NORTH COUNTY FIRE DISTRICT
Chief's Report
For November 19, 2019

RESPONSE ACTIVITY

MAJOR INCIDENT TYPE January 1 to October 9	2019	2018	2017	2016	2015
Fires	149	175	205	159	170
Overpressure rupture, explosion, overheat – no fire	0	2	2	2	0
Rescue & Emergency Medical Service	1873	1955	1932	1792	1897
Hazardous Condition (No Fire)	131	142	345	154	124
Service Call	230	229	244	153	192
Good Intent Call	263	290	198	206	185
False Alarm & False Call	119	106	148	120	112
Severe Weather & Natural Disaster	1	1	9	1	0
Special Incident Type	7	21	12	5	6
Total	**2773**	**2921**	**3095**	**2592**	**2686**

INCIDENTS OF INTEREST

- October 22nd, 2019 Vegetation Fire at 460 Old Stage Rd. - E5232, E5233, WT5241, C5203, Monterey County Regional and Cal Fire responded to a vegetation fire at 460 Old Stage Rd. This started as a roadside vegetation fire. The fire grew to approximately 38 acres due to steep terrain, dense brush and heavy fuels. NCFD and Cal-Fire mounted a combination ground and aerial attack on the fire and gained control of the fire with no injuries and no damage to any structures.

- October 23rd, 2019 Strike Team Deployment to Napa County – For the second time in October, E5232 was deployed as part of a five engine Strike Team with four personnel to Napa County. This was an OES pre- fire deployment. The crews were staged in the area due to severe fire weather. While staged, the "Kincade Fire" broke out and E5232 was assigned to the incident for the next twelve days.

- November 7th, 2019 Structure Fire at 1815 Hwy 1 – E5213, E5211, E5212, E4413 and C5202 responded to a Structure fire at the Vacant Middle School at Highway 1 and Springfield Rd. The fire was located in a storage building detached from the school. The fire was contained to the original fire building and a single room and contents. The fire was caused by overload of electrical extension cords in use. No injuries were reported.

- November 13th, 2019 Structure Fire at 11500 Dolan Rd. – E5211, E5213, E5212, E5411, T4471, C5202 and C5203 responded to a commercial building on fire. This was a commercial cannabis grow facility at the Moss Landing Business Park. Crews made a phenomenal fire attack and stopped the forward spread of a fire that originated inside of a compartmentalized interior building. The fire was contained to two rooms. No injuries were reported. Product and structural loss were estimated at about $130,000. The potential cause is a faulty electrical dehumidifier however it is still under investigation.

TRAINING

- NCFD Personnel are conducting yearly SCBA Mask & Respirator Fit Testing, an OSHA yearly mandate for respiratory protection.

- NCFD provided Auto Extrication Training to the MPC Firefighter Recruit Academy at the A&S Recycle Center.

- NCFD USAR Personnel Trained on heavy lifting and breaking and breaching techniques, the training was conducted at a concrete pre fabrication facility in San Benito County.

- All personnel have completed their annual vaccinations via an onsite clinic set up at NCFD Station 1 with the help of Pinnacle Health Care.

PREVENTION

- Fire Prevention- On November 12th, NCD admin and engine companies met with members of Vistra Energy's management and their construction planners. Vistra presented updated plans and progress of the Battery Energy Storage System project. All is going well; equipment installation will begin Nov/Dec of this year.

EQUIPMENT & FACILITIES

- E-5212 went into Golden State Truck for a PM Service, brake job and new batteries.

- U-5290 had the master brake cylinder replaced by California Auto and is back in service.

- The Septic Tank at Station 3 was recently pumped and inspected. No issues detected.

ADMINISTRATION

- Regional Assistance to Firefighter Grant (AFG) Communications Grant. As previously reported, the grant was awarded and we are waiting on the federal funds so we can enter into a purchase contract.

- PG & E- We have received a signed contract from PG&E for the purchase of a Type 3 fire engine. A phone conference to facilitate the purchase order is scheduled for November 15th. (Oral report to be presented at the board meeting).

- Vistra Energy- The fire district has received the first of two scheduled payments for sustainment of services. The first payment for FY19/20 is for $300K.

- Santa Cruz County Bank Side Fund Loan – District staff is actively researching the possibility of refinancing our side fund loan with various lenders in the hopes of reducing our interest rates. The District met with bank representatives on November 1st, and discussed a loan modification. As of November 12th, we are still waiting for a response from them.

Respectfully submitted,

Joel Mendoza, Fire Chief

Election Strategies and Prop. 218 Discussion

Accepting the proposed PEPRA Miscellaneous New Member Category Actuarial Valuation Report as of October 31, 2019 and authorization to continue the application to add a Miscellaneous Category to the CalPERS Contract

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PURPOSE: To review the proposed PEPRA Miscellaneous Plan for North County Fire Protection District of Monterey County New Member Category Actuarial Valuation Report as of October 31, 2019, as part of the process of adding a new miscellaneous category to the CalPERS contract.

OUTLINE: Under the current NCFPD MOUs and established benefits contracts, the Administrative Officer position is excluded from the CalPERS Retirement system as North County Fire Protection District does not have a contract for Miscellaneous (non-safety personnel). In June 2019, the Board of Directors authorized the NCFPD Administration to submit the "New Category Questionnaire" for a new Miscellaneous Retirement Category and request an actuarial valuation at the one-time cost of $300.00. Since then, CalPERS has completed the actuarial valuation. Below is a summary of the proposed PEPRA Miscellaneous Plan for North County Fire Protection District of Monterey County:

Fiscal Year	Employer Normal Cost Rate	Employer Amortization of Unfunded Accrued Liability	PEPRA Employee Rate
2019-20	6.985%	$0	6.750%
2020-21	7.732%	$0	6.750%
Projected Results			
2021-22	*7.7%*	*$0*	*TBD*

The table below shows projected employer contributions for the next six fiscal years:

	Required Contribution	**Projected Future Employer Contributions (Assumes 7.00% Return for Fiscal Year 2018-19)**				
Fiscal Year	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**	**2025-26**
Normal Cost %	7.732%	7.7%	7.7%	7.7%	7.7%	7.7%
UAL Payment	$0	$0	$0	$0	$0	$0

Attached: Proposed PEPRA Miscellaneous New Member Category Actuarial Valuation Report

The current Memorandum of Understanding for the Administrative Officer reads as follows:

XIII. Retirement

The District will contribute 14.58% of employee's fiscal year salary to an approved retirement (pension) plan or deferred compensation program.

As seen in the above charts, Misc. category employer contributions for the next 7 fiscal years range from 6.985% to 7.732%.

Proposed retirement contributions breakdown for the Administrative Officer (total district paid contribution not to exceed 14.58%):

Fiscal Year	CalPERS Employer Contribution*	ICMA Deferred Compensation Employer Contribution**	Total District Paid Retirement Contribution
2019-20	6.985%	7.595%	14.58%
2020-21	7.732%	6.848%	14.58%
2021-22	7.7%	6.88%	14.58%
2022-23	7.7%	6.88%	14.58%
2023-24	7.7%	6.88%	14.58%
2024-25	7.7%	6.88%	14.58%
2025-26	7.7%	6.88%	14.58%

*CalPERS Employer contribution determined by the PEPRA Miscellaneous Actuarial Valuation Report as of October 31, 2019

**ICMA deferred compensation to be adjusted accordingly. Calculated as the difference between the total District contributions of 14.58% and the CalPERS employer contribution.

If the Miscellaneous Category is added to the CalPERS retirement contract, the District will not incur any additional costs.

RECOMMENDATION: That the Board accept the proposed PEPRA Miscellaneous Plan for North County Fire Protection District of Monterey County New Member Category Actuarial Valuation Report as of October 31, 2019, 2% @ 62 PEPRA Miscellaneous Risk Pool with 3-Year Final Average Compensation, and to direct staff to continue the application to add a Miscellaneous Category to the CalPERS Contract.

