss		240,210,448
10.	Pool's 2013 Other (Gain)/Loss		(15,088,356)
11.	Plan's Share of Pool's Asset (Gain)/Loss $[(1)-(2)-(3)]/[(4)-(5)-(6)] * (9)$		6,243,875
12.	Plan's Share of Pool's Other (Gain)/Loss $[(1)]/[(4)] * (10)$		(379,439)
13.	Plan's UAL as of 6/30/2013 $[(2)+(8)+(11)+(12)]$	\$	<b>11,378,152</b>

## Development of the Plan's Share of Pool's Market Value of Assets

1.	Plan's Accrued Liability	\$	58,614,969
2.	Plan's UAL	\$	11,378,152
3.	Plan's Share of Pool's MVA (1)-(2)	\$	<b>47,236,817</b>

## Schedule of Plan's Side Fund and Other Amortization Bases

There is a two-year lag between the Valuation Date and the Contribution Fiscal Year.

- The assets, liabilities and funded status of the plan are measured as of the valuation date; June 30, 2013.
- The employer contribution determined by the valuation is for the fiscal year beginning two years after the valuation date; fiscal year 2015-16.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and due to the need to provide public agencies with their employer contribution well in advance of the start of the fiscal year.

The Unfunded Liability is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The Unfunded Liability is rolled forward each year by subtracting the expected Payment on the Unfunded Liability for the fiscal year and adjusting for interest. The Expected Payment on the Unfunded Liability for a fiscal year is equal to the Expected Employer Contribution for the fiscal year minus the Expected Normal Cost for the year. The Employer Contribution Rate for the first fiscal year is determined by the actuarial valuation two years ago and the rate for the second year is from the actuarial valuation one year ago. The Normal Cost Rate for each of the two fiscal years is assumed to be the same as the rate determined by the current valuation. All expected dollar amounts, with the exception of the Side Fund base, are determined by multiplying the rate by the expected payroll for the applicable fiscal year, based on payroll as of the valuation date.

Reason for Base	Date Established	Amortization Period	Balance 6/30/13	Expected Payment 2013-14	Balance 6/30/14	Expected Payment 2014-15	Balance 6/30/15	Amounts for Fiscal 2015-16	
								Scheduled Payment for 2015-16	Payment as Percentage of Payroll
SIDE FUND	06/30/13	1	\$0	\$0	\$0	\$0	\$0	\$0	0.000%
SHARE OF PRE-2013 POOL UAL	06/30/13	22	\$5,513,716	\$280,374	\$5,636,547	\$343,901	\$5,702,724	\$405,972	6.807%
ASSET (GAIN)/LOSS	06/30/13	30	\$6,243,875	\$0	\$6,712,166	\$0	\$7,215,578	\$101,487	1.702%
NON-ASSET (GAIN)/LOSS	06/30/13	30	\$(379,439)	\$0	\$(407,897)	\$0	\$(438,489)	\$(6,167)	(0.103%)
<b>TOTAL</b>			<b>\$11,378,152</b>	<b>\$280,374</b>	<b>\$11,940,816</b>	<b>\$343,901</b>	<b>\$12,479,813</b>	<b>\$501,292</b>	<b>8.406%</b>

**Commencing with the June 30, 2013 actuarial valuations, the side fund will be treated as a liability as opposed to an asset. Prior to June 30, 2013, a positive side fund conveyed that a public agency had a surplus when risk pooling began June 30, 2003. Conversely, a negative side fund signified that a public agency had an unfunded liability that required elimination through an amortization payment schedule. After June 30, 2013 a positive side fund will signify that an agency has an unfunded liability while a negative side fund will indicate a surplus asset. The amortization schedule will remain unchanged, with the exception that a plan with a negative side fund may have its amortization period extended at the discretion of the plan actuary.**

Your plan's allocated share of the risk's pool's unfunded accrued liability is based on your plan's accrued liability and is amortized over the average amortization period of the combined existing amortization bases prior to June 30, 2013. The payments on this base for Fiscal Year 2013-14 and 2014-15 are allocated by your plan's payroll.

The (gain)/loss base is your plan's allocated share of the risk pool's asset gain/loss for the Fiscal Year 2012-13, the change in unfunded accrued liability due to direct rate smoothing and your plan's allocated share of the risk pool's other liability gains and losses for fiscal year 2012-13. This base will be amortized according to Board policy over 30 years with a 5-year ramp-up.

