

NORTH COUNTY FIRE PROTECTION DISTRICT

www.ncfireprotectiondistrict.org

330 S. Main Avenue

• Fallbrook, California 92028-2938

• Phone: (760) 723-2005

• Fax: (760) 723-2072

BOARD OF DIRECTORS

RUTH HARRIS
BOB HOFFMAN
FRED LUEVANO
KENNETH E. MUNSON
JOHN VAN DOORN

STEPHEN J. ABBOTT- Fire Chief/CEO - sabbott@ncfire.org
ROBERT H. JAMES - District Counsel Robert James - roberthjameslaw@gmail.com
LOREN A. STEPHEN-PORTER - Executive Assistant/Board Secretary - lstephen@ncfire.org

TO: BOARD OF DIRECTORS
FROM: STEPHEN ABBOTT, FIRE CHIEF/CEO
SUBJECT: BOARD MEETING PACKAGE
DATE: December 11, 2018

Enclosed is your Board package for the Regular **December** Board Meeting. We have tried to include the information you will need to effectively consider and act on agenda items. The Board meeting will be held at **FALLBROOK PUBLIC UTILITY DISTRICT, 990 EAST MISSION ROAD, FALLBROOK, CALIFORNIA.**

Please note this month's meeting is scheduled for Tuesday, December 11, 2018, beginning at 5:00 p.m.

It is our goal to be prepared to respond accurately to Board questions and concerns. You can help us achieve this goal by contacting me **prior to** the Board meeting with your questions and concerns. This will allow time for the Staff and me to provide the appropriate information for review at the Board meeting.

To ensure a quorum is present, please call Loren in advance of the meeting if you will be unable to attend. She may be reached at (760) 723-2012.

Respectfully,



Stephen Abbott
Fire Chief/CEO



PROUDLY SERVING THE COMMUNITIES OF FALLBROOK, BONSALE AND RAINBOW



NORTH COUNTY FIRE PROTECTION DISTRICT

AGENDA FOR REGULAR BOARD MEETING DECEMBER 11, 2018 5:00 p.m.

Location:

**FALLBROOK PUBLIC UTILITY DISTRICT
990 EAST MISSION ROAD
FALLBROOK CALIFORNIA**

PUBLIC ACTIVITIES AGENDA

For those joining us for the Public Activities Agenda, please feel free to depart at the close of the agenda. We invite you to stay for the remainder of the business meeting.

CALL TO ORDER

ROLL CALL

INVOCATION

PLEDGE OF ALLEGIANCE

1. PUBLIC COMMENT – PRESIDENT MUNSON

- *STANDING ITEM:* Members of the Public may directly address the Board of Directors on items of interest to the Public provided no action will be taken on non-agenda items. The Presiding Officer may limit comments to three minutes per speaker (Board of Directors Operations Policy § 4.7.2.1.2.). (pgs. 1-2)

2. RECOGNITION OF RETIRING EMPLOYEE — CHIEF ABBOTT

- *STANDING ITEM:* Recognition of service for retiring Captain/Paramedic Danny Delgado. (pgs. 3-4)

ACTION AGENDA

PRIORITY ACTION ITEMS:

All items listed under the Priority Action Items must be conducted at the beginning of the meeting as per Section 4.3.3. of the Board of Directors Operations Policy.

3. OFFICIAL SWEARING-IN AND SEATING OF NEW BOARD MEMBERS – CHIEF ABBOTT AND DISTRICT COUNSEL JAMES

- *ELECTION YEAR EVENT:* Swear-in and Seat Board Members Ken Munson and John Van Doorn. (pgs. 5-10)

4. BOARD ELECTIONS OF OFFICERS FOR 2019 – CHIEF ABBOTT AND COUNSEL JAMES

- *ANNUAL ITEM:* Select Board Officers (President and Vice President) for calendar year 2019. (pgs. 11-12)

ACTION AGENDA

CONSENT ITEMS:

All items listed under the Consent Items are considered routine and will be enacted in one motion. There will be no separate discussion of these items prior to the Board action on the motion, unless members of the Board, Staff or public request specific items be removed from the Consent Agenda.

5. APPROVE REGULAR BOARD MEETING MINUTES, OCTOBER 23, 2018

- *STANDING ITEM:* Review and approve minutes from October meeting as presented. (pgs. 13-18)

6. APPROVE REGULAR BOARD MEETING MINUTES, OCTOBER 24, 2018

- *STANDING ITEM:* Review and approve minutes from October meeting as presented. (pgs. 19-20)

7. APPROVE REGULAR BOARD MEETING MINUTES, DECEMBER 4, 2018

- *STANDING ITEM:* Review and approve minutes from December meeting as presented. (pgs. 21-24)

Note: The Americans with Disabilities Act provides that no qualified individual with a disability shall be excluded from participation in, or denied the benefits of, District business. If you need assistance to participate in this meeting, please contact the District Office 72 hours prior to the meeting at (760) 723-2012.



AGENDA FOR REGULAR BOARD MEETING

DECEMBER 11, 2018

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8. **REVIEW AND ACCEPT FINANCIAL REPORT FOR OCTOBER 2018** (pgs. 25-32)
➤ *STANDING ITEM: Review and Accept Financial Report for October as presented.*
9. **REVIEW AND APPROVE POLICIES AND PROCEDURES - NONE** (pgs. 33-34)

ACTION ITEMS:

All items listed under the Action Items Agenda will be presented and discussed prior to the Board taking action on any matter. Members of the public may comment on items at the time they are presented. Time Certain Items will commence precisely at the time announced in the Agenda.

10. **APPROVE REVISED MEETING SCHEDULE FOR NORTH COUNTY FIRE PROTECTION DISTRICT BOARD MEETINGS FOR THE YEAR 2019 — CHIEF ABBOTT AND B/S STEPHEN-PORTER** (pgs. 35-36)
➤ *ANNUAL ITEM: Approve revised meeting schedule for 2019, including a new start time of 4:00 p.m.*
11. **REVIEW AND ACCEPT FINANCIAL AUDIT FOR FY 2017/2018 — DEPUTY CHIEF MAROVICH AND CHIEF ABBOTT** (pgs. 37-104)
➤ *ANNUAL ITEM: Review and accept audit, auditor will be present to give an overview of the audit.*

DISCUSSION AGENDA

No action shall be undertaken on any Discussion item. The Board may: acknowledge receipt of the information or report and make comments; refer the matter to Staff for further study or report; or refer the matter to a future agenda.

12. **LONG-RANGE FINANCIAL PLAN – DEPUTY CHIEF MAROVICH AND CHIEF ABBOTT** (pgs. 105-106)
➤ *NEW ITEM: Discuss results of Raftelis report. Consider develop a long-range financial plan.*

STANDING DISCUSSION ITEMS:

All items listed under the Standing Discussion Items are presented at every meeting.

- **LEGAL COUNSEL REPORT:** (pgs. 107-108)
"Writings Concerning Public Business Are Public Records – Even If They Are Sent, Received or Store on An Employee's Personal Email, Phone or Computer."
- **WRITTEN COMMUNICATION:** (pgs. 109-116)
- BOARD RECOGNITION PROGRAM
- **NEWS ARTICLES** (pgs. 117-134)
- **COMMENTS/QUESTIONS:** (pgs. 135-136)
- **STAFF:**
 - Chief Abbott
 - Other Staff
- **BOARD**
- **BARGAINING GROUPS**
- **PUBLIC COMMENT**



AGENDA FOR REGULAR BOARD MEETING

DECEMBER 11, 2018

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CLOSED SESSION

The Board will enter closed session to discuss items as outlined herein. As provided in the Government Code, the public will not be present during these discussions. At the end of the Closed Session, the Board shall publicly report any action taken in Closed Session and the vote or abstention on that action of every member present) in accordance with Government Code § 54950 ET. seq.

CS-1. ANNOUNCEMENT — PRESIDENT MUNSON:

(pgs.137-138)

- *An announcement regarding the items to be discussed in Closed Session will be made prior to the commencement of Closed Session.*

CS-2. CONFERENCE WITH REAL PROPERTY NEGOTIATOR — GOVERNMENT CODE § 54956.8 — CHIEF ABBOTT:

PROPERTY LOCATION: 4157 Olive Hill Road – Station 3, Fallbrook, CA 92028;

- PARTIES: North County Fire Protection District (Seller);

UNDER NEGOTIATION: Terms of Sale;

DISTRICT NEGOTIATORS: Chief Abbott, District Counsel James

CS-3. REPORT FROM CLOSED SESSION — PRESIDENT MUNSON

ADJOURNMENT

SCHEDULED MEETINGS

The next regularly scheduled Board meeting is: **Tuesday, January 22, 2019, 4:00 p.m.**

CERTIFICATION OF AGENDA POSTING

"I certify that this Agenda was posted in accordance with the provisions of the Government Code § 54950 et. seq. The posting locations were: [1] the entrance of North County Fire Protection District Administrative Offices, [2] Fallbrook Public Utility District Administrative Offices and [3] the Roy Noon Meeting Hall; [4] District's website at <http://www.ncfireprotectiondistrict.org>. The Agenda was also available for review at the Office of the Board Secretary, located at located at 330 S. Main Avenue, Fallbrook (760) 723-2012. Materials related to an item on this Agenda submitted to the District after distribution of the agenda packet, are available for public inspection in the Office of the Board Secretary, during normal business hours or may be found on the District website, subject to the Staff's ability to post the documents before the meeting. The date of posting was **December 7, 2018.**"