October 14, 2019

Proposed PEPRA Miscellaneous Plan for North County Fire Protection District of Monterey County (CalPERS ID: 7593734122)
New Member Category Actuarial Valuation Report as of October 31, 2019
2% @ 62 PEPRA Miscellaneous Risk Pool with 3-Year Final Average Compensation

Dear Employer,

Enclosed please find a copy of the actuarial valuation conducted to determine the required contributions if the North County Fire Protection District of Monterey County elects to participate in the California Public Employees' Retirement System (CalPERS) and adopt the proposed PEPRA Miscellaneous Risk Pool. This valuation is based on a valuation date and a contract start date of October 31, 2019. CalPERS staff actuaries are available to discuss the contents of this report with you.

Since your public agency has fewer than 100 active safety employees, your proposed plan would be required to participate in the Miscellaneous Risk Pool. The following valuation report provides specific information for your proposed PEPRA Miscellaneous Plan, including the development of your pooled employer contribution rate, a discussion of the potential volatility of future required contributions and other risks associated with the proposed plan, and an appendix with plan provisions and assumptions.

In the event your public agency elects to contract for CalPERS membership, your employees will be entitled to retirement benefits as provided by CalPERS per the Public Employees' Retirement Law. The contract for CalPERS membership will specify that, to the extent, if any, your employees may claim entitlement to additional benefits resulting from prior membership in a different retirement plan, such benefits will be the responsibility of your agency alone, and not of CalPERS.

Required Contributions

Fiscal Year	Employer Normal Cost Rate	Employer Amortization of Unfunded Accrued Liability	PEPRA Employee Rate
2019-20	6.985%	$0	6.750%
2020-21	7.732%	$0	6.750%
Projected Results			
2021-22	*7.7%*	*$0*	*TBD*

The rates shown above will be in effect unless there are further benefits or funding changes. If the membership or asset information is significantly different at the actual contract date or if the actual contract effective date is delayed beyond the proposed effective date of October 31, 2019 by more than 90 days, the employer contribution rates shown above may have to be recalculated. The contribution rates shown above were based on the results of the June 30, 2017 and June 30, 2018 valuations.

The Employer Amortization of Unfunded Accrued Liability will be invoiced monthly, in an amount equal to one-twelfth of the annual amount, beginning the July following the contract date. As such, the FY 2020-21 payment of $0 assumes a contract date during FY 2019-20. The Estimated Employer Normal Cost for FY 2019-20 will depend on the number of applicable payroll reporting periods during the fiscal year.

In accordance with PEPRA, the member contribution rate shown above is set at 50 percent of the expected normal cost rate for the benefits that will apply to your PEPRA Miscellaneous Plan. Note that the member contribution rate may change over time if the total normal cost for PEPRA members fluctuates by more than one percent of payroll in future valuations.

Contribution Volatility and Other Risks

The actuarial calculations supplied in this communication are based on a number of assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., 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 differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise the employer's rates from year to year. So, the rates will fluctuate, especially due to fluctuations in investment return.

The actuarial methods and assumptions used in determining your rate can be found in Section 2, Appendix A. A list of class 1 benefit provisions used in determining your rate is included in Section 1 of the report. A description of these provisions can be found in Section 2, Appendix B.

Please see the Contribution Volatility and Other Risks section of this report for a discussion of factors that can lead to volatility in actuarial valuation results, including required contributions, in the future.

If your agency would like to consider other benefit formulas or other combinations of benefit provisions, please contact us and we will be pleased to assist you.

Sincerely,

ALEX GRUNDER, ASA, MAAA
Associate Pension Actuary, CalPERS

CalPERS

New Member Category Actuarial Valuation as of October 31, 2019

For the Proposed PEPRA Miscellaneous Plan for North County Fire Protection District of Monterey County, 2% @ 62 PEPRA Miscellaneous Full Formula with 3-year Final Average Compensation 0% Prior Service

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Section 1

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Plan Specific Information for the Proposed PEPRA Miscellaneous Plan for North County Fire Protection District of Monterey County

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Actuarial Certification

This report was prepared in order to provide the employer with information about the cost of benefits and the contributions required in order to assist in the decision as to whether or not to contract for the benefits.

Use of this report for other purposes is inappropriate.

Section 1 of this report is based on the member and financial data as of June 30, 2018 provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced.

Section 2 of this report is based on the member and financial data as of June 30, 2018 provided by employers participating in the PEPRA Miscellaneous Risk Pool to which the proposed plan will belong and the benefit provisions under the CalPERS contracts for those agencies.

As set forth in Section 2 of this report, the pool actuaries have certified that, in their opinion, the valuation of the risk pool that will contain your PEPRA 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 the June 30, 2018 valuation date 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 the plan, it is my actuarial opinion that the proposed employer contribution as of October 31, 2019 has been properly and accurately determined in accordance with the principles and standards stated above.

The undersigned is an actuary for CalPERS, 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.

ALEX GRUNDER, ASA, MAAA
Associate Pension Actuary, CalPERS

Highlights and Executive Summary

- **Introduction**
- **Purpose of Section 1**
- **Required Employer Contributions**
- **Plan's Funded Status**
- **Projected Employer Contributions**
- **Subsequent Events**

Introduction

This report presents the results of the October 31, 2019 new agency actuarial valuation of the PEPRA Miscellaneous Plan of the North County Fire Protection District of Monterey County. This actuarial valuation sets the required employer contributions for fiscal years 2019-20 and 2020-21.

Purpose of Section 1

This Section 1 report for the PEPRA Miscellaneous Plan of the North County Fire Protection District of Monterey County 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 October 31, 2019;
- Determine the minimum required employer contribution for this plan for the fiscal years July 1, 2019 through June 30, 2020 and July 1, 2020 through June 30, 2021; and
- Provide actuarial information as of October 31, 2019 to the CalPERS Board of Administration and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to GASB Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available from CalPERS and details for ordering are available on our website.

The measurements shown in this actuarial valuation may not be applicable for other purposes. The employer should contact their actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; and changes in plan provisions or applicable law.

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 8.

Additionally, this report includes the following "Enhanced Risk Disclosures" also recommended by the CAAP in the Model Disclosure Elements document and consistent with the recommendations of Actuarial Standard of Practice No. 51:

- A "Scenario Test," projecting future results under different investment income scenarios.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 6.0 percent and 8.0 percent.
- A "Sensitivity Analysis," showing the impact on current valuation results using a 1.0 percent plus or minus change in the inflation rate.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming post-retirement rates of mortality are 10 percent lower or 10 percent higher than our current mortality assumptions adopted in 2017. This type of analysis highlights the impact on the plan of improving or worsening mortality over the long-term.
- Plan maturity measures which indicate how sensitive a plan may be to the risks noted above.

Required Employer Contributions

		Fiscal Year
Required Employer Contributions		**2019-20**
Employer Normal Cost Rate		**6.985%**
Plus		
Monthly Employer Dollar UAL Payment[1]	**$**	**0.00**
Required Employer Contributions		**2020-21**
Employer Normal Cost Rate		**7.732%**
Plus, Either		
1) Monthly Employer Dollar UAL Payment	**$**	**0**
Or		
2) Annual UAL Prepayment Option*	**$**	**0**

*The total minimum required employer contribution is the **sum** of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) **plus** the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly in dollars).*

** Only the UAL portion of the employer contribution can be prepaid **(which must be received in full no later than July 31)**. Any prepayment totaling over $5 million requires a 72-hour notice email to FCSD_public_agency_wires@calpers.ca.gov. Plan Normal Cost contributions will be made as part of the payroll reporting process. If there is contractual cost sharing or other change, this amount will change.*

In accordance with Sections 20537 and 20572 of the Public Employees' Retirement Law, if a contracting agency fails to remit the required contributions when due, interest and penalties may apply.