## Alternate Amortization Schedules

The amortization schedule shown on the previous page shows the minimum contributions required according to CalPERS amortization policy. There has been considerable interest from many agencies in paying off these unfunded accrued liabilities sooner and the possible savings in doing so. As a result, we have provided alternate amortization schedules to help analyze your current amortization schedule and illustrate the advantages of accelerating unfunded liability payments towards your plan's unfunded liability of \$12,479,813 as of June 30, 2015, which will require total payments of \$31,907,499.

Shown below are the level rate payments required to amortize your plan's unfunded liability assuming a fresh start over the various periods noted. Note that the payments under each scenario would increase by 3 percent for each year into the future.

Period	Level Rate			
	2015-16 Payment	Total Payments	Total Interest	Savings
25	\$ 824,846	\$ 30,073,278	\$ 17,593,465	\$ 1,834,221
20	\$ 942,294	\$ 25,319,793	\$ 12,839,980	\$ 6,587,706

Current CalPERS Board policy calls for lump sum contributions in excess of the required employer contribution shall first be used to eliminate the side fund, if applicable, and then the plan's share of the pool's unfunded accrued liability.

Please contact your plan actuary before making such a payment to ensure that the payment is applied correctly.

## Funding History

The Funding History below shows the actuarial accrued liability, the plan's share of the pool's market value of assets, plan's share of the pool's unfunded liability, funded ratio and the annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Plan's Share of Pool's Unfunded Liability	Funded Ratio	Annual Covered Payroll
06/30/2011	\$ 50,943,352	\$ 40,895,066	\$ 10,048,286	80.3%	\$ 5,073,854
06/30/2012	56,478,079	42,808,597	13,669,482	75.8%	5,055,693
06/30/2013	58,614,969	47,236,817	11,378,152	80.6%	5,457,893

## Plan's Total Normal Cost Rate

The Public Employees' Pension Reform Act of 2013 requires that new employees pay at least 50 percent of the total annual normal cost and that current employees approach the same goal through collective bargaining. Please refer to the CalPERS website for more details.

Shown below are the total annual normal cost rates for your plan.

	Fiscal Year	Fiscal Year
	2014-15	2015-16
Plan's Net Total Normal Cost Rate for 3% @ 55	24.410%	24.607%
Surcharge for Class 1 Benefits		
a) FAC 1	0.883%	0.896%
b) PRSA	<u>1.698%</u>	<u>1.668%</u>
Plan's Total Normal Cost Rate	26.991%	27.171%

## **RISK ANALYSIS**

- **VOLATILITY RATIOS**
- **PROJECTED EMPLOYER CONTRIBUTIONS**
- **ANALYSIS OF FUTURE INVESTMENT RETURN SCENARIOS**
- **ANALYSIS OF DISCOUNT RATE SENSITIVITY**
- **HYPOTHETICAL TERMINATION LIABILITY**

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## Volatility Ratios

The actuarial calculations supplied in this communication are based on a number of assumptions about very long-term demographic and economic behavior. Unless these assumptions (terminations, deaths, disabilities, retirements, salary growth, and investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise the employer's rates from one year to the next. Therefore, the rates will inevitably fluctuate, especially due to the ups and downs of investment returns.

### Asset Volatility Ratio (AVR)

Plans that have higher asset to payroll ratios produce more volatile employer rates due to investment return. For example, a plan with an asset to payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility, than a plan with an asset to payroll ratio of 4. Below we have shown your asset volatility ratio, a measure of the plan's current rate volatility. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.

### Liability Volatility Ratio (LVR)

Plans that have higher liability to payroll ratios produce more volatile employer rates due to investment return and changes in liability. For example, a plan with a liability to payroll ratio of 8 is expected to have twice the contribution volatility of a plan with a liability to payroll ratio of 4. The liability volatility ratio is also included in the table below. It should be noted that this ratio indicates a longer-term potential for contribution volatility and the asset volatility ratio, described above, will tend to move closer to this ratio as the plan matures.