Board Secretary Loren Stephen-Porter:

Date:

December 7, 2018



**NORTH COUNTY FIRE
PROTECTION DISTRICT
FIRE CHIEF/CEO**

TO: BOARD OF DIRECTORS
FROM: STEPHEN ABBOTT, FIRE CHIEF/CEO
DATE: DECEMBER 11, 2018
SUBJECT: PUBLIC COMMENT

PUBLIC COMMENT:

1. *Members of the Public may directly address the Board of Directors on items of interest to the Public provided no action will be taken on non-agenda items. The Board President may limit comments to three minutes per speaker (Board of Directors Operations Policy § 4.7.2.1.2).*

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**NORTH COUNTY FIRE
PROTECTION DISTRICT
ADMINISTRATION**

TO: BOARD OF DIRECTORS
FROM: D/C MAROVICH AND CHIEF ABBOTT
DATE: DECEMBER 11, 2018
SUBJECT: RECOGNITION OF RETIRING EMPLOYEE

PUBLIC ACTIVITIES AGENDA

BACKGROUND:

Traditionally, when employees retire from the District, they are invited to the next Board of Directors meeting to be recognized for their service to the District

DISCUSSION:

It is the distinct pleasure of the organization to recognize the years of service to the District and our community for the following individual:

RETIRING EMPLOYEE	
RETIREE	YEARS OF SERVICE
Captain/Paramedic Danny Delgado	33 years of service to NCPFD

FISCAL ANALYSIS:

No fiscal impact.

SUMMARY:

It is with fondness and gratitude that the District commends Danny for his dedication during his years of service. The District thanks him for his efforts on behalf of the community and for helping to make North County Fire Protection District the organization, it has become. Staff wishes Danny the best of luck in his future endeavors.

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**NORTH COUNTY FIRE
PROTECTION DISTRICT
FIRE CHIEF/CEO**

TO: BOARD OF DIRECTORS
FROM: CHIEF ABBOTT
DATE: DECEMBER 11, 2018
SUBJECT: OFFICIAL SWEARING-IN AND SEATING OF NEW AND RETURNING BOARD MEMBERS

ACTION AGENDA

RECOMMENDATION:

That the Board swear-in and seat Directors Kenneth Munson and John Van Doorn.

BACKGROUND:

Each election year, the District receives official verification of the results of the election for new Directors, although that notification may arrive after the date of the December meeting.

DISCUSSION:

On December 6, 2018, the Board Secretary spoke with Lynn Cardozo in Campaign Services at the Registrar of Voters Office, who noted the "certification" of Director Munson and Van Doorn's seats would be delivered on December 6th. She advised they would be mailing the individual certification statements sometime after December 8th. The Official Certification of the election is attached, demonstrating that John Van Doorn and Kenneth Munson received the top number of votes. Therefore, Mr. Van Doorn and Mr. Munson may be officially seated on the Board at this time.

In order to administer the Oath of Office to the new Board Directors, the meeting will be turned over to District Counsel James.

FISCAL ANALYSIS:

None.

SUMMARY:

The newly elected Directors are eligible to be seated. The Staff recommends turning the meeting over to District Counsel James for administration of the Oath of Office and signing of the Oath of Office.



County of San Diego

MICHAEL VU
Registrar of Voters

REGISTRAR OF VOTERS

County Operations Center Campus
5600 Overland Avenue, Suite 100, San Diego, California 92123-1266

Telephone: (858) 565-5800 Toll-free: 1 (800) 896-0138 TDD: (858) 694-3441
Facsimile: (858) 694-2955 Web Address: www.sdvote.com

CYNTHIA L. PAES
Assistant Registrar of Voters

December 6, 2018

TO: David Hall
Clerk of the Board of Supervisors

FROM: Michael Vu
Registrar of Voters

GUBERNATORIAL GENERAL ELECTION NOVEMBER 6, 2018 ELECTION CERTIFICATION

Enclosed are the certification documents for the following election:

Jurisdiction: Gubernatorial General Election

Election Date: November 6, 2018

Please contact my staff at (858) 505-7210 if you have any questions regarding this matter.

Enclosure

c: Supervisor Kristin Gaspar, Chair
Supervisor Dianne Jacob, Vice Chair
Supervisor Greg Cox
Supervisor Ron Roberts
Supervisor Bill Horn
Helen N. Robbins-Meyer, Chief Administrative Officer
Donald F. Steuer, Assistant Chief Administrative Officer, Chief Operating Officer
April Heinze, P.E., Deputy Chief Administrative Officer, Community Services Group
County Office of Education
Department of Planning & Land Use

c: Continued

Incorporated Cities:

Carlsbad
Chula Vista
Coronado
Del Mar
El Cajon
Encinitas
Escondido
Imperial Beach
La Mesa
Lemon Grove
National City
Oceanside
Poway
San Diego
San Marcos
Santee
Solana Beach
Vista

Community College Districts:

Grossmont-Cuyamaca
Mira Costa
San Diego
Southwestern

Unified School Districts:

Bonsall
Borrego Springs
Carlsbad
Coronado
Mountain Empire
Oceanside
Poway
Ramona
San Diego
San Marcos
Valley Center-Pauma
Vista
Warner

High School Districts:

Escondido
Fallbrook
Grossmont
San Dieguito
Sweetwater

Union/Elementary School Districts:

Alpine
Cajon Valley
Chula Vista
Del Mar
Encinitas
Escondido
Fallbrook
Lemon Grove
La Mesa-Spring Valley
National
Rancho Santa Fe
San Pasqual
San Ysidro
Santee
Solana Beach
South Bay

Special Districts:

Alpine Community Planning
Alpine Fire Protection
Borrego Springs Fire Protection
Deer Springs Fire Protection
Fallbrook Community Planning
Fallbrook Regional Healthcare
Fallbrook Public Utility
Grossmont Healthcare
Helix Water
Julian-Cuyamaca Fire Protection
Lakeside Fire Protection
North County Fire Protection
Palomar Health
Pauma Valley Community Services
Rainbow Municipal Water
Ramona Municipal Water
Rancho Santa Fe Fire Protection
Rincon Ranch Community Services
San Miguel Consolidated Fire Protection
South Bay Irrigation
Tri-City Healthcare
Valle De Oro Community Planning
Valley Center Parks & Recreation
Valley Center Fire Protection
Whispering Palms Community Services

CERTIFICATION OF
COUNTY CLERK/REGISTRAR OF VOTERS
OF THE RESULTS OF THE CANVASS
OF THE November 6, 2018,
GENERAL ELECTION

STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

ss.

I, Michael Vu, County Clerk/Registrar of Voters of said county, do hereby certify that, in pursuance to the provisions of Elections Code Section 15300, et seq., I did canvass the results of the votes cast in the General Election held in said County on November 6, 2018, for measures and contests that were submitted to the vote of the voters, and that the Statement of Votes Cast, to which this certificate is attached is full, true, and correct.

I hereby set my hand and official seal this 6TH day of November 2018 at
the County of San Diego.





Registrar of Voters

County of San Diego

State of California

Certification of Elections Official (11/2018)

County of San Diego
Gubernatorial General Election
November 6, 2018

Date: 12/06/18
Time: 12:43:54
Page: 17 of 24

Official Results - (San Diego County Portion Only)

Registered Voters 1767300

Num. Report Precinct 2136 - Num. Reporting 2136 100.00%

HELIX WATER DISTRICT DIV NO. 1 (Short Term)		
	Total	
Number of Precincts	57	
Precincts Reporting	57	100.0 %
Vote For	1	
Times Counted	17441/27983	62.3 %
Total Votes	13642	
DAN MCMILLAN	6025	44.17%
TABITHA REMUND-BURKE	4109	30.12%
JAMES STIERINGER	3468	25.42%

PALOMAR HEALTH		
	Total	
Number of Precincts	360	
Precincts Reporting	360	100.0 %
Vote For	4	
Times Counted	199775/283288	70.5 %
Total Votes	445399	
LINDA CAROL GREER	66911	15.02%
RICHARD C. ENGEL	65526	14.71%
LAURIE EDWARDS-TATE	61522	13.81%
JOHN CLARK	53887	12.10%
DALE BARDIN	53029	11.91%
HANS CHRISTIAN SISON	52470	11.78%
VANESSA GUTIERREZ	49110	11.03%
CHRISTOPHER K. LEE	32964	7.40%
CODY JAMES RYAN	9017	2.02%

JULIAN-CUYAMACA FIRE PROTECTION DISTRICT		
	Total	
Number of Precincts	4	
Precincts Reporting	4	100.0 %
Vote For	2	
Times Counted	1945/2453	79.3 %
Total Votes	2449	
MICHAEL MENGHINI	936	38.22%
EVELINA "EVA" HATCH	737	30.09%
PATRICIA PAT LANDIS	657	26.83%