		Fiscal Year 2019-20		Fiscal Year 2020-21
Development of Normal Cost as a Percentage of Payroll				
Base Total Normal Cost for Formula		13.735%		14.482%
Surcharge for Class 1 Benefits[2]				
No Surcharges		0.000%		0.000%
Plan's Total Normal Cost		13.735%		14.482%
Plan's Employee Contribution Rate		6.750%		6.750%
Employer Normal Cost Rate		6.985%		7.732%
Projected Payroll for the Contribution Fiscal Year[3]	$	99,133	$	101,859
Estimated Employer Contributions Based on Projected Payroll				
Plan's Estimated Employer Normal Cost[4]	$	4,616	$	7,876
Plan's Payment on Amortization Bases		0		0
Estimated Total Employer Contribution	$	4,616	$	7,876

[1] The Monthly Employer Dollar UAL Payment will be charged beginning the July following the contract date. As such, the FY 2020-21 Monthly UAL payment of $0 assumes a contract date during FY 2019-20. This payment is only to pay for prior service.

[2] Appendix C of Section 2 contains the list of class 1 benefits with their corresponding surcharges.

[3] Payroll from the prior year is assumed to increase by the 2.75 percent payroll growth assumption.

[4] The Plan's Estimated Employer Normal Cost for FY 2019-20 reflects eight months worth of Normal Cost payments for the months between October 31, 2019 and June 30, 2020. The FY 2020-21 amount assumes payments made for the entire fiscal year.

Plan's Funded Status

		October 31, 2019
1. Present Value of Projected Benefits (PVB)	$	0
2. Entry Age Normal Accrued Liability (AL)		0
3. Plan's Market Value of Assets (MVA)		0
4. Unfunded Accrued Liability (UAL) [(2) - (3)]		0
5. Funded Ratio [(3) / (2)]		N/A

This measure of funded status is an assessment of the need for future employer contributions based on the selected actuarial cost method used to fund the plan. The UAL is the present value of future employer contributions for service that has already been earned and is in addition to future normal cost contributions for active members. For a measure of funded status that is appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities, please see "Hypothetical Termination Liability" in the "Risk Analysis" section.

Projected Employer Contributions

The table below shows projected employer contributions (before cost sharing) for the next six fiscal years. Projected results reflect the adopted changes to the discount rate described in Appendix A, "Statement of Actuarial Data, Methods and Assumptions" of the Section 2 report. The projections also assume that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period.

	Required Contribution	**Projected Future Employer Contributions (Assumes 7.00% Return for Fiscal Year 2018-19)**				
Fiscal Year	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**	**2025-26**
Normal Cost %	7.732%	7.7%	7.7%	7.7%	7.7%	7.7%
UAL Payment	$0	$0	$0	$0	$0	$0

Changes in the UAL due to actuarial gains or losses as well as changes in actuarial assumptions or methods are amortized using a 5-year ramp up. For more information, please see "Amortization of the Unfunded Actuarial Accrued Liability" under "Actuarial Methods" in Appendix A of Section 2. This method phases in the impact of unanticipated changes in UAL over a 5-year period and attempts to minimize employer cost volatility from year to year. As a result of this methodology, dramatic changes in the required employer contributions in any one year are less likely. However, required contributions can change gradually and significantly over the next five years. In years where there is a large increase in UAL the relatively small amortization payments during the ramp up period could result in a funded ratio that is projected to decrease initially while the contribution impact of the increase in the UAL is phased in.

For projected contributions under alternate investment return scenarios, please see the "Future Investment Return Scenarios" in the "Risk Analysis" section.

Subsequent Events

The CalPERS Board of Administration has adopted a new amortization policy effective with the June 30, 2019 actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed using a level dollar amount. In addition, the new policy removes the 5-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy removes the 5-year ramp-down on investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019.

For inactive employers the new amortization policy imposes a maximum amortization period of 15 years for all unfunded accrued liabilities effective June 30, 2018. Furthermore, the plan actuary has the ability to shorten the amortization period on any valuation date based on the life expectancy of plan members and projected cash flow needs to the plan. The impact of this has been reflected in the current valuation results.

The contribution requirements determined in this actuarial valuation report are based on demographic and financial information as of October 31, 2019. Investment returns below the assumed rate of return will increase the required contribution, while investment returns above the assumed rate of return will decrease the required contribution.

This actuarial valuation report reflects statutory changes, regulatory changes and CalPERS Board actions through January 2019. Any subsequent changes or actions are not reflected.

Assets and Liabilities

- **Schedule of Plan's Amortization Bases**

Schedule of Plan's Amortization Bases

Reason for Base	Date Established	Ramp Up/Down 2020-21	Escalat-ion Rate	Amorti-zation Period	Balance 10/31/2019	Payment 2019-20	Balance 6/30/20	Payment 2020-21
FRESH START	10/31/2019	N/A	N/A	N/A	$0	$0	$0	$0
TOTAL					**$0**	**$0**	**$0**	**$0**

If the total Unfunded Liability is negative (i.e., plan has a surplus), the scheduled payment is $0, because the minimum required contribution under PEPRA must be at least equal to the normal cost.

Risk Analysis

- **Future Investment Return Scenarios**
- **Discount Rate Sensitivity**
- **Mortality Rate Sensitivity**
- **Inflation Rate Sensitivity**
- **Maturity Measures**
- **Hypothetical Termination Liability**

Future Investment Return Scenarios

Analysis was performed to determine the effects of various future investment returns on required employer contributions. The projections below provide a range of results based on five investment return scenarios assumed to occur during the next four fiscal years (2018-19, 2019-20, 2020-21 and 2021-22). The projections also assume that all other actuarial assumptions will be realized and that no changes to assumptions other than those resulting from the risk mitigation policy will occur. Also, there assumes to be no changes to benefits or funding policy.

For fiscal years 2018-19, 2019-20, 2020-21, and 2021-22, each scenario assumes an alternate fixed annual return. The fixed return assumptions for the five scenarios are 1.0 percent, 4.0 percent, 7.0 percent, 9.0 percent and 12.0 percent.

These alternate investment returns were chosen based on stochastic analysis of possible future investment returns over the four-year period ending June 30, 2022. Using the expected returns and volatility of the asset classes in which the funds are invested, we produced five thousand stochastic outcomes for this period based on the most recently completed Asset Liability Management process. We then selected annual returns that approximate the 5th, 25th, 50th, 75th, and 95th percentiles for these outcomes. For example, of all the 4-year outcomes generated in the stochastic analysis, approximately 25 percent of them had an average annual return of 4.0 percent or less.

Required contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 1.0 percent or greater than 12.0 percent over this four-year period, the possibility of a single investment return less than 1.0 percent or greater than 12.0 percent in any given year is much greater.

Assumed Annual Return From 2018-19 through 2021-22	**Projected Employer Contributions**			
	2021-22	**2022-23**	**2023-24**	**2024-25**
1.0%				
Normal Cost	7.7%	7.7%	7.7%	7.7%
4.0%				
Normal Cost	7.7%	7.7%	7.7%	7.7%
7.0%				
Normal Cost	7.7%	7.7%	7.7%	7.7%
9.0%				
Normal Cost	7.9%	7.3%	7.5%	7.7%
12.0%				
Normal Cost	7.9%	7.3%	7.5%	7.7%

Provided above are the plan's projected Normal Cost rates under the outlined scenarios. Because the plan does not currently have assets, an analysis of the impact on the Plan's UAL contribution could not be performed. Should your agency decide to contract, future estimates will emerge in the annual valuation reports as the plan begins to accumulate assets.

In addition, the projections above reflect the recent changes to the new amortization policy effective with the June 30, 2019 valuation. The projections above incorporate the impact of the CalPERS risk mitigation policy which reduces the discount rate when investment returns are above specified trigger points.