Rate Volatility	As of June 30, 2013	
1. Market Value of Assets	\$	47,236,817
2. Payroll		5,457,893
3. Asset Volatility Ratio (AVR = 1. / 2.)		8.7
4. Accrued Liability	\$	58,614,969
5. Liability Volatility Ratio (LVR = 4. / 2.)		10.7

## Projected Employer Contributions

The estimated rate for 2016-17 is based on a projection of the most recent information we have available, including an estimated 18.0 percent investment return for fiscal 2013-14, the impact of the new smoothing methods adopted by the CalPERS Board in April 2013 that will impact employer rates for the first time in 2015-16 and new actuarial assumptions adopted by the CalPERS Board in February 2014. These new demographic assumptions include a 20-year projected improvement in mortality. A complete listing of the new demographic assumptions to be implemented with the June 30, 2014 annual actuarial valuation and incorporated in the projected rates for FY 2016-17 and beyond can be found on the CalPERS website at: <http://www.calpers.ca.gov/eip-docs/about/pubs/employer/actuarial-assumptions.xls>

The table below shows projected employer contribution rates (before cost sharing) for the next five Fiscal Years, **assuming CalPERS earns 18.0% for fiscal year 2013-14 and 7.50 percent every fiscal year thereafter**, and assuming that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur between now and the beginning of the fiscal year 2016-17.

	New Rate	Projected Future Employer Contribution Rates				
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<b>Normal Cost %:</b>	18.191%	19.1%	19.1%	19.1%	19.1%	19.1%
<b>UAL \$</b>	\$ 501,292	\$ 610,631	\$ 726,080	\$ 847,907	\$ 976,389	\$ 1,001,314

## Analysis of Future Investment Return Scenarios

In 2014 CalPERS completed a 2-year asset liability management study incorporating actuarial assumptions and strategic asset allocation. On February 19, 2014 the CalPERS Board of Administration adopted relatively modest changes to the current asset allocation that will reduce the expected volatility of returns. The adopted asset allocation is expected to have a long- term blended return that continues to support a discount rate assumption of 7.5 percent. The newly adopted asset allocation has a lower expected investment volatility that will result in better risk characteristics than an equivalent margin for adverse deviation. The current asset allocation has an expected standard deviation of 12.45 percent while the newly adopted asset allocation has a lower expected standard deviation of 11.76 percent.

The investment return for fiscal year 2013-14 was announced July 14, 2014. The investment return in fiscal year 2013-14 is 18.42 percent before administrative expenses. This year, there will be no adjustment for real estate and private equities. For purposes of projecting future employer rates, we are assuming a 18.0 percent investment return for fiscal year 2013-14.

The investment return realized during a fiscal year first affects the contribution rate for the fiscal year 2 years later. Specifically, the investment return for 2013-14 will first be reflected in the June 30, 2014 actuarial valuation that will be used to set the 2016-17 employer contribution rates, the 2014-15 investment return will first be reflected in the June 30, 2015 actuarial valuation that will be used to set the 2017-18 employer contribution rates and so forth.

Based on a 18.0 percent investment return for fiscal year 2013-14, the April 17, 2013 CalPERS Board-approved amortization and rate smoothing method change, the February 18, 2014 new demographic assumptions including 20-year mortality improvement using Scale BB and assuming that all other actuarial assumptions will be realized, and that no further changes to assumptions, contributions, benefits, or funding will occur between now and the beginning of the fiscal year 2016-17, the effect on the 2016-17 Employer Rate is as follows:

	Estimated 2016-17 Employer Contribution	Estimated Increase in Employer Contribution between 2015-16 and 2016-17
<b>Normal Cost %:</b>	19.1%	0.9%
<b>UAL \$</b>	\$ 610,631	\$ 109,339



As part of this report, a sensitivity analysis was performed to determine the effects of various investment returns during fiscal years 2014-15, 2015-16 and 2016-17 on the 2017-18, 2018-19 and 2019-20 employer rates. Once again, the projected rate increases assume that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur.

Five different investment return scenarios were selected.

- The first scenario is what one would expect if the markets were to give us a 5<sup>th</sup> percentile return from July 1, 2014 through June 30, 2017. The 5<sup>th</sup> percentile return corresponds to a -3.8 percent return for each of the 2014-15, 2015-16 and 2016-17 fiscal years.
- The second scenario is what one would expect if the markets were to give us a 25<sup>th</sup> percentile return from July 1, 2014 through June 30, 2017. The 25<sup>th</sup> percentile return corresponds to a 2.8 percent return for each of the 2014-15, 2015-16 and 2016-17 fiscal years.
- The third scenario assumed the return for 2014-15, 2015-16, 2016-17 would be our assumed 7.5 percent investment return which represents about a 49<sup>th</sup> percentile event.
- The fourth scenario is what one would expect if the markets were to give us a 75<sup>th</sup> percentile return from July 1, 2014 through June 30, 2017. The 75<sup>th</sup> percentile return corresponds to a 12.0 percent return for each of the 2014-15, 2015-16 and 2016-17 fiscal years.
- Finally, the last scenario is what one would expect if the markets were to give us a 95<sup>th</sup> percentile return from July 1, 2014 through June 30, 2017. The 95<sup>th</sup> percentile return corresponds to a 18.9 percent return for each of the 2014-15, 2015-16 and 2016-17 fiscal years.