PAUMA VALLEY COMMUNITY SERVICES DISTRICT		
	Total	
Number of Precincts	2	
Precincts Reporting	2	100.0 %
Vote For	3	
Times Counted	345/445	77.5 %
Total Votes	660	
SAMUEL R LOGAN	176	26.67%
BILL JACOBS	160	24.24%
CLARENCE W. WINN	157	23.79%
RICHARD HENRY NOLAN	151	22.88%

LAKESIDE FIRE PROTECTION DISTRICT		
	Total	
Number of Precincts	42	
Precincts Reporting	42	100.0 %
Vote For	3	
Times Counted	24878/37232	66.8 %
Total Votes	47362	
TIM ROBLES	13081	27.62%
ROBERT "BOB" ROBESON	10476	22.12%
PETER A. LIEBIG	9011	19.03%
MIKE HAWORTH	8322	17.57%
RONALD RON KASPER	6365	13.44%

RAINBOW MUNICIPAL WATER DISTRICT DIV NO. 4		
	Total	
Number of Precincts	6	
Precincts Reporting	6	100.0 %
Vote For	1	
Times Counted	1953/2705	72.2 %
Total Votes	1375	
CARL RINDFLEISCH	770	56.00%
BILL STEWART	598	43.49%

NORTH COUNTY FIRE PROTECTION DISTRICT		
	Total	
Number of Precincts	45	
Precincts Reporting	45	100.0 %
Vote For	2	
Times Counted	21086/29111	72.4 %
Total Votes	22134	
JOHN VAN DOORN	8779	39.66%
KENNETH E MUNSON	8060	36.41%
JOHN A DEL-ZIO	5241	23.68%

RAMONA MUNICIPAL WATER DISTRICT DIV NO. 2		
	Total	
Number of Precincts	8	
Precincts Reporting	8	100.0 %
Vote For	1	
Times Counted	3539/4774	74.1 %
Total Votes	2570	
JAMES HICKLE	1408	54.79%
JAMES ZENOVIC	1148	44.67%

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NORTH COUNTY FIRE PROTECTION DISTRICT

FIRE CHIEF/CEO

TO: BOARD OF DIRECTORS
FROM: CHIEF ABBOTT
DATE: DECEMBER 11, 2018
SUBJECT: ELECTION OF BOARD OFFICERS

ACTION AGENDA

RECOMMENDATION:

To elect Board members to serve as President and Vice President for the 2019 year.

BACKGROUND:

North County Fire Protection District has adopted a policy which provides that at the first meeting following the election or appointment of new director(s), or at the last scheduled meeting of the calendar year (during a non-election year), the Board shall elect a President and Vice President to serve until the election of his or her successor (Health & Safety Code § 13853). Assumption of the Board Officer positions is effective at the end of tonight's Board meeting. Once elected, Board members shall serve in their nominated position for a one-year term.

DISCUSSION:

As this meeting constitutes the first meeting after the election, the terms of office for President Munson and Vice President Luevano will be complete at the end of the meeting. Therefore, it is time for election of Board Officers for President and Vice President.

FISCAL ANALYSIS:

None.

SUMMARY:

To assist with the election of Board of Director Officers, the meeting would be turned over to Chief Abbott and Counsel James for the purposes of accomplishing the election of President and Vice President of the Board. After the elections, President Munson will resume meeting control, conducting the remainder of the meeting.

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1 **October 23, 2018**

2 **REGULAR MEETING OF THE BOARD OF DIRECTORS OF**
3 **THE NORTH COUNTY FIRE PROTECTION DISTRICT**

4 President Munson called the meeting to order at 5:02 p.m.

5 **THE INVOCATION GIVEN BY CHIEF ABBOTT.**

6 **ALL RECITED THE PLEDGE OF ALLEGIANCE.**

7 **ROLL CALL:**

8 **Present:** Directors Munson, Hoffman, Luevano, Munson and Thuner.

9 **Absent:** None.

10 **Staff Present:** Fire Chief/CEO Abbott, Attorney James and Board Secretary Stephen-
11 Porter. In the audience were: D/C Mahr, B/C Schoenheit and members of the public and
12 Association.

13
14 **PUBLIC ACTIVITIES AGENDA**

15 1. **PUBLIC COMMENT:** President Munson addressed the audience and inquired whether
16 there were any public comments regarding items not on the Agenda. There being no
17 comments, the Public Comment Section was closed.

18 2. **RECOGNITION OF RETIRING BOARD MEMBER KATHLEEN THUNER — CHIEF ABBOTT:** Chief
19 Abbott brought Director Thuner forward to be recognized by the Board and Staff for her
20 many years of service to the District. He congratulated her on her retirement, noting her
21 other years of service to the County, Mission Resource District, ANSI and serving twenty-
22 three years as Ag Commissioner for the County of San Diego. Director Thuner was
23 presented with a plaque and was congratulated by all.

24
25 **ACTION AGENDA**

26 **CONSENT ITEMS:**

27 3. **REVIEW AND ACCEPT REGULAR BOARD MEETING FOR SEPTEMBER 2018**

28 4. **REVIEW AND ACCEPT REGULAR BOARD MEETING FOR OCTOBER 3, 2018**

29 5. **REVIEW AND ACCEPT FINANCIAL REPORT FOR SEPTEMBER 2018**

- 30 6. REVIEW AND ACCEPT POLICIES & PROCEDURES
- 31 7. REVIEW AND ACCEPT FIRST QUARTER EMERGENCY SERVICE OVERTIME TRACKING
- 32 REPORT
- 33 8. REVIEW AND ACCEPT THIRD QUARTER CUSTOMER SERVICE SATISFACTION SURVEY

34 President Munson inquired whether there were any questions on Consent Items 3-8 . There
35 being no discussion, President Munson asked for a motion to approve the Consent Agenda.
36 On a motion by Vice President Luevano, seconded by Director Hoffman, the motion to
37 approve the Consent Agenda Items as presented passed unanimously.

38

39 **ACTION ITEMS:**

- 40 9. APPROVE MEETING SCHEDULE AND PLACE FOR NORTH COUNTY FIRE PROTECTION
- 41 DISTRICT BOARD MEETINGS FOR THE YEAR 2019 - CHIEF ABBOTT AND B/S STEPHEN-PORTER:

42 B/S Stephen-Porter presented the plan for the 2019 Board meetings, noting that FPUD
43 continues to be an appropriate venue for NCFPD Board meetings. A suggestion was made
44 to begin the meetings at 4:00 p.m., rather than 5:00 p.m. After brief discussion, a motion
45 was made Vice President Luevano and seconded by Director Hoffman, to approve the
46 Schedule for 2019 with direction to the Board Secretary to determine whether start time of
47 4:00 p.m. at FPUD could be accommodated. The vote was: **Ayes:** Directors Hoffman,
48 Luevano, Munson and Thuner; **Noes:** Director Harris.

- 49 10. PUBLIC HEARING DATE/TIME CERTAIN OCTOBER 23, 2018 (5:15 P.M.): REVIEW AND
- 50 APPROVE UPDATED FIRE PREVENTION AND STANDBY FEES AND ADOPT ORDINANCE 2018-01

51 - FM KOCH AND CHIEF ABBOTT: President Munson read the Ordinance title and opened
52 the Public Hearing, inquiring whether there was any public comment or testimony. There
53 being neither, the Public Hearing was closed. Chief Abbott presented the updated Fee
54 Schedule to the Board, noting the changes in the schedule for additional items and
55 adjustment in fees due to salary increases. Chief Abbott noted that in response to SB
56 1205, the District is required to perform additional inspections, which are now captured in
57 the schedule. Discussion ensued regarding State mandated tasks. Upon a motion by
58 Director Hoffman, which was seconded by Vice President Luevano, the Board

59 unanimously approved Ordinance 2018-01 and the associated Exhibits and Appendices,
60 including the Fee Schedule, to be effective December 1, 2018.

61 11. **PUBLIC HEARING DATE/TIME CERTAIN OCTOBER 23, 2018 (5:25 P.M.): REVIEW AND**
62 **APPROVE RESOLUTION 2018-20 AMENDING THE CURRENT FEE SCHEDULE FOR EMERGENCY AND**
63 **NON-EMERGENCY MEDICAL SERVICES – D/C MAHR AND CHIEF ABBOTT:** President Munson read
64 the Resolution title and opened the Public Hearing, inquiring whether there was any public
65 comment or testimony. There being neither, the Public Hearing was closed. D/C Mahr
66 presented the Fee Schedule and Resolution to the Board outlining the changes to the
67 Schedule, noting the District is still five percent below the regional average. D/C Mahr noted
68 that the District is State and County-mandated to report continuous quality improvement
69 information, which the new schedule will help to support with the MSO position. Discussion
70 ensued regarding ALS and BLS distinctions, with a request to spell out what CQI stands for
71 on the schedule. On a motion by Vice President Luevano, seconded by Director Harris to
72 approve Resolution 2018-20 as modified, the Board unanimously approved Resolution
73 2018-20 with the following roll call votes: **Ayes:** Directors Harris, Hoffman, Luevano,
74 Munson and Thuner.