Discount Rate Sensitivity

Shown below are various valuation results as of October 31, 2019 assuming alternate discount rates. Results are shown using the current discount rate of 7.0 percent as well as alternate discount rates of 6.0 percent and 8.0 percent. The rates of 6.0 percent and 8.0 percent were selected since they illustrate the impact of a 1 percent increase or decrease to the 7.0 percent assumption. This analysis shows the potential plan impacts if the PERF were to realize investment returns of 6.0 percent or 8.0 percent over the long-term.

This type of analysis gives the reader a sense of the long-term risk to required contributions. For a measure of funded status that is appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities, please see "Hypothetical Termination Liability" at the end of this section.

Sensitivity Analysis				
As of October 31, 2019	**Plan's Total Normal Cost**	**Accrued Liability**	**Unfunded Accrued Liability**	**Funded Status**
7.0% (current discount rate)	14.482%	$0	$0	N/A
6.0%	17.929%	$0	$0	N/A
8.0%	11.838%	$0	$0	N/A

Mortality Rate Sensitivity

The following table looks at the change in the June 30, 2018 plan costs and funded ratio under two different longevity scenarios, namely assuming post-retirement rates of mortality are 10 percent lower or 10 percent higher than our current mortality assumptions adopted in 2017. This type of analysis highlights the impact on the plan of improving or worsening mortality over the long-term.

As of October 31, 2019	**Current Mortality**	**10% Lower Mortality Rates**	**10% Higher Mortality Rates**
a) Accrued Liability	$0	$0	$0
b) Market Value of Assets	$0	$0	$0
c) Unfunded Liability (Surplus) [(a)-(b)]	$0	$0	$0
d) Funded Status	N/A	N/A	N/A

Inflation Rate Sensitivity

The following analysis looks at the change in the October 31, 2019 plan costs and funded ratio under two different inflation rate scenarios, namely assuming the liability inflation rate is 1 percent lower or 1 percent higher than the current valuation inflation rate assumption of 2.5, while holding the discount rate fixed at 7.0%. This type of analysis highlights the impact on the plan of increased or decreased inflation of active salaries and retiree COLAs over the long-term.

As of October 31, 2019	Current Inflation Rate	-1% Inflation Rate	+1% Inflation Rate
a) Accrued Liability	$0	$0	$0
b) Market Value of Assets	$0	$0	$0
c) Unfunded Liability (Surplus) [(a)-(b)]	$0	$0	$0
d) Funded Status	N/A	N/A	N/A

Maturity Measures

As pension plans mature they become much more sensitive to risks than plans that are less mature. Understanding plan maturity and how it affects the ability of a pension plan to tolerate risk is important in understanding how the plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions. One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio starts increasing. A mature plan will often have a ratio above 0.60 to 0.65. For both CalPERS and other retirement systems in the United States, these ratios have been steadily increasing in recent years.

Ratio of Retiree Accrued Liability to Total Accrued Liability	October 31, 2019
1. Retired Accrued Liability	0
2. Total Accrued Liability	0
3. Ratio of Retiree AL to Total AL [(1) / (2)]	N/A

Another way to look at the maturity level of CalPERS and its plans is to look at the ratio of actives to retirees. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures, and members retire, the ratio starts declining. A mature plan will often have a ratio near or below one. The average support ratio for CalPERS public agency plans is 1.25.

Support Ratio	October 31, 2019
1. Number of Actives	2
2. Number of Retirees	0
3. Support Ratio [(1) / (2)]	N/A

Actuarial calculations are based on a number of assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., 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 required employer contributions from one year to the next. Therefore, employer contributions 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 experience more volatile employer contributions (as a percentage of payroll) 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. Shown below is the asset volatility ratio, a measure of the plan's current contribution 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 experience more volatile employer contributions (as a percentage of payroll) 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 shown in the table below. It should be noted that this ratio indicates a longer-term potential for contribution volatility. The asset volatility ratio, described above, will tend to move closer to the liability volatility ratio as the plan matures.

Contribution Volatility		**October 31, 2019**
1. Market Value of Assets	$	0
2. Payroll		96,480
3. Asset Volatility Ratio (AVR) [(1) / (2)]		0.0
4. Accrued Liability	$	0
5. Liability Volatility Ratio (LVR) [(4) / (2)]		N/A

Hypothetical Termination Liability

The hypothetical termination liability is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2018. The plan liability on a termination basis is calculated differently compared to the plan's ongoing funding liability. For the hypothetical termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees.

A more conservative investment policy and asset allocation strategy was adopted by the CalPERS Board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while funding risk is limited. However, this asset allocation has a lower expected rate of return than the PERF and consequently, a lower discount rate is assumed. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The effective termination discount rate will depend on actual market rates of return for risk-free securities on the date of termination. As market discount rates are variable, the table below shows a range for the hypothetical termination liability based on the lowest and highest interest rates observed during an approximate 2-year period centered around the valuation date.

Market Value of Assets (MVA)	Hypothetical Termination Liability[1,2] @ 2.50%	Funded Status	Unfunded Termination Liability @ 2.50%	Hypothetical Termination Liability[1,2] @ 3.25%	Funded Status	Unfunded Termination Liability @ 3.25%
$0	$ 0	N/A	$0	$0	N/A	$0

[1] The hypothetical liabilities calculated above include a 5 percent mortality contingency load in accordance with Board policy. Other actuarial assumptions can be found in Appendix A of the Section 2 report.

[2] The current discount rate assumption used for termination valuations is a weighted average of the 10-year and 30-year U.S. Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the table are based on 20-year Treasury bonds, rounded to the nearest quarter percentage point, which is a good proxy for most plans. The 20-year Treasury yield was 2.91 percent on June 30, 2018, and was 2.83 percent on January 31, 2019.

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

This information is intended to give the employer an estimate of the cost to terminate the plan. However, once a plan enters into contract with CalPERS, a plan is prohibited from terminating in the first five years.

Participant Data

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

	As of October, 2019
Reported Payroll	$ 96,480
Projected Payroll for Contribution Purposes	$ 99,133
Number of Members	
Active	2
Transferred	0
Separated	0
Retired	0

List of Class 1 Benefit Provisions

This plan has the additional Class 1 Benefit Provisions:

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 the following section of this Appendix.

	Benefit Group	
Benefit Provisions		
Benefit Formula	2% @ 62	
Social Security Coverage	No	
Full/Modified	Full	
Employee Contribution Rate	6.75%	
Final Average Compensation Period	Three Year	
Sick Leave Credit	Yes	
Non-Industrial Disability	Standard	
Industrial Disability	No	
Pre-Retirement Death Benefits		
Optional Settlement 2	Yes	
1959 Survivor Benefit Level*	TBD	
Special	No	
Alternate (firefighters)	No	
Post-Retirement Death Benefits		
Lump Sum	$500	
Survivor Allowance (PRSA)	No	
COLA	2%	

*1959 Survivor Benefit is provided by a separate program and will be billed separately by the agency.

PEPRA Member Contribution Rates

The table below shows the determination of the PEPRA Member contribution rates based on 50 percent of the Total Normal Cost for each respective plan on June 30, 2018. Assembly Bill (AB) 340 created PEPRA that implemented new benefit formulas and a final compensation period as well as new contribution requirements for new employees. In accordance with Section Code 7522.30(b), "new members ... shall have an initial contribution rate of at least 50 percent of the normal cost rate." The normal cost for the plan is dependent on the benefit levels, actuarial assumptions and demographics of the plan particularly the entry age into the plan. Should the total normal cost of the plan change by one percent or more from the base total normal cost established for the plan, the new member rate shall be 50 percent of the new normal cost rounded to the nearest quarter percent. Since this plan is going to be a pooled plan, the Employee Rates are based on the Pool's Normal Cost rates.