The table below shows the estimated projected contribution rates and the estimated increases for your plan under the five different scenarios.

2014-17 Investment Return Scenario	Estimated Employer UAL Contribution			Estimated Total Change in Employer UAL Contribution between 2016-17 and 2019-20
	2017-18	2018-19	2019-20	
-3.8% (5th percentile)	\$ 826,814	\$ 1,151,489	\$ 1,586,689	\$ 976,058
2.8% (25th percentile)	\$ 767,982	\$ 976,950	\$ 1,241,423	\$ 630,792
7.5%	\$ 726,080	\$ 847,907	\$ 976,389	\$ 365,758
12.0%(75th percentile)	\$ 685,958	\$ 720,653	\$ 707,111	\$ 96,480
18.9%(95th percentile)	\$ 624,431	\$ 0	\$ 0	\$ (610,631)

In addition to the UAL Contribution amounts shown above the estimated employer normal cost of 19.1% of payroll will also be payable in each of the fiscal years shown above. The projected plan normal cost is expected to remain relatively stable over this time period.

## Analysis of Discount Rate Sensitivity

The following analysis looks at the 2015-16 employer contributions under two different discount rate scenarios. Shown below are the employer contributions assuming discount rates that are 1 percent lower and 1 percent higher than the current valuation discount rate. This analysis gives an indication of the potential required employer contribution rates if the PERF were to realize investment returns of 6.50 percent or 8.50 percent over the long-term.

This type of analysis gives the reader a sense of the long-term risk to the employer contributions.

2015-16 Employer Contribution			
As of June 30, 2013	6.50% Discount Rate (-1%)	7.50% Discount Rate (assumed rate)	8.50% Discount Rate (+1%)
Plan's Employer Normal Cost	25.0%	18.2%	13.0%
Accrued Liability	\$ 66,735,433	\$ 58,614,969	\$ 51,903,346
Unfunded Accrued Liability	\$ 19,498,616	\$ 11,378,152	\$ 4,666,529

## Hypothetical Termination Liability

Below is an estimate of the financial position of your plan if you had terminated your contract with CalPERS as of June 30, 2013 using the discount rates shown below. Your plan liability on a termination basis is calculated differently compared to the plan's ongoing funding liability. For this hypothetical termination liability both compensation and service is frozen as of the valuation date and no future pay increases or service accruals are included. In December 2012, the CalPERS Board adopted a more conservative investment policy and asset allocation strategy for the Terminated Agency Pool. Since the Terminated Agency Pool has limited funding sources, expected benefit payments are secured by risk-free assets. With this change, CalPERS increased benefit security for members while limiting its funding risk. This asset allocation has a lower expected rate of return than the PERF. Consequently, the lower discount rate for the Terminated Agency pool results in higher liabilities for terminated plans.

In order to terminate your plan, you must first contact our Retirement Services Contract Unit to initiate a Resolution of Intent to Terminate. The completed Resolution will allow your plan actuary to give you a preliminary termination valuation with a more up-to-date estimate of your plan liabilities. CalPERS advises you to consult with your plan actuary before beginning this process.

<b>Valuation Date</b>	<b>Hypothetical Termination Liability<sup>1</sup></b>	<b>Market Value of Assets (MVA)</b>	<b>Unfunded Termination Liability</b>	<b>Termination Funded Ratio</b>	<b>Termination Liability Discount Rate<sup>2</sup></b>
06/30/2011	\$ 74,736,177	\$ 40,895,066	\$ 33,841,111	54.7%	\$ 4.82%
06/30/2012	109,155,954	42,808,597	66,347,357	39.2%	2.98%
06/30/2013	99,511,839	47,236,817	52,275,022	47.5%	3.72%

<sup>1</sup> The hypothetical liabilities calculated above include a 7 percent mortality load contingency in accordance with Board policy. Other actuarial assumptions, such as wage and inflation assumptions, can be found in appendix A.

<sup>2</sup> The discount rate assumption used for termination valuations is a weighted average of the 10 and 30-year US Treasury yields in effect on the valuation date that equal the duration of the pension liabilities. For purposes of this hypothetical termination liability estimate, the discount rate used, is the yield on the 30-year US Treasury Separate Trading of Registered Interest and Principal of Securities (STRIPS). Note that as of June 30, 2014 the 30-year STRIPS rate is 3.55 percent.