75 12. **REVIEW AND APPROVE RESOLUTION 2018-21 ADOPTING A PAY SCHEDULE – DEPUTY**
76 **CHIEF MAROVICH AND CHIEF ABBOTT:** Chief Marovich presented Resolution 2018-21, which
77 memorializes the previously approved salaries of all District employees in to a single
78 document for publication, without reference to other documents, as required by the California
79 Code of Regulations. The changes reflect the agreed-upon MOU formula increases in
80 salaries. On a motion by Director Thuner, seconded by Director Hoffman, the motion to
81 approve Resolution 2018-21 as presented passed unanimously.

82 **DISCUSSION AGENDA**

83
84 13. There are no Discussion Items for the October 23, 2018 Board meeting.

85 **STANDING DISCUSSION ITEMS:**

- 86 ● **LEGAL COUNSEL REPORT:** No report this month.
- 87 ● **WRITTEN COMMUNICATIONS:** Brief discussion ensued regarding the items,

88 Informational only, no action required.

89 ● **BOARD RECOGNITION PROGRAM**

90 ● **NEWS ARTICLES:** Brief discussion ensued regarding articles. This is informational
91 only, no action required.

92 ● **COMMENTS:**

93 ● **STAFF REPORTS/UPDATES:**

94 ● **STEPHEN ABBOTT, FIRE CHIEF/CEO:** Chief Abbott noted the District has several
95 members at educational events throughout the state. Chief Abbott informed the Board that
96 AB 2961 authorizes the study of the offload problem at hospital ER departments as has
97 concerned the District. The District Open House was well attended and received, with
98 Director Luevano in attendance. The scheduled Sundowner event at Station 5 was also well
99 received. Chief Abbott reminded the Board there is a Special Meeting on October 24th at
100 9:00 a.m. to review the Community Outreach materials. The Meadowood Annexation
101 continues to move forward. Chief Abbott recently attended the Cal Chiefs annual meeting
102 with several District members, which had many topics germane to the District's interests.
103 Finally, Chief Abbott reminded Board members of the December 4th Ethics training and
104 Board Orientation. Informational only, no further action required.

105 ● **CHIEF OFFICERS AND OTHER STAFF: D/C MAHR:** D/C Mahr noted the District had been
106 busy this month with apparatus issues. The Committee is looking at ways to be cost-efficient
107 in the design and building of the two Type 1 engines; he noted they have been very fiscally
108 responsible. He expects to have the final pricing, specifications and drawings back by April
109 to do a final inspection. D/C Mahr thanked the Board for a recent CalPERS educational
110 opportunity.

111 ● **BOARD: DIRECTOR THUNER:** Director Thuner brought the Board up-to-date on her
112 Santa Barbara house rebuild issues.

113 ● **BARGAINING GROUPS:** No comments.

114 ● **PUBLIC COMMENT:** No comments.

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CLOSED SESSION

● OPENING CLOSED SESSION:

At 6:02 p.m., President Munson inquired whether there was a motion to adjourn to Closed Session. On a motion to adjourn to Closed Session by Director Hoffman, seconded by Director Harris, President Munson read the items to be discussed in Closed Session and the Open Session was closed. At 6:05 p.m., and the Board entered Closed Session to hear:

CS-1. ANNOUNCEMENT — PRESIDENT MUNSON: *An announcement regarding the items to be discussed in Closed Session will be made prior to the commencement of Closed Session.*

CS-2. EVALUATION OF PERFORMANCE — GOVERNMENT CODE § 54957 - FIRE CHIEF/CEO:

DISTRICT NEGOTIATOR: DISTRICT COUNSEL JAMES

CS-3. CONFERENCE WITH REAL PROPERTY NEGOTIATOR — GOVERNMENT CODE § 54956.8

— CHIEF ABBOTT:

PROPERTY LOCATION: 4157 Olive Hill Road – Station 3, Fallbrook, CA 92028;

PARTIES: North County Fire Protection District (Seller);

UNDER NEGOTIATION: Terms of Sale;

DISTRICT NEGOTIATORS: Chief Abbott, District Counsel James

CS-4. CONFERENCE WITH DISTRICT COUNSEL REGARDING PENDING LITIGATION—

GOVERNMENT CODE § 54956.9 (D)(4) — DISTRICT COUNSEL JAMES:

TO BE DISCUSSED: Whether or not a basis exists for anticipated litigation.

DISTRICT COUNSEL: District Counsel James

CS-5. REPORT FROM CLOSED SESSION — PRESIDENT MUNSON

● REOPENING OPEN SESSION:

On a motion by Director Hoffman, which was seconded by Vice President Luevano and which passed unanimously, the Board returned Open Session at 6:17 p.m., the following items were reported out to the public:

CS-2. EVALUATION OF PERFORMANCE — GOVERNMENT CODE § 54957 - FIRE CHIEF/CEO: In

open session, a motion by Director Thuner, which was second by Director Hoffman, the

Board agreed to extend Chief Abbott's contract as per operation of the contract [Section

2.1.: ...the contract will automatically extend for an additional twelve (12) month period on

146 the yearly anniversary date. . .] and to approve a bonus to Chief Abbott of \$4000.00, which
147 passed by the following vote: **Ayes:** Directors Hoffman, Luevano, Munson and Thuner;
148 **Noes:** Director Harris.

149 **CS-3. CONFERENCE WITH REAL PROPERTY NEGOTIATOR — GOVERNMENT CODE § 54956.8 —**

150 **CHIEF ABBOTT:** No reportable action.


151 **CS-4. CONFERENCE WITH DISTRICT COUNSEL REGARDING PENDING LITIGATION—**

152 **GOVERNMENT CODE § 54956.9 (D)(4) — DISTRICT COUNSEL JAMES:** No reportable action.

153
154 **ADJOURNMENT**

155 A motion was made at 6:21 p.m. by Director Harris and seconded by Director Hoffman to
156 adjourn the meeting and reconvene on October 24, 2018, at 9:00 a.m. The motion carried
157 unanimously.

158 Respectfully submitted,

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160 

161 Loren Stephen-Porter
162 Board Secretary

163
164 Minutes approved at the Board of Director's Meeting on: December 11, 2018

1 **October 24, 2018**

2 **SPECIAL MEETING OF THE BOARD OF DIRECTORS OF**
3 **THE NORTH COUNTY FIRE PROTECTION DISTRICT**

4 President Munson called the meeting to order at 9:00 a.m.

5 **ROLL CALL:**

6 **Present:** Directors Munson, Luevano, Munson and Thuner.

7 **Absent:** Director Hoffman.

8 **Staff Present:** Fire Chief/CEO Abbott, Attorney James and Board Secretary Stephen-
9 Porter. In the audience were: B/C McReynolds and members of the public and Association.

10
11 **PUBLIC ACTIVITIES AGENDA**

12 1. **PUBLIC COMMENT:** President Munson addressed the audience and inquired whether
13 there were any public comments regarding items not on the Agenda. There being no
14 comments, the Public Comment Section was closed.

15 2. **COMMUNITY OUTREACH WORKSHOP – STRATEGY RESEARCH INSTITUTE (SRI)**
16 **PRESENTING:** Chief Abbott and Dr. Manross led the discussion regarding the content of the
17 information website, social media efforts and the mailer. In depth and active discussion
18 ensued with all parties given an opportunity to provide input and suggestions for change or
19 additions. Dr. Manross and his staff will implement suggested changes and present revised
20 efforts to Chief Abbott as soon as possible. When approved by Chief Abbott, the mailer will
21 be completed and mailed, other media will be updated.

22 ● **CHIEF OFFICERS AND OTHER STAFF:** No comments.

23 ● **BOARD:** No comments.

24 ● **BARGAINING GROUPS:** No comments.

25 ● **PUBLIC COMMENT:** No comments.

26 **ADJOURNMENT**

27 A motion was made at 10:55 a.m. Vice President Luevano and seconded by President
28 Munson to adjourn the meeting and reconvene on December 4, 2018, at 9:00 a.m. The
29 motion carried unanimously.

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Respectfully submitted,

Loren A. Stephen-Porter

Loren Stephen-Porter

Board Secretary

Minutes approved at the Board of Director's Meeting on: December 11, 2018

1 **December 4, 2018**

2 **REGULAR MEETING OF THE BOARD OF DIRECTORS OF**
3 **THE NORTH COUNTY FIRE PROTECTION DISTRICT**

4 President Munson called the meeting to order at 9:00 a.m.

5 **THE INVOCATION GIVEN BY CHIEF ABBOTT.**

6 **ALL RECITED THE PLEDGE OF ALLEGIANCE.**

7 **ROLL CALL:**

8 **Present:** Directors Munson, Hoffman, Luevano and Munson.

9 **Absent:** Director Thuner

10 **Staff Present:** Fire Chief/CEO Abbott, Attorney James and Board Secretary Stephen-
11 Porter. In the audience were: DFC Marovich, D/C Mahr, B/C McReynolds and members of
12 the public and Association.

13 **DISCUSSION/TRAINING AGENDA**

14 1. **ETHICS TRAINING:** At 9:00 a.m., with all Board members in attendance, the Board
15 welcomed Dennis Timoney, who came from SDRMA to present the mandatory Ethics
16 training. With designated staff members present, as well as all Directors, Mr. Timoney
17 made his two-hour presentation on "AB 1234 Ethics" to the Board and identified Staff. Board
18 Directors and Staff asked questions during the presentation.