		Basis for Current Rate		Rates Effective July 1, 2019			
Rate Plan Identifier	**Benefit Group Name**	**Total Normal Cost**	**Member Rate**	**Total Normal Cost**	**Change**	**Change Needed**	**Member Rate**
N/A	Miscellaneous PEPRA Level	13.735%	6.750%	13.735%	0.000%	No	6.750%

		Basis for Current Rate		Rates Effective July 1, 2020			
Rate Plan Identifier	**Benefit Group Name**	**Total Normal Cost**	**Member Rate**	**Total Normal Cost**	**Change**	**Change Needed**	**Member Rate**
N/A	Miscellaneous PEPRA Level	13.735%	6.750%	14.482%	0.747%	No	6.750%

Section 2

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Section 2 may be found on the CalPERS website (www.calpers.ca.gov) in the Forms and Publications section

Take Action on Approval of Memorandums of Understanding between the District, Division Chiefs and Fire Chief

PURPOSE: To present to the Board current Memorandums of Understanding between the District and various bargaining groups and individuals.

OUTLINE: At this time, agreements between the Board and various bargaining groups and individuals have been reached. Ratification of the following MOUs are required.

- Division Chiefs - July 2018 through June 2020
- Fire Chief - July 2019 through February 2020

RECOMMENDATION: That the Board of Directors adopt the Division Chiefs and Fire Chief MOUs and authorize the President to sign on behalf of the District.

Joel Mendoza, Fire Chief

MEMORANDUM OF UNDERSTANDING

between

NORTH COUNTY FIRE PROTECTION DISTRICT

and

DIVISION CHIEFS

JULY 2018 THROUGH JUNE 2020

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1. DEFINITION

Under the general direction and authority of the Fire Chief, serves as a Division Chief for the District. Plans, supervises, and coordinates the activities of Fire Prevention and assumes administrative duties as required. The Division Chief provides highly responsible and technical staff assistance to the Fire Chief. The Division Chief serves as duty chief on a rotating basis and is subject to emergency call while on and off duty. The Division Chief is also subject to staff rotational assignments as required and other duties as assigned.

Supervision Received and Exercised:
The Division Chief will be responsible for developing; implementing and evaluating assigned programs, as well as assisting in the overall operation of the fire department and its budget.

2. EXAMPLES OF DUTIES

- Commands fire department resources on all types of emergencies, including the most complex fires, rescues, and hazardous materials incidents.
- Researches and recommends department policy.
- Supervises and coordinates station duties and assignments.
- Supervises and evaluates assigned subordinates.
- Investigates fires to determine cause and origin in conjunction with an Incident Commander's responsibilities.
- Assists with planning, organizing, scheduling, conducting, and evaluation of the Fire District's training program.
- Assist with managing and maintaining the District's training records.
- Coordinates drills with outside agencies and other outside events as assigned.
- Coordinates specialized drills such as hazardous materials, rescue, and emergency medical services.
- Coordinates District's fire communications radio system including policies and procedures.
- Manages and coordinates pre-fire planning activities for engine company personnel.
- Manages and coordinates the Reserve Firefighter's Program including the recruitment of Reserve Firefighters.
- Coordinates Fire Department activities with other city, county, state, and federal agencies.
- Supervise department personnel, procurement, budget, and accounting activities.
- Perform related assignments as necessary and other duties as assigned.

3. REQUIREMENTS

- Possess and maintain a valid California Driver's License Class C.
- Subject to response time requirements as identified by Board Resolution.
- Maintain physical condition necessary to perform arduous tasks in a variety of emergency situations. Examples of such tasks include but are not limited to running, carrying heavy loads, standing for long periods of time, crawling, chopping, pulling, pushing, working, standing or walking on slippery, uneven or steep terrain, in extreme heat, cold and humidity.

4. BASE SALARY

Step One	$10,083 per month
Step Two	$10,440 per month
Step Three	$10,810 per month

Division Chiefs are exempt employees whose Base Salary covers ordinary Duty Chief Coverage for assigned shifts and after hour response.

5. SALARY ADVANCEMENT

Employee shall be advanced from the first step to the second step in the respective classification after completion of six (6) months of full time satisfactory service and thereafter shall be advanced to the next higher step after completion of twelve (12) months of full time satisfactory service in each of the steps for the classification until the top step is reached

6. HOLIDAYS

Twelve (12) paid Holidays taken off per year, as follows: New Year's Day, Martin Luther King Day, President's Day, Memorial Day, Independence Day, Labor Day, Admission Day, Columbus Day, Veteran's Day, Thanksgiving Day and the day after, and Christmas Day.

When an employee works during a regularly scheduled holiday, that employee will be able to exchange that missed holiday time off for a future day. If a regularly scheduled holiday falls on a Saturday or Sunday, the employee shall receive either Friday or Monday off or credit for a future day.

7. SICK LEAVE

Sick leave without loss of pay shall be accumulated at the rate of twenty-four (24) hours per month. Based on the accumulation of time, an employee can accumulate a maximum of six thousand (6,000) hours of sick leave time. The time can be used for sick leave in accordance with this Section and the unused time can be used to translate to another use at retirement.

Employees cannot accumulate vacation or sick leave time while absent from the job for over thirty (30) consecutive days while on sick leave.

An employee shall be entitled to a maximum leave for illness of one (1) consecutive year, provided the employee has the required sick leave time accumulated.

Upon an employee's retirement, such employee shall be entitled to receive an amount equal to one-third (1/3) of his accumulated sick leave, or one-third (1/3) of 3,300 hours of sick leave, whichever is less. The payoff amount will be based upon the prevailing wage rate at the time of the employee's retirement. No sick leave payoff shall be made to any employee if that employee quits or is discharged by the District.

8. VACATION

Twenty (20) working days off for the first year.

Twenty-five (25) working days off for the second year.

Thirty (30) days off after the fifth year.

Vacation must be taken at District convenience.

9. EMERGENCY LEAVE

Up to five (5) working days per year may be taken off for emergency leave for death or serious illness in employee's immediate family without loss of pay by utilizing accrued time off. Immediate family shall consist of the employee's spouse, children, parents, the spouse's children, or others as petitioned. Such time will be utilized in accordance with the Family Medical Leave Act. Emergency leave is unpaid leave or time off, however use of accrued vacation or other banks of time may be utilized during this leave period.

10. OVERTIME PAYFOR EXTRAORDINARY DUTY

Division Chiefs are exempt employees who are occasionally required to commit to catastrophic events that may span multiple operational periods. These types of events would include; floods, earthquakes, declared disasters, fires and prolonged emergency situations. These extraordinary events may be more than fifteen (15) hours in duration. Such service is considered "extraordinary" and is beyond the scope of their normal duties. The District intends to fairly compensate exempt classes of employees at an overtime rate for work during such extraordinary events in order to protect life, property and the environment.

Overtime for such extraordinary time worked shall be defined as time worked in excess of eight (8) hours, Monday through Friday, and any hours on Saturdays, Sundays and Holidays. For Incidents of fifteen (15) hours or less there will be no overtime pay. If the duration of the response exceeds fifteen (15) hours, overtime pay shall cover the entire time of the extraordinary commitment, beginning at the time of initial dispatch from home base, to the time of return to home base. There shall be only one fifteen (15)-hour period from time of original dispatch, regardless of the number of assignments, until normal scheduled duties are resumed.

Overtime for such time worked by exempt classes of employees shall be compensated at one and one-half times the base hourly rate. The base hourly rate is computed by adding the monthly Base Salary, monthly Educational and monthly In Lieu pay to determine the total monthly pay, the monthly pay is then multiplied by 12 to determine the yearly pay, then the yearly pay is divided by 2080 to determine the base hourly rate.

11. PORTAL TO PORTAL COMPENSATION

The District will compensate district employee's portal to portal while in the course of their employment and away from their official duty station and assigned to an emergency incident, in support of an emergency incident, or pre-positioned for emergency response.