## Participant Data

The table below shows a summary of your plan's member data upon which this valuation is based:

	<b>June 30, 2012</b>	<b>June 30, 2013</b>
Projected Payroll for Contribution Purposes	\$ 5,524,492	\$ 5,963,987
Number of Members		
Active	36	36
Transferred	12	12
Separated	2	1
Retired	41	41

## List of Class 1 Benefit Provisions

- One Year Final Compensation
- Post-Retirement Survivor Allowance

## Information for Compliance with GASB Statement No. 27 for Cost-Sharing Multiple-Employer Defined Benefit Plan

**Disclosure under GASB 27 follows. However, note that effective for financial statements for fiscal years beginning after June 15, 2014, GASB 68 replaces GASB 27. Disclosure required under GASB 68 will require additional reporting. CalPERS is intending to provide GASB 68 disclosure information upon request for an additional fee. We urge you to start discussions with your auditors on how to implement GASB 68.**

Your plan is part of the Safety Risk Pool, a cost-sharing multiple-employer defined benefit plan. Under GASB 27, an employer should recognize annual pension expenditures/expense equal to its contractually required contributions to the plan. Pension liabilities and assets result from the difference between contributions required and contributions made. The contractually required contribution for the period July 1, 2015 to June 30, 2016 has been determined by an actuarial valuation of the plan as of June 30, 2013. Your unadjusted contribution for the indicated period is a normal cost contribution of 18.191 percent of payroll and an unfunded accrued liability dollar amount of \$501,292. In order to calculate the dollar value of the contractually required contributions for inclusion in financial statements prepared as of June 30, 2016, this normal cost contribution rate, less any employee cost sharing, and as modified by any subsequent financing changes or contract amendments for the year, would be multiplied by the payroll of covered employees that was actually paid during the period July 1, 2015 to June 30, 2016 combined with the UAL amount of \$501,292. However, if this contribution is fully prepaid in a lump sum, then the dollar value of contractually required contributions is equal to the lump sum prepayment. The employer and the employer's auditor are responsible for determining the contractually required contributions. Further, the required contributions in dollars and the percentage of that amount contributed for the current year and each of the two preceding years is to be disclosed under GASB 27.

A summary of principal assumptions and methods used to determine the contractually required contributions is shown below for the cost-sharing multiple-employer defined benefit plan.

Valuation Date	June 30, 2013
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Asset Valuation Method	Market Value
Actuarial Assumptions	
Discount Rate	7.50% (net of administrative expenses)
Projected Salary Increases	3.30% to 14.20% depending on Age, Service, and type of employment
Inflation	2.75%
Payroll Growth	3.00%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%.

Complete information on assumptions and methods is provided in Appendix A of the Section 2 report. Appendix B of the Section 2 report contains a description of benefits included in the Risk Pool Actuarial Valuation.

A Schedule of Funding for the Risk Pool's actuarial value of assets, accrued liability, their relationship, and the relationship of the unfunded liability (UL) to payroll for the risk pool(s) to which your plan belongs can be found in Section 2 of the report.

## **PLAN'S MAJOR BENEFIT OPTIONS**

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**SECTION 1 – PLAN SPECIFIC INFORMATION FOR THE SAFETY PLAN OF THE MONTECITO FIRE PROTECTION DISTRICT**

**Plan’s Major Benefit Options**

Shown below is a summary of the major optional benefits for which your agency has contracted. A description of principal standard and optional plan provisions is in Appendix B within Section 2 of this report.

	Contract package	
	Receiving	Active Fire
<b>Benefit Provision</b>		
Benefit Formula		3.0% @ 55
Social Security Coverage Full/Modified		no full
Final Average Compensation Period		12 mos.
Sick Leave Credit		yes
Non-Industrial Disability		standard
Industrial Disability		yes
Pre-Retirement Death Benefits		yes
Optional Settlement 2W		level 3
1959 Survivor Benefit Level		yes
Special Alternate (firefighters)		no
Post-Retirement Death Benefits Lump Sum	\$500	\$500
Survivor Allowance (PRSA)	yes	yes
COLA	2%	2%





# Agenda

## Item #5





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## STAFF REPORT

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**Prepared for:** Montecito Fire Protection Finance Committee

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

**Date:** January 12, 2015

**Topic:** Budget Policy Recommendations

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### Summary

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On August 25, 2014, the Board of Directors approved a budget calendar that sets forth the timing and expectations for the annual budget development. In January, the Finance Committee is tasked with recommending financial policies and goals for fiscal year 2015-16.