19 2. **BOARD MEMBER ORIENTATION:** At the conclusion of the Ethics Training, with all Board
20 members in attendance, the Board welcomed Mr. Brent Ives to present Board Member and
21 Trustee Training, for the District's new Board member orientation. With designated staff
22 members present, as well as all Directors, participants were active in asking questions
23 during the presentation. Both training events were well received. The training concluded at
24 approximately, 3:20 p.m.

25 At approximately 3:30 p.m., the Board entered its business meeting, with all members of the
26 Board present. Also present: District Counsel, Chief Abbott and Board Secretary Stephen-
27 Porter. There were no public members, other staff or Association members present.

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PUBLIC ACTIVITIES AGENDA

1. **PUBLIC COMMENT:** President Munson inquired whether there were any public comments regarding items not on the Agenda. There being no comments, the Public Comment Section was closed.

CLOSED SESSION

OPENING CLOSED SESSION:

At 3:30 p.m., President Munson inquired whether there was a motion to adjourn to Closed Session. On a motion to adjourn to Closed Session by Director Hoffman, seconded by Director Harris, President Munson read the items to be discussed in Closed Session and the Open Session was closed. At 3:30 p.m., and the Board entered Closed Session to hear:

CS-1. **ANNOUNCEMENT — PRESIDENT MUNSON:** An announcement regarding the items to be discussed in Closed Session will be made prior to the commencement of Closed Session.

CS-2. **CONFERENCE WITH LABOR NEGOTIATOR – GOVERNMENT CODE § 54957.6 —**

MANAGEMENT GROUP NEGOTIATIONS – CHIEF ABBOTT:

NCFPD MANAGEMENT GROUP

DISTRICT NEGOTIATORS: Chief Abbott, District Counsel James

CS-3. **CONFERENCE WITH LABOR NEGOTIATOR – GOVERNMENT CODE § 54957.6 — NON-**

SAFETY GROUP NEGOTIATIONS – CHIEF ABBOTT:

FFA NON-SAFETY GROUP NEGOTIATORS

DISTRICT NEGOTIATORS: CHIEF ABBOTT, DISTRICT COUNSEL JAMES

CS-4. **CONFERENCE WITH LABOR NEGOTIATOR – GOVERNMENT CODE § 54957.6 — SAFETY**

GROUP NEGOTIATIONS — CHIEF ABBOTT:

FFA SAFETY GROUP NEGOTIATORS

DISTRICT NEGOTIATORS: CHIEF ABBOTT, DISTRICT COUNSEL JAMES

CS-5. **CONFERENCE WITH LABOR NEGOTIATOR – GOVERNMENT CODE § 54957.6 —**

UNREPRESENTED INDIVIDUALS — CHIEF ABBOTT:

EXECUTIVE ASSISTANT/BOARD SECRETARY AND FIRE MARSHAL

DISTRICT NEGOTIATORS: CHIEF ABBOTT, DISTRICT COUNSEL JAMES

59 **CS-6. CONFERENCE WITH REAL PROPERTY NEGOTIATOR — GOVERNMENT CODE § 54956.8 — CHIEF**

60 **ABBOTT:**

61 PROPERTY LOCATION: 4157 Olive Hill Road – Station 3, Fallbrook, CA 92028;

62 PARTIES: North County Fire Protection District (Seller);

63 UNDER NEGOTIATION: Terms of Sale;

64 DISTRICT NEGOTIATORS: Chief Abbott, District Counsel James

65 **CS-8. REPORT FROM CLOSED SESSION — PRESIDENT MUNSON**

66 ● **REOPENING OPEN SESSION:**

67 On a motion by Director Harris, which was seconded by Director Luevano and which passed
68 unanimately, the Board returned Open Session at 3:45 p.m., the following items were
69 reported out to the public:

70 **CS-2. CONFERENCE WITH LABOR NEGOTIATOR – GOVERNMENT CODE § 54957.6 —**

71 **MANAGEMENT GROUP NEGOTIATIONS – CHIEF ABBOTT:**

72 On a motion by Director Hoffman, which was seconded by Director Luevano, the Board
73 members present unanimously approved the Management Group Side Letter as presented.

74 **CS-3. CONFERENCE WITH LABOR NEGOTIATOR – GOVERNMENT CODE § 54957.6 — NON-**

75 **SAFETY GROUP NEGOTIATIONS – CHIEF ABBOTT:**

76 On a motion by Director Hoffman, which was seconded by Director Luevano, the Board
77 members present unanimously approved the Non-Safety Group Side Letter as presented.

78 **CS-4. CONFERENCE WITH LABOR NEGOTIATOR – GOVERNMENT CODE § 54957.6 — SAFETY**

79 **GROUP NEGOTIATIONS — CHIEF ABBOTT:**

80 On a motion by Director Hoffman, which was seconded by Director Luevano, the Board
81 members present unanimously approved the Safety Group Side Letter as presented.

82 **CS-5. CONFERENCE WITH LABOR NEGOTIATOR – GOVERNMENT CODE § 54957.6 —**

83 **UNREPRESENTED INDIVIDUALS — CHIEF ABBOTT:**

84 On a motion by Director Hoffman, which was seconded by Director Luevano, the Board
85 members present unanimously approved the Management Group Side Letter, under which
86 these individuals fall, as presented.

87 **CS-6. CONFERENCE WITH REAL PROPERTY NEGOTIATOR — GOVERNMENT CODE § 54956.8**

88 **— CHIEF ABBOTT:**

89 No reportable action.

- 90 ● **CHIEF OFFICERS AND OTHER STAFF:** No comments.
- 91 ● **BOARD:** No comments.
- 92 ● **BARGAINING GROUPS:** No comments.
- 93 ● **PUBLIC COMMENT:** No comments.

94

95 **ADJOURNMENT**

96 A motion was made at 3:50 p.m. Director Harris and seconded by Director Hoffman to
97 adjourn the meeting and reconvene on December 11, 2018, at 5:00 p.m. The motion carried
98 unanimously.

99 Respectfully submitted,

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101 Loren Stephen-Porter

102 Loren Stephen-Porter

103 Board Secretary

104 Minutes approved at the Board of Director's Meeting on: December 11, 2018



**NORTH COUNTY FIRE
PROTECTION DISTRICT
ADMINISTRATION - BUDGET & FINANCE**

TO: BOARD OF DIRECTORS
FROM: DFC CHIEF STEVEN MAROVICH, HR/FS CHERIE JUUL AND CHIEF ABBOTT
DATE: OCTOBER 31, 2018
SUBJECT: REVENUE & EXPENDITURES AS OF OCTOBER 31, 2018 (33%)

Revenue Sources	Budgeted	Collected	Over/Under	% of Budget
Property Taxes - FBK	14,732,530.00	1,092,170.25	(13,640,359.75)	7%
Property Taxes - RNBW	275,000.00	20,080.47	(236,911.29)	7%
Ambulance and Collections	1,902,500.00	602,329.03	(1,300,170.97)	32%
GEMT-State Supplement	100,000.00	-	(100,000.00)	0%
Prevention Fees	200,000.00	81,190.37	(118,809.63)	41%
Tower Lease Agreements	90,000.00	31,937.17	(58,062.83)	35%
Other Revenue Sources*	35,000.00	214,787.92	179,787.92	614%
Interest	30,000.00	4,244.82	(25,755.18)	14%
Cost Recovery	70,000.00	27,155.67	(42,844.33)	39%
Community Facilities District (CFD)	68,966.00			
Strike Team Reimbursements	121,780.00	42,807.38	(78,972.62)	-
Other Reimbursements	374,162.00	10,623.52	(363,538.48)	3%
Mitigation Fees & Interest - FBK	250,000.00	189,633.73	(60,366.27)	76%
Mitigation Fees & Interest - RNBW	-	3.91	3.91	-
Donations & Grants	628,090.00	277,994.00	(350,096.00)	44%
Annexation fees	-	-	-	-
Transfers & Loans	-	-	-	0%
Total Revenue:	18,878,028.00	2,594,958.24	(16,283,069.76)	14%
	Budgeted	Spent	Over/Under	% of Budget
TTL Expenditures YTD thru 9-30-2018	17,825,145.00	6,600,870.37	(11,224,274.63)	37%
Revenue over Expenditures		(4,005,912.13)		

* includes the SDRMA \$191,258.48 (Brush eng. Reimb)

North County Fire Protection District
 For the First Month Ending July 31, 2018
12% of Budget

COLOR KEY	
Within/Below Budget	
Within 10% of Budget	
>10% of Budget (see notes)	

Description	October Actual	Running Total	Annual Budget	Amount Remaining	% Used
TOTAL PERSONNEL	1,005,523.01	5,574,439.30	14,437,997.00	8,863,557.70	38.6%
101 Total Board Administration	52,614.29	107,746.78	328,900.00	221,153.22	32.8%
102 Total Administration	109,783.96	316,641.29	1,153,120.00	836,478.71	27.5%
103 Total Fire Prevention	4,737.70	9,891.28	80,432.00	70,540.72	12.3%
104 Total Emergency Services	12,849.43	143,301.12	326,918.00	183,616.88	43.8% NOTE #1
105 Total Emergency Med Svcs	13,989.85	47,739.16	164,258.00	116,518.84	29.1%
106 Total Reserves	495.50	6,044.60	31,000.00	24,955.40	19.5%
107 Total Communications	58,762.44	274,462.90	655,339.00	380,876.10	41.9%
108 Total Shop/Maintenance	26,389.90	107,353.94	344,260.00	236,906.06	31.2%
109 Total Training	10,072.36	13,250.00	102,850.00	89,600.00	12.9%
120 Total General Fund Reserve	-	-	200,000.00	200,000.00	0.0%
200 Total Capital Equipment	-	-	-	-	0.0%
GRAND TOTAL	1,295,218.44	6,600,870.37	17,825,074.00	11,224,203.63	37.0%

NOTE #1: Lump sum for facility/vehicle insurance and Map Maintenance for the entire year.