12. ON-CALLDUTY COVERAGE

Chief Officers are expected to self-police the equitable sharing of the sixteen (16) weekends described in this provision. Chief Officer should exchange duty weekends or have another Chief Officer cover prior to considering implementation of this section.

To allow Chief Officers to take authorized leave during some of their assigned on-call duty weekends, the District will provide coverage utilizing Chief Officers or qualified Fire Captains that are off-duty from their assigned regular shift.

An on-call duty weekend is described as that 60-hour period between 1700 hours, Friday afternoon to 0800 hours, Monday morning. Coverage is defined as meeting the standards contained in District policy P98-11-2: Duty Chief Response/On-Call Status contained in the District's Operations/Administrative Manual. On-call coverage is from the other Chief Officer's or Fire Captain's residence or other locations meeting the stipulations of the policy.

The District will pay for a maximum of sixteen (16) weekends of coverage during a fiscal year period.

On-call Duty Chief coverage pay will be provided to those Chiefs who assume extra Fire District cover assignments for those who are unavailable to cover their normally assigned shift duties and/or for those chiefs who are on authorized leave assignments during those extraordinary times.

The current pay rate for any person who is assigned this duty chief coverage is a flat rate of $ (Current Rate) per 24-hour period. This rate is a composite of a Fire Captain's time and one-half (1/2) hourly rate valued at one-third (1/3) of the total. The 60-hour coverage period may be split between more than one assigned cover person, however, a minimum of six (6) hours of on-call coverage is needed to be considered for a proportionate share of the flat rate. This provision is not subject to any retroactive pay adjustments following a re-negotiation by any party or bargaining group.

13. UNIFORM ALLOWANCE

The District shall purchase, maintain, clean and specify all duty and dress uniforms. All uniforms are the property of the District.

The Division Chief shall comply with department standards regarding appearance and cleanliness. The District shall pay the cost of cleaning authorized department uniforms by establishing an account at a dry-cleaning establishment located within the District.

The District shall replace uniforms on an as-needed basis. It shall be the responsibility of the employee to arrange for approved purchasing, fitting, pick up, delivery, and repair of uniform items.

For PERS reporting purposes, the value of purchase, maintenance, and replacement is $600 per year. The District shall pay the employer contribution and the employee shall pay the employee contribution for the value of the uniform service. Such payment ($54) shall be made through a payroll deduction during the November 5 payroll and reporting to PERS appropriately.

14. MEDICAL/LIFE INSURANCE

A. The District shall contribute a maximum of $1397.09 to maintain medical, dental, vision, and life insurance benefits.

Employee shall enroll in the CalPERS Health Program and may choose any plan available to him/her within that program. The individual whose premium exceeds the maximum $1397.09 shall pay the additional costs through payroll deduction.

In any parity calculations, the health insurance benefit shall be based on the $1397.09 maximum and not the actual amount paid for the individual employee. Any amount over $600.00 unused by the member shall be provided to the member as 'in-lieu' pay.

B. The District will participate in the California Association of Professional Firefighter's Long-Term Disability Plan at a premium of $9.50 per employee per month. The employee will pay any premium increases. The District and the employee in direct proportion to their contribution will share any refunds.

C. The District will contribute $24.75 per month to provide the California State Firefighter's Association sponsored Group Term Life and Accidental Death & Dismemberment insurance double indemnity policy through Myers-Stevens & Co. The employee may choose additional coverage at his/her own expense. The individual through payroll deduction shall pay additional costs.

15. MEDICAL INSURANCE UPON RETIREMENT

A. Employees who retire from employment with the District at or after age 50 shall be provided by the District with the same health insurance contribution which the District provides for active employees, provided the cost of said insurance does not exceed $800.00 per month, effective March 1, 2018, and shall receive the health insurance benefits selected by members of Local 3058 until the retired employees reach age 65, under all the following terms and conditions:

1. Employees who retire from employment with the District for service rather than disability and who have rendered service for a total of 20 or more years with the District and other districts with which it has been consolidated, shall be provided with said health insurance contribution for a maximum period of 15 years or until attaining age 65, whichever occurs first. Such employees who retire for service rather than disability before attaining the age of 50 and who have rendered service for a total of 20 years or more with the District or other districts with which it has been consolidated must elect upon retirement to receive such benefits either for a period of 15 years commencing at that time or for a period of 15 years commencing when they reach the age of 50.

2. Employees who retire from employment with the District for disability and who have rendered service for a total of 20 or more years with the District and other districts with which it has been consolidated shall be provided with said health insurance contribution commencing upon retirement and continuing until they attain age 65 regardless of their age at retirement.

3. The benefits under this provision only apply to current employees and their retirement and in no way effect any existing retiree's benefits.

It is understood by the parties that after negotiation with recognized bargaining groups, the District may change the health plan and/or the level of benefits for active employees from year to year and that the health plan and/or level of benefits that the District provides for retired employees will vary accordingly. In the event the District discontinues provision of a health plan for its active employees, it shall continue to provide a health plan and health benefits for employees who were retired at the time of such discontinuance equivalent or as similar as possible to the plan and benefits in effect immediately prior to that time.

16. RETIREMENT BENEFIT

The District shall continue the present benefit contract with the Public Employees' Retirement System to include the levels of benefits contained in the amended contract with the Public Employees Retirement System dated April 19, 2011.

The employee shall pay the Employee contribution of 9% to the Public Employees' Retirement System and that amount shall be tax deferred pursuant to Resolution #92-1 -1.

17. LABOR DISPUTE

In the event of a department labor dispute, and line personnel shall fail to report for duty, compensation will be paid for time incurred by Chief Officers in labor dispute mitigation activity.

18. JURY DUTY

Jury duty leave will be allowed to the extent actually necessary to serve on jury duty and will be paid the regular salary. The paid per diem compensation to the employee by the court system shall be turned over to the District minus mileage expenses if applicable.

19. PROBATIONARY STATUS & EVALUATION OF EMPLOYMENT

A six month (taking into account the time already spent and evaluated in the position) probationary period shall be completed, subject to quarterly performance evaluations. Commencing on _____________ and concluding on ______________. Your performance shall be reviewed as it relates to:

A. Your job description.
B. Established goals, objectives and expectations.
C. Knowledge and abilities to perform the job.
D. Job relationships required for successful performance, i.e., supervisors, co-workers, employees and the public.
E. Training received during the performance evaluation period and the application of the training in relation to job performance.

Additionally, the following items shall be considered:

A. Quality of work, including the nature and consequences of errors made during the evaluation period.
B. Commendations awarded relative to employee performance.
C. Complaints received relative to employee performance.
D. Use of job skills and efforts to enhance skills.
E. Ability to work with others.
F. Attendance, use of sick leave, punctuality.

After the conclusion of each evaluation, you shall be informed of the results of the evaluation, and appropriate action shall be taken based upon the evaluation. In the case of deficiencies, guidelines to correct deficiencies shall be provided. Failure to correct deficiencies may culminate in corrective actions, up to and including dismissal.

20. CALSTAR GROUP MEMBERSHIP

The North County Fire Protection District will enroll all members into the CALSTAR Family Membership Program at the Districts expense.

21. APPLICATION AND REVISION

The preceding provisions and term begin July 1, 2018 and expires on June 30, 2020, or until a new Memorandum of Understanding is agreed upon.

This Agreement executed this 19th day of November 2019.

22. EMERGENCY REASSIGNMENT

In the event of a fiscal emergency or reorganization where the District has to reduce staffing, the Division Chiefs may be reassigned to a 56-hour work week. Such reassignment will be per the terms and conditions of the appropriate M.O.U. or other controlling agreement in place for the assigned work.