Capitol PFG's financial analysis report states, "It is the primary function of the District's governing board to set the financial goals and policies of the District. A budget should reflect these goals and provide the framework for financial implementation."

### Discussion

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There are several areas that have already been addressed by the Board as a result of Capitol PFG's recommendations. Those are listed below as well as other areas that have come up in discussions in the past.

**OPEB Funding** – Contributions of approximately 1.6 million dollars per year are earmarked for the current fiscal year, FY 2015-16 and FY 2016-17. \$800,000 of the annual contribution is funded by the existing cash on hand currently designated for Station 3. The accelerated funding rate will substantially reduce the District's Unfunded Accrued Liability, with the potential to be fully funded by fiscal year 2017-18.

**Reserve policy** – In September of 2014, the Board approved a reserve policy to fund \$4,300,000 of reserves in the following categories:

- Catastrophic Event Reserve - \$2,100,000 (10% of tax revenue plus 5% of total expenses)
- Economic Uncertainties Reserve - \$2,200,000 (2 months of operational expenses)

As of June 30, 2014, the District had a fund balance of \$3,745,000, with a plan to fully fund the difference of \$555,000 with General Fund revenues from FY 2014-15, FY 2015-16, and Y 2016-17, which is an average of \$185,000 per year. This allows the District three fiscal years to accumulate the additional reserves using unallocated funds from fire assignment revenue,

unallocated tax revenue, and unspent budgeted funds. If reserve levels are not met by the stated target date, Staff and Board can discuss the option of transferring funds from the Station 3 Fund (3653).

**Revenue Assumptions** – In past years, the District has taken a conservative approach by assuming a 0% growth in property tax revenue in preparing the Preliminary Budget, which is adopted by the Board by June 30. As identified by Capitol PFG, the District's property tax increased by an average of 2.2% from FY 2008-09 to FY 2012-13. Staff would like to recommend that an assumed annual growth percentage be used in the Preliminary Budget to estimate property tax revenue. This change would only affect the Preliminary Budget, as the County's assessed property tax value change is provided in August and is reflected in the Final Budget.

### **Conclusion**

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The financial areas discussed in the report are a starting point for the budget development process. As the Board continues to review the recommendations from Citygate's Standard of Cover Report, there may be a need to establish additional policies or goals for the upcoming fiscal year.

## Montecito Fire Protection District Budget Calendar

As recommended by Capitol PFG, staff prepared a budget calendar to provide timeframes for various steps involved with the annual budgeting process.

### **January:**

Finance Committee to make Budget policy recommendations for next fiscal year's budget and present to the Board for approval.

### **February:**

Memo sent by Fire Chief to all Department heads asking for budget requests based on Board policy recommendations, prior year expenditures and foreseeable needs for the upcoming budget year. Memo will be sent out the first week of the month.

### **March:**

Department heads continue preparing budget requests. All budget requests are due to District Accountant one week prior to budget meeting.

### **April:**

Department heads meet with Fire Chief and Accountant to prioritize budget requests to be considered in the preliminary budget. Meeting will occur the first week of April.

Fire Chief presents the draft Preliminary Budget to the Finance Committee for review.

Board reviews draft Preliminary Budget.

### **May:**

Fire Chief presents the draft Preliminary Budget to the Finance Committee for final review prior to the regular Board meeting.

Board holds budget hearings to receive budget information; revises if necessary.

### **June:**

Finance Committee reviews revised Preliminary Budget.

Board adopts Preliminary Budget no later than June 30.

### **July:**

### **August:**

The Auditor-Controller's office will provide an estimated increase/decrease in property tax revenues for the fiscal year (on August 11<sup>th</sup>). The estimated change in revenue will be reflected in the draft Final Budget.

Adopted 8/25/2014

## **Montecito Fire Protection District Budget Calendar**

### **August (continued):**

Staff meeting with Fire Chief, Accountant and all Department heads to prioritize budget requests and make recommendations based on estimated revenue. This staff meeting will occur prior to August Finance Committee meeting.

Finance Committee reviews draft Final Budget and makes changes if necessary.

Board holds budget hearings to receive budget information; revises if necessary.

### **September:**

Finance Committee reviews Final Budget and makes changes if necessary.

Board adopts Final Budget no later than September 30.