**NORTH COUNTY FIRE PROTECTION DISTRICT
Tax Apportionments FY 18-19**

DATE	APP #	GROSS	REFUNDS & ADJUSTMENTS	FY 18/19 NET	FY 18/19 RUNNING	FY 17/18 NET	FY 17/18 RUNNING	
8/1/2018	1	212,187.31	1,099.25	211,088.06	211,088.06	208,527.21	208,527.21	
9/1/2018	2	64,587.28	2,440.55	62,146.73	273,234.79	77,260.58	285,787.79	
10/1/2018	3	194,918.23	19,187.96	175,730.27	448,965.06	141,090.29	426,878.08	
10/30/2018	4	620,477.43	17,135.11	603,342.32	1,052,307.38	647,686.90	1,074,564.98	
12/11/2018	5			-	1,052,307.38	4,508,309.45	5,582,874.43	
1/1/2019	6			-	1,052,307.38	3,031,362.46	8,614,236.89	
2/1/2019	7			-	1,052,307.38	348,998.07	8,963,234.96	
3/1/2019				-	-	-	-	
4/1/2019	8			-	1,052,307.38	3,028,136.07	11,991,371.03	
4/30/2019	9			-	1,052,307.38	146,917.51	12,138,288.54	
5/28/2019	10			-	1,052,307.38	1,368,061.22	13,506,349.76	
6/18/2018	11			-	1,052,307.38	218,727.40	13,725,077.16	
7/19/2018	12			-	1,052,307.38	211,732.88	13,936,810.04	
TOTAL YTD		1,092,170.25	39,862.87	1,052,307.38	1,052,307.38	1,074,564.98	1,074,564.98	
							Net Rev Increase	-2.07%

**RAINBOW FIRE PROTECTION DISTRICT
Tax Apportionments FY 18-19**

DATE	APP #	GROSS	REFUNDS & ADJUSTMENTS	FY 18/19 NET	FY 18/19 RUNNING	FY 17/18 NET	FY 17/18 RUNNING	
8/1/2018	1	3,901.18	20.20	3,880.98	3,880.98	3,870.19	3,870.19	
9/1/2018	2	1,187.53	44.87	1,142.66	5,023.64	1,433.78	5,303.97	
10/1/2018	3	3,583.74	352.85	3,230.89	8,254.53	2,618.45	7,922.42	
10/30/2018	4	11,408.02	326.46	11,081.56	19,336.09	12,002.74	19,925.16	
12/1/2018	5			-	19,336.09	84,302.39	104,227.55	
1/1/2019	6			-	19,336.09	55,734.72	159,962.27	
2/1/2019	7			-	19,336.09	6,380.89	166,343.16	
3/1/2019				-	19,336.09	-	166,343.16	
4/1/2019	8			-	19,336.09	56,188.26	222,531.42	
4/30/2019	9			-	19,336.09	2,297.59	224,829.01	
5/28/2019	10			-	19,336.09	25,442.75	250,271.76	
6/18/2018	11			-	19,336.09	5,113.31	255,385.07	
7/19/2018	12			-	19,336.09	3,896.49	259,281.56	
TOTAL YTD		20,080.47	744.38	19,336.09	19,336.09	19,925.16	19,925.16	
							Net Rev Increase	-2.96%

**NORTH COUNTY FIRE PROTECTION DISTRICT
AMBULANCE REVENUE FY 2018-2019**

MONTH	CONTRACTUAL		TOTAL		BAD DEBT	REFUNDS	ADJ AR	DEPOSITS RECEIVED	BILLING FEES	FY 18-19		FY 17-18	
	BILLED	WRITE DOWNS	AR	AR						WRITE-OFFS	NET REVENUE	NET REVENUE	
7/31/2017	486,857.35	273,096.29	213,761.06	226,954.63	47,413.41	2,542.20	163,805.45	166,148.09	9,553.48	156,594.61	147,411.57		
8/31/2017	458,258.82	261,730.97	196,525.85	188,689.18	77,247.01	1,498.39	117,780.45	135,686.25	7,890.50	127,795.75	166,941.09		
9/30/2017	393,795.22	213,396.97	180,398.25	172,766.98	36,080.18	-	144,308.07	153,416.18	9,051.55	144,364.63	129,488.00		
10/31/2017	434,064.78	256,219.76	177,845.02	187,814.29	25,190.48	3,571.44	149,083.10	184,457.00	10,882.96	173,574.04	150,932.49		
11/30/2017			-	163,784.51			-				144,190.22		
12/31/2017			-	202,887.40			-				133,490.85		
1/31/2018			-	185,586.06			-				167,815.18		
2/28/2018			-	154,965.64			-				123,383.39		
3/31/2018			-	208,554.49			-				117,973.66		
4/30/2018			-	182,733.35			-				131,626.80		
5/31/2018			-	194,318.43			-				152,248.76		
6/30/2018			-	177,800.79			-				115,848.47		
TOTAL:	1,772,974.17	1,004,443.99	768,530.18	776,225.08	185,941.08	7,612.03	574,977.07	639,707.52	37,378.49	602,329.03	594,773.15	New Revenue Change	1.27%
							-0.99%						

**NORTH COUNTY FIRE PROTECTION DISTRICT
COST RECOVERY FY 2018/2019**

<u>Month</u>	<u>Billed</u>	<u>Collected</u>	<u>YTD % Collected</u>	<u>Billing Fees</u>	<u>Net Revenue</u>	<u>FY 17/18 Net Revenue</u>
7/31/2018	12,030.00	11,415.00	94.89%	2,283.00	9,132.00	5,082.66
8/30/2018	6,942.00	6,412.35	92.37%	1,282.47	5,129.88	5,286.00
9/30/2018	8,525.00	8,288.00	97.22%	1,657.60	6,630.40	6,951.45
10/31/2018	7,948.00	7,829.24	98.51%	1,565.85	6,263.39	7,364.00
11/30/2018			#DIV/0!	-	-	5,664.64
12/31/2018			#DIV/0!	-	-	3,507.20
1/31/2019			#DIV/0!	-	-	4,669.95
2/28/2019			#DIV/0!	-	-	7,322.40
3/30/2019			#DIV/0!	-	-	7,275.52
4/30/2019			#DIV/0!	-	-	6,348.00
5/31/2019			#DIV/0!	-	-	3,159.60
6/30/2019			#DIV/0!	-	-	3,872.00
TOTAL:	35,445.00	33,944.59	95.77%	6,788.92	27,155.67	24,684.10
					Net Rev Increase	10.01%

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**NORTH COUNTY FIRE PROTECTION DISTRICT
MONTHLY INVESTMENT REPORT**

October 31, 2018

FALLBROOK	BALANCE	INTEREST RATE	
County of San Diego/General Fund - FBK	700,746.66	0.01%	Operating
County of San Diego/General Fund - RNBW	577,023.35	0.01%	Operating
County of San Diego/Capital Reserve	383,653.09	0.01%	Capital Reserves
County of San Diego/Fire Mitigation Fund - FBK	1,281,855.01	0.01%	Mitigation Fees
County of San Diego/Fire Mitigation Fund - RNBW	3,886.81	0.01%	Mitigation Fees
Local Agency Investment Fund	19,401.43	0.78%	LAIF
Workers' Comp JPA	462,473.71	0.26%	PASIS Funds
Bank of America/PASIS	41,212.84	0.01%	
First National/Benefit Fund	154,202.21	0.70%	
First National/Payroll	465,696.11	0.70%	
First National/Accounts Payable	95,277.67	0.70%	
First National/Accounts Receivable	417,215.37	0.70%	
Pacific Western Bank/Accounts Receivable	2,650,325.28	0.00%	
TOTAL	7,252,969.54		

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**NORTH COUNTY FIRE
PROTECTION DISTRICT
FIRE CHIEF/CEO**

TO: BOARD OF DIRECTORS
FROM: STEPHEN ABBOTT FIRE CHIEF/CEO
DATE: December 11, 2018
SUBJECT: STANDING ITEM: POLICIES AND PROCEDURES

1. None.

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**NORTH COUNTY FIRE
PROTECTION DISTRICT
FIRE CHIEF/CEO**

TO: BOARD OF DIRECTORS
FROM: CHIEF ABBOTT AND B/S STEPHEN-PORTER
DATE: DECEMBER 11, 2018
SUBJECT: SETTING OF YEARLY MEETING SCHEDULE

ACTION AGENDA

RECOMMENDATION:

To approve an amendment to the schedule of meetings for the Board of Directors of North County Fire Protection District for the year 2019, modifying several meeting dates, which were inadvertently mis-identified and approving a new start time.