____
Don Chapin, Board President

____
Jess Mendoza, Division Chief

____
Rick Parker, Division Chief

MEMORANDUM OF UNDERSTANDING

between

NORTH COUNTY FIRE PROTECTION DISTRICT

and

FIRE CHIEF

JULY 2019 THROUGH FEBRUARY 2020

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1. DEFINITION

The Fire Chief will report directly to the Board of Directors of the District. The Fire Chief will plan, organize, direct and coordinate all District operations including administrative and emergency operations including fire protection, emergency medical, and support services. The Fire Chief provides advice and assistance to the Board of Directors in setting District policy. The Fire Chief also serves as duty chief on a rotation basis and is subject to emergency call while on and off duty.

2. EXAMPLES OF DUTIES

- Direct, organize and supervise departmental activities relating to the Fire District's mission and goals, which include fire protection, emergency medical, and other support services.
- Uses vision to develop short and long-range plans and ability to follow through implementation of District goals, objectives, priorities, policies, and procedures.
- Regularly be responsible for Duty Chief Coverage which includes responding to major emergency incidents and personally directing activities, when necessary.
- Command Fire District resources on all types of emergencies including the most complex fires, rescues, and hazardous materials incidents.
- Prepare and administer the District's annual budget.
- Represent the District as a community leader in relationships with the public, community groups, and professional organizations.
- Establish a team environment that is supportive to the mission, vision, and values of the District, which includes developing productive and team-oriented relationships between all employees.
- Represent and makes presentation on behalf of the District before the County Board of Supervisors and other county boards and commissions, and coordinate fire department activities with other fire and government agencies.
- Select, supervise, train, and evaluate staff: The Fire Chief is the designated Appointing Authority for the Fire District and the District's Chief Personnel Officer. He has the power to hire and promote personnel within the budgetary guidelines and organizational chart(s) approved by the Board of Directors of the District; the Fire Chief shall also be responsible for imposing discipline when necessary, up to and including termination, within the established policies and procedures adopted by the Fire District. To that end, the Fire Chief or his designee shall serve as the "Skelly Officer" in disciplinary proceedings, and shall be familiar with Skelly rights per *Skelly v. Personnel Bd., 15 Cal. 3rd 194(1975),* and the Firefighters Bill of Rights (FBOR) as codified in California Govt. Code Sections 3250-3262.
- Direct and participate in the development of new ordinances related to fire protection and prevention.
- Establish, coordinate, direct, maintain, and attend training exercises given to all members of the District team.
- Establish and promote continued education for all members of the District team.
- Work closely with the Board President and prepare, on the District's behalf, the regular and special meeting agendas.
- Be knowledgeable of applicable laws, rules, regulations, ordinances and codes pertaining to fire protection, fire prevention and arson investigation.
- Be knowledgeable of grant solicitation processes and strategic planning.
- Maintain an in-depth knowledge of independent Fire District operating procedures, financial

statutory requirements and limitations, administrative and organizational requirements pursuant to the Fire Protection District Law of 1987.

Ability to:

- Present self in a manner that promotes an image of being in "Command and Control".
- Lead and direct staff in a manner that allows full participation yet provides straight forward, direct, and concise leadership and follow up.
- Select, supervise, train, and motivate subordinates.
- Work independently, but also part of a team including the efficient utilization of personnel, equipment, and apparatus in routine and emergency situations.
- Write and publicly present staff reports to the Board of Directors at regular and special meetings.
- Enforce regulations with firmness and tact.
- Communicate clearly and concisely both in writing and orally including the ability to speak before groups.
- Establish and maintain effective and cooperative working relationships with staff, other agencies, the media, and the general public (those contacted in the course of work).

Qualifications - Practice and maintain Knowledge of:

- Principles, practices, methods, and techniques of developing a team spirit with good organizational communication.
- Managing and supervising modern emergency medical services, fire prevention, and fire suppression activities.
- NCFD capabilities of firefighting apparatus, fire ground operations and equipment.
- Principles and practices of modern fire department administration, risk management, and personnel training.
- Principles and practices of organization, administration, budgeting, and personnel management.

3. REQUIREMENTS

- Possess and maintain a valid California Driver's License Class C.
- Subject to response time requirements as identified by Board Resolution.
- Maintain physical condition necessary to perform arduous tasks in a variety of emergency situations. Examples of such tasks include but are not limited to running, carrying heavy loads, standing for long periods of time, crawling, chopping, pulling, pushing, working, standing or walking on slippery, uneven or steep terrain, in extreme heat, cold and humidity.

4. BASE SALARY

Effective July 1, 2009 base salary per month is $11,567.00 It is understood that should separation occur the remaining salary will not be paid from the date of separation through the expiration of this MOU.

5. HOLIDAYS

Twelve (12) paid Holidays taken off per year, as follows: New Year's Day, Martin Luther King Day, President's Day, Memorial Day, Independence Day, Labor Day, Admission Day, Columbus Day, Veteran's Day, Thanksgiving Day and the day after, and Christmas Day.

When an employee works during a regularly scheduled holiday, that employee will be able to exchange that missed holiday time off for a future day. If a regularly scheduled holiday falls on a Saturday or Sunday, the employee shall receive either Friday or Monday off or credit for a future day.

6. SICK LEAVE

Sick leave without loss of pay shall be accumulated at the rate of twenty-four (24) hours per month. Based on the accumulation of time, an employee can accumulate a maximum of six thousand (6,000) hours of sick leave time. The time can be used for sick leave in accordance with this Section and the unused time can be used to translate to another use at retirement.

Employees cannot accumulate vacation or sick leave time while absent from the job for over thirty (30) consecutive days while on sick leave.

An employee shall be entitled to a maximum leave for illness of one (1) consecutive year, provided the employee has the required sick leave time accumulated.

Upon an employee's retirement, such employee shall be entitled to receive an amount equal to one-third (1/3) of his accumulated sick leave, or one-third (1/3) of 3,300 hours of sick leave, whichever is less. The payoff amount will be based upon the prevailing wage rate at the time of the employee's retirement. No sick leave payoff shall be made to any employee if that employee quits or is discharged by the District.

7. VACATION

Twenty (20) working days off for the first year.

Twenty-five (25) working days off for the second year.

Thirty (30) days off after the fifth year.

Vacation must be taken at District convenience.

8. EMERGENCY LEAVE

Up to five (5) working days per year may be taken off for emergency leave for death or serious illness in employee's immediate family without loss of pay by utilizing accrued time off. Immediate family shall consist of the employee's spouse, children, parents, the spouse's children, or others as petitioned. Such time will be utilized in accordance with the Family Medical Leave Act. Emergency leave is unpaid leave or time off, however use of accrued vacation or other banks of time may be utilized during this leave period.

9. OVERTIME PAYFOR EXTRAORDINARY DUTY

The Fire Chief is an exempt employee who is occasionally required to commit to catastrophic events that may span multiple operational periods. These types of events would include; floods, earthquakes, declared disasters, fires and prolonged emergency situations. These extraordinary events may be more than fifteen (15) hours in duration. Such service is considered "extraordinary" and is beyond the scope of their normal duties. The District intends to fairly compensate exempt classes of employees at an overtime rate for work during such extraordinary events in order to protect life, property and the environment.

Overtime for such extraordinary time worked shall be defined as time worked in excess of eight (8) hours, Monday through Friday, and any hours on Saturdays, Sundays and Holidays. For Incidents of fifteen (15) hours or less there will be no overtime pay. If the duration of the response exceeds fifteen (15) hours, overtime pay shall cover the entire time of the extraordinary commitment, beginning at the time of initial dispatch from home base, to the time of return to home base. There shall be only one fifteen (15)-hour period from time of original dispatch, regardless of the number of assignments, until normal scheduled duties are resumed.

Overtime for such time worked by exempt classes of employees shall be compensated at one and one-half times the base hourly rate. The base hourly rate is computed by adding the monthly Base Salary, monthly Educational and monthly In Lieu pay to determine the total monthly pay, the monthly pay is then multiplied by 12 to determine the yearly pay, then the yearly pay is divided by 2080 to determine the base hourly rate.

10. PORTAL TO PORTAL COMPENSATION

The District will compensate district employee's portal to portal while in the course of their employment and away from their official duty station and assigned to an emergency incident, in support of an emergency incident, or pre-positioned for emergency response.

11. ON-CALLDUTY COVERAGE

Chief Officers are expected to self-police the equitable sharing of the sixteen (16) weekends described in this provision. Chief Officer should exchange duty weekends or have another Chief Officer cover prior to considering implementation of this section.

To allow Chief Officers to take authorized leave during some of their assigned on-call duty weekends, the District will provide coverage utilizing Chief Officers or qualified Fire Captains that are off-duty from their assigned regular shift.

An on-call duty weekend is described as that 60-hour period between 1700 hours, Friday afternoon to 0800 hours, Monday morning. Coverage is defined as meeting the standards contained in District policy P98-11-2: Duty Chief Response/On-Call Status contained in the District's Operations/Administrative Manual. On-call coverage is from the other Chief Officer's or Fire Captain's residence or other locations meeting the stipulations of the policy.

The District will pay for a maximum of sixteen (16) weekends of coverage during a fiscal year period.

On-call Duty Chief coverage pay will be provided to those Chiefs who assume extra Fire District cover assignments for those who are unavailable to cover their normally assigned shift duties and/or for those chiefs who are on authorized leave assignments during those extraordinary times.

The current pay rate for any person who is assigned this duty chief coverage is a flat rate of $ (Current Rate) per 24-hour period. This rate is a composite of a Fire Captain's time and one-half (1/2) hourly rate valued at one-third (1/3) of the total. The 60-hour coverage period may be split between more than one assigned cover person, however, a minimum of six (6) hours of on-call coverage is needed to be considered for a proportionate share of the flat rate. This provision is not subject to any retroactive pay adjustments following a re-negotiation by any party or bargaining group.

12. UNIFORM ALLOWANCE

The District shall purchase, maintain, clean and specify all duty and dress uniforms. All uniforms are the property of the District.

The Division Chief shall comply with department standards regarding appearance and cleanliness. The District shall pay the cost of cleaning authorized department uniforms by establishing an account at a dry-cleaning establishment located within the District.

The District shall replace uniforms on an as-needed basis. It shall be the responsibility of the employee to arrange for approved purchasing, fitting, pick up, delivery, and repair of uniform items.

For PERS reporting purposes, the value of purchase, maintenance, and replacement is $600 per year. The District shall pay the employer contribution and the employee shall pay the employee contribution for the value of the uniform service. Such payment ($54) shall be made through a payroll deduction during the November 5 payroll and reporting to PERS appropriately.

13. MEDICAL/LIFE INSURANCE

A. The District shall contribute a maximum of $1397.09 to maintain medical, dental, vision, and life insurance benefits.

Employee shall enroll in the CalPERS Health Program and may choose any plan available to him/her within that program. The individual whose premium exceeds the maximum $1397.09 shall pay the additional costs through payroll deduction.

In any parity calculations, the health insurance benefit shall be based on the $1397.09 maximum and not the actual amount paid for the individual employee. Any amount over $600.00 unused by the member shall be provided to the member as 'in-lieu' pay.

B. The District will participate in the California Association of Professional Firefighter's Long-Term Disability Plan at a premium of $9.50 per employee per month. The employee will pay any premium increases. The District and the employee in direct proportion to their contribution will share any refunds.

C. The District will contribute $24.75 per month to provide the California State Firefighter's Association sponsored Group Term Life and Accidental Death & Dismemberment insurance double indemnity policy through Myers-Stevens & Co. The employee may choose additional coverage at his/her own expense. The individual through payroll deduction shall pay additional costs.

14. MEDICAL INSURANCE UPON RETIREMENT

A. Employees who retire from employment with the District at or after age 50 shall be provided by the District with the same health insurance contribution which the District provides for active employees, provided the cost of said insurance does not exceed $800.00 per month, effective March 1, 2018, and shall receive the health insurance benefits selected by members of Local 3058 until the retired employees reach age 65, under all the following terms and conditions:

1. Employees who retire from employment with the District for service rather than disability and who have rendered service for a total of 20 or more years with the District and other districts with which it has been consolidated, shall be provided with said health insurance contribution for a maximum period of 15 years or until attaining age 65, whichever occurs first. Such employees who retire for service rather than disability before attaining the age of 50 and who have rendered service for a total of 20 years or more with the District or other districts with which it has been consolidated must elect upon retirement to receive such benefits either for a period of 15 years commencing at that time or for a period of 15 years commencing when they reach the age of 50.

2. Employees who retire from employment with the District for disability and who have rendered service for a total of 20 or more years with the District and other districts with which it has been consolidated shall be provided

with said health insurance contribution commencing upon retirement and continuing until they attain age 65 regardless of their age at retirement.

3. The benefits under this provision only apply to current employees and their retirement and in no way effect any existing retiree's benefits.

It is understood by the parties that after negotiation with recognized bargaining groups, the District may change the health plan and/or the level of benefits for active employees from year to year and that the health plan and/or level of benefits that the District provides for retired employees will vary accordingly. In the event the District discontinues provision of a health plan for its active employees, it shall continue to provide a health plan and health benefits for employees who were retired at the time of such discontinuance equivalent or as similar as possible to the plan and benefits in effect immediately prior to that time.

15. RETIREMENT BENEFIT

The District shall continue the present benefit contract with the Public Employees' Retirement System to include the levels of benefits contained in the amended contract with the Public Employees Retirement System dated April 19, 2011.

The employee shall pay the Employee contribution of 9% to the Public Employees' Retirement System and that amount shall be tax deferred pursuant to Resolution #92-1 -1.

16. LABOR DISPUTE

In the event of a department labor dispute, and line personnel shall fail to report for duty, compensation will be paid for time incurred by Chief Officers in labor dispute mitigation activity.

17. JURY DUTY

Jury duty leave will be allowed to the extent actually necessary to serve on jury duty and will be paid the regular salary. The paid per diem compensation to the employee by the court system shall be turned over to the District minus mileage expenses if applicable.

18. EVALUATION OF EMPLOYMENT

During your employment with the District, you will be subject to performance evaluations as will be directed by the Board of Directors. These evaluations will be conducted according to District procedure established by the Board, and your performance shall be reviewed as it relates to your job description and compliance with the criteria established, both within this MOU and criteria that may be added from time to time, for your position as Fire Chief. After the conclusion of each evaluation, you shall be informed of the results of the evaluation, and the District, through the Board, will take appropriate action based upon the evaluation.

The Board, through its' appointed representatives, will meet with the Fire Chief regularly to discuss performance as it relates to the employment criteria. The Board representatives may provide guidance and or direction to the Fire Chief as it relates to his employment or, as it relates to the direction the Board has established for the department and the Fire Chief.

Goals and milestones may be established and any evaluation may be directly related to how such goals and milestones are achieved. Evaluation results will be used when considering any pay increases and or incentive pay.

19. CALSTAR GROUP MEMBERSHIP

The North County Fire Protection District will enroll all members into the CALSTAR Family Membership Program at the Districts expense.

20. APPLICATION AND REVISION

The preceding provisions and term begin July 1, 2019 and expires on February 28, 2020, or until a new Memorandum of Understanding is agreed upon.

This Agreement executed this 19th day of November 2019.

21. EMERGENCY REASSIGNMENT

In the event of a fiscal emergency or reorganization where the District has to reduce staffing, the Division Chiefs may be reassigned to a 56-hour work week. Such reassignment will be per the terms and conditions of the appropriate M.O.U. or other controlling agreement in place for the assigned work.

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Don Chapin, Board President

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Joel Mendoza, Fire Chief