DISCUSSION:

The Fallbrook Public Utility District Board Room continues to be an appropriate location for the North County Fire Protection District's Board business. At the October 23, 2018 meeting, the Board discussed moving the meeting start time to 4:00 p.m., rather than 5:00 p.m., which was approved by consensus as a trial. As requested, the Board Secretary has confirmed the room will be available for us at the 4:00 p.m. time.

An agreement on meeting dates for the year will allow the Board, Staff and public to anticipate and plan for attendance at meetings. Modification allows the Staff to post the meeting calendar on the District website before the beginning of the year and reserve the Board Room in advance with Fallbrook Public Utility District. The proposed meetings dates are:

MEETING DATES FOR 2019							
Month	Day	Month	Day	Month	Day	Month	Day
January	22	April	23	July	23	October	22
February	26	May	28	August	27	November	No Meeting
March	26	June	25	September	24	December	10

FISCAL ANALYSIS:

None.

SUMMARY:

It is recommended that the Board approve the meetings be continued at the FPUD, with a new start time of 4:00 p.m. as previously discussed, following the schedule outlined herein.

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NORTH COUNTY FIRE PROTECTION DISTRICT

ADMINISTRATIVE SERVICES

TO: BOARD OF DIRECTORS
FROM: DEPUTY CHIEF MAROVICH & CHIEF ABBOTT
DATE: DECEMBER 11, 2018
SUBJECT: FY 2017-2018 FINANCIAL AUDIT

ACTION AGENDA

RECOMMENDATION:

To review and accept the annual audit for fiscal year ending June 30, 2018 as presented.

BACKGROUND:

The District retains an independent firm to perform an audit of its financial records. Pursuant to Government code Section 26909, the audit will be filed with the County of San Diego Auditor & Controller, County of San Diego Office of Audits & Advisory Services, County of San Diego Property Tax Services Division and the California State Controller's Office.

DISCUSSION:

Nigro & Nigro, a professional accountancy corporation, conducted the annual audit for the District for fiscal year ending June 30, 2018.

FISCAL ANALYSIS:

The annual audit cost was \$13,000.

SUMMARY:

A member of Nigro & Nigro will give an overview of the audit and will be prepared to answer questions.



November 30, 2018

To the Board of Directors
North County Fire Protection District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of North County Fire Protection District for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 6, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by North County Fire Protection District are described in Note 1 to the financial statements. As described in Not 1.I. to the financial statements, the District changed accounting policies related to OPEB by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", in 2017-18. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the Statement of Activities. We noted no transactions entered into by North County Fire Protection District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the General Fund's financial statements were:

The most sensitive estimates affecting the Government-wide financial statements were:

Management has estimated accumulated depreciation and depreciation expense on capital assets using the straight-line method and estimated useful lives of the assets. In addition, the annual cost of providing Other Postemployment Benefits (OPEB) and the related liability is based upon data provided in the actuarial study dated June 30, 2018. We evaluated the key factors and assumptions used to develop the accumulated depreciation and depreciation expense on capital assets and the annual OPEB costs in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosure of the net pension liability, pension expense, and deferred outflows and inflows relating to pensions footnote in the financial statements is based on information provided to the District by CalPERS in their GASB 68 Accounting Valuation Report with a measurement dates of June 30, 2017.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 13, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Budgetary Comparison Schedules, Schedule of Changes in the District's Total OPEB Liability and Related Ratios, Schedule of Proportionate Share of the Net Pension Liability, and Schedule of Pension Contributions which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

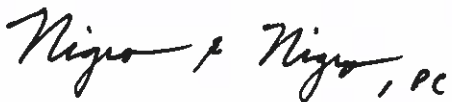
We were engaged to report on the Balance Sheets- Other Governmental Funds and Schedule of Revenues, Expenditures, and Changes in Fund Balance - Other Governmental Funds, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the North County Fire Protection District's Organization Structure which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of North County Fire Protection District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Nigro & Nigro, PC

**NORTH COUNTY FIRE PROTECTION DISTRICT
AUDIT REPORT
For the Fiscal Year Ended
June 30, 2018**



NORTH COUNTY FIRE PROTECTION DISTRICT
For the Fiscal Year Ended June 30, 2018
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Financial Section

INDEPENDENT AUDITORS' REPORT

Board of Directors
North County Fire Protection District
Fallbrook, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of North County Fire Protection District as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of North County Fire Protection District, as of June 30, 2018, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1.G.1. to the basic financial statements, the District has changed its method for accounting and reporting for postemployment benefits other than pensions during fiscal year 2017-18 due to the adoption of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". The adoption of this standard required retrospective application resulting in a \$1,644,960 reduction of previously reported net position at July 1, 2017. Our opinion is not modified with respect to this matter.

Other Matters*Required Supplementary Information*

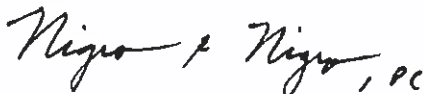
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 3 through 9, budgetary comparison information on pages 50 and 51, schedule of proportionate share of the net pension liability on page 52 schedule of contributions on page 53, and schedule of changes in the District's total OPEB liability and related ratios on page 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual non-major fund financial statements on pages 55 and 56 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a separate report dated November 13, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Murrieta, California
November 13, 2018

NORTH COUNTY FIRE PROTECTION DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2018

Management's Discussion and Analysis (MD&A) offers readers of North County Fire Protection District's financial statements a narrative overview of the District's financial activities for the fiscal year ended June 30, 2018. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to-prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's net position increased \$2,299,699 as a result of this year's operations.
- Total revenues from all sources increased by 11.5%, or \$2,043,379 from \$17,855,597 to \$19,898,976, from the prior year, primarily due to increases in charges for services of \$484,379, mitigation fees of \$624,614, and property taxes of \$733,498.
- Total expenses for the District's operations increased by 0.10% or \$173,914 from \$17,425,363 to \$17,599,277, from the prior year, primarily due to increases in operations, mainly increases in salaries and benefits.
- The District purchased new capital assets during the year in the amount of \$1,971,163. Depreciation expense was \$827,385.

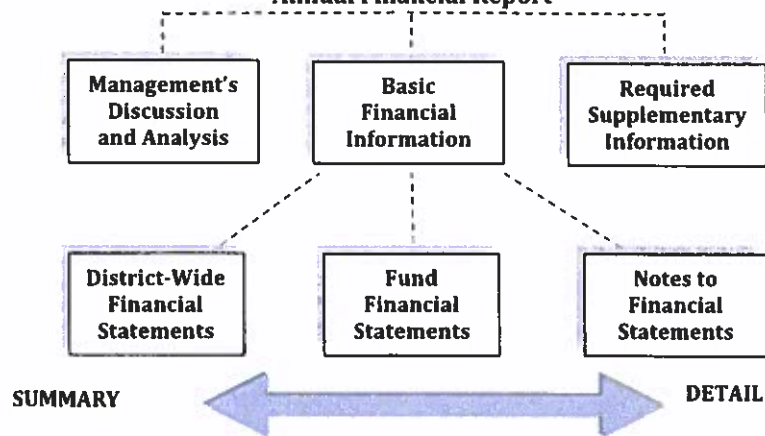
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - management discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- *District-wide financial statements* provide both short-term and long-term information about the District's overall financial status.
- *Fund financial statements* focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
 - The *governmental funds* statements tell how basic services were financed in the short term as well as what remains for future spending.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1. Organization of North County Fire Protection District's Annual Financial Report



NORTH COUNTY FIRE PROTECTION DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2018

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

Figure A-2. Major Features of the District-Wide and Fund Financial Statements

Type of Statements	District-Wide	Governmental Funds
<i>Scope</i>	Entire District	The activities of the District that are not proprietary or fiduciary, such as fire and ambulance services
<i>Required financial statements</i>	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures & Changes in Fund Balances
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

NORTH COUNTY FIRE PROTECTION DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2018

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

District-Wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how it has changed. Net position - the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources - is one way to measure the District's financial health, or *position*.

- Over time, increases and decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of buildings and other facilities.
- In the district-wide financial statements, the District's activities are categorized as *Governmental Activities*. Most of the District's basic services are included here, such as fire protection, medical transport, and administration. Local property taxes finance most of these activities.

GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

NORTH COUNTY FIRE PROTECTION DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2018

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION

Analysis of Net Position

Table A-1: Condensed Statement of Net Position

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Change</u>
Assets:			
Current assets	\$ 8,487,822	\$ 6,950,153	\$ 1,537,669
Capital assets, net	<u>11,990,947</u>	<u>10,847,169</u>	<u>1,143,778</u>
Total assets	<u>20,478,769</u>	<u>17,797,322</u>	<u>2,681,447</u>
Deferred outflows of resources	<u>7,907,719</u>	<u>6,853,890</u>	<u>1,053,829</u>
Liabilities:			
Current liabilities	2,254,096	1,911,791	342,305
Non-current liabilities	<u>36,544,385</u>	<u>32,829,291</u>	<u>3,715,094</u>
Total liabilities	<u>38,798,481</u>	<u>34,741,082</u>	<u>4,057,399</u>
Deferred inflows of resources	<u>872,636</u>	<u>1,849,498</u>	<u>(976,862)</u>
Net position (Deficit):			
Net investment in capital assets	5,667,227	5,353,227	314,000
Restricted	1,688,502	1,033,825	654,677
Unrestricted (Deficit)	<u>(18,640,358)</u>	<u>(18,326,420)</u>	<u>(313,938)</u>
Total net position (deficit)	<u>\$ (11,284,629)</u>	<u>\$ (11,939,368)</u>	<u>\$ 654,739</u>

At the end of fiscal year 2018, the District shows a deficit balance in its unrestricted net position of \$11,284,629.

Analysis of Revenues and Expenses

Table A-2: Condensed Statements of Activities

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Change</u>
Program revenues	\$ 4,876,602	\$ 3,723,753	\$ 1,152,849
Expenses	<u>(17,599,277)</u>	<u>(17,425,363)</u>	<u>(173,914)</u>
Net program expense	<u>(12,722,675)</u>	<u>(13,701,610)</u>	<u>978,935</u>
General revenues	<u>15,022,374</u>	<u>14,131,844</u>	<u>890,530</u>
Change in net position	<u>2,299,699</u>	<u>430,234</u>	<u>1,869,465</u>
Net position:			
Beginning of year	<u>(13,584,328)</u>	<u>(12,369,602)</u>	<u>(1,214,726)</u>
End of year	<u>\$ (11,284,629)</u>	<u>\$ (11,939,368)</u>	<u>\$ 654,739</u>

NORTH COUNTY FIRE PROTECTION DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2018

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)

Analysis of Revenues and Expenses (continued)

The statement of activities shows how the government's net position changed during the fiscal year. In the case of the District, the operations of the District increased by \$2,299,699.

Table A-3: Total Revenues

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Increase (Decrease)</u>
Program revenues:			
Charges for services	\$ 3,283,297	\$ 2,798,918	\$ 484,379
Mitigation fees	690,030	65,416	624,614
Annexation fees	-	75,000	(75,000)
Operating and capital grant funding	903,275	784,419	118,856
Total program revenues	<u>4,876,602</u>	<u>3,723,753</u>	<u>1,152,849</u>
General revenues:			
Property taxes	14,398,961	13,665,463	733,498
Rental income - cellular towers	88,655	90,936	(2,281)
Investment earnings	59,832	31,586	28,246
Other revenues	474,926	343,859	131,067
Total general revenues	<u>15,022,374</u>	<u>14,131,844</u>	<u>890,530</u>
Total revenues	<u>\$ 19,898,976</u>	<u>\$ 17,855,597</u>	<u>\$ 2,043,379</u>

Total revenues from all sources increased by 11.5%, or \$2,043,379 from \$17,855,597 to \$19,898,976, from the prior year primarily due to increases in charges for services of \$484,379, mitigation fees of \$624,614, and property taxes of \$733,498.

Table A-4: Total Expenses

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Increase (Decrease)</u>
Expenses:			
Operations	\$ 16,521,363	\$ 16,331,365	\$ 189,998
Depreciation expense	827,385	865,123	(37,738)
Interest expense	250,529	228,875	21,654
Total expenses	<u>\$ 17,599,277</u>	<u>\$ 17,425,363</u>	<u>\$ 173,914</u>

Total expenses on a full-accrual basis for the District's operations increased by 0.10% or \$173,914 from \$17,425,363 to \$17,599,277, from the prior year, primarily due to increases in operations, mainly increases in salaries and benefits.

NORTH COUNTY FIRE PROTECTION DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2018

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, the *unreserved fund balance* may serve as a useful measure of the government's net resources for spending at the end of the fiscal year.

As of June 30, 2018, the District reported a total fund balance of \$7,735,932. An amount of \$5,318,214 constitutes the District's *unassigned fund balance*.

Table A-5: Governmental Funds Total Expenditures Analysis

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Increase (Decrease)</u>
Expenditures:			
Fire protection and medical transport:			
Salaries and wages	\$ 9,828,013	\$ 8,665,437	\$ 1,162,576
Employee benefits	4,111,569	4,469,159	(357,590)
Contracted service costs	420,912	133,179	287,733
Materials and services	2,540,074	2,810,123	(270,049)
Capital outlay	1,971,163	585,621	1,385,542
Debt service:			
Principal	373,553	276,693	96,860
Interest	251,887	228,643	23,244
Total expenditures	<u>\$ 19,497,171</u>	<u>\$ 17,168,855</u>	<u>\$ 2,328,316</u>

Expenditures on a governmental fund basis remained similar between the two years except for an increase in salaries and wages of \$1,162,576 and an increase in capital outlay of \$1,368,016 for the purchase of the administration building and various equipment.

OPERATIONS FUND BUDGETARY HIGHLIGHTS

The final budgeted expenditures for the District's operational fund at year-end were \$1,529,412 less than actual. Actual revenues were greater than the anticipated budget by \$1,368,016.

NORTH COUNTY FIRE PROTECTION DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2018

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2017-18 the District had invested \$1,971,163 in new capital assets, related to the purchase of the administration building and equipment purchases. (More detailed information about capital assets can be found in Note 6 to the financial statements). Total depreciation expense for the year was \$827,385.

Table A-5: Capital Assets at Year End, Net of Depreciation

	Balance July 1, 2017	Additions	Transfers/ Deletions	Balance June 30, 2018
Capital assets:				
Non-depreciable assets	\$ 612,639	\$ 312,921	\$ -	\$ 925,560
Depreciable assets	20,947,044	1,658,242	(578,826)	22,026,460
Accumulated depreciation	(10,712,514)	(827,385)	578,826	(10,961,073)
Total capital assets, net	\$ 10,847,169	\$ 1,143,778	\$ -	\$ 11,990,947

Long-Term Debt

At year-end the District had \$6,323,720 in outstanding long-term debt - an increase of 15.1% from last year - as shown in Table A-6. (More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements).

Table A-6: Outstanding Long-Term Debt at Year-End

Balance July 1, 2017	Additions	Principal Payments	Balance June 30, 2018
\$ 5,493,942	\$ 1,203,331	\$ (373,553)	\$ 6,323,720

FACTORS AFFECTING CURRENT FINANCIAL POSITION

Management has identified conditions exist that could significantly impact the District's current financial and net positions. The District needs to identify funding for future acquisitions as outlined in the District's Capital Equipment replacement plan for both apparatus and facilities. The specific designated funds for such projects were depleted in the past recession with no identified monies to replenish. The District's retirement system through CalPERS is another future uncertainty with ballooning costs due to poor CalPERS return on investments (ROI), adjustments due to retirees living longer, and anticipated changes in assumption rates. In addition, anticipated potential increases in cost for healthcare due to the President's administration changes to the Affordable Care Act (ACA).

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The District's basic financial statements are designed to present users with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about the report or need additional information, please contact the District's Fire Chief at the North County Fire Protection District at 330 South Main Avenue, Fallbrook, California 92028 or (760) 723-2005.

NORTH COUNTY FIRE PROTECTION DISTRICT
Statement of Net Position
June 30, 2018

ASSETS	Governmental Activities
Current assets:	
Cash and investments (Note 2)	\$ 6,808,167
Accrued interest receivable	21,807
Accounts receivable - ambulance billings, net (Note 3)	616,762
Property taxes receivable	56,452
Mitigation fees receivable	126,474
Other receivables	252,265
Deposits with Public Agencies Self-Insurance System	459,081
Prepaid items	146,814
Total current assets	8,487,822
Non-current assets:	
Capital assets - not being depreciated (Note 6)	925,560
Capital assets - being depreciated, net (Note 6)	11,065,387
Total non-current assets	11,990,947
Total assets	20,478,769
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions (Note 10)	7,907,719
Total deferred outflows of resources	7,907,719
LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	137,496
Accrued payroll and related liabilities	593,393
Unearned revenue	21,001
Accrued interest payable	42,176
Long-term liabilities - due in one year:	
Compensated absences (Note 8)	1,000,000
Long-term debt (Note 7)	460,030
Total current liabilities	2,254,096
Non-current liabilities:	
Long-term liabilities - due in more than one year:	
Compensated absences (Note 8)	1,023,321
Long-term debt (Note 7)	5,863,690
Workers' compensation claims payable (Note 9)	2,749,945
Net other post-employment benefits obligation (Note 11)	2,237,699
Net pension liability (Note 10)	23,803,269
Pension-related debt - CalPERS side-fund liability (Note 10)	866,461
Total non-current liabilities	36,544,385
Total liabilities	38,798,481
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions (Note 10)	872,636
Total deferred inflows of resources	872,636
NET POSITION	
Net investment in capital assets (Note 5)	5,667,227
Restricted (Note 5)	1,688,502
Unrestricted (Deficit) (Note 5)	(18,640,358)
Total net position	\$ (11,284,629)

The notes to financial statements are an integral part of this statement.

NORTH COUNTY FIRE PROTECTION DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2018

	<u>Governmental Activities</u>
EXPENSES:	
Fire protection, prevention and emergency medical transport:	
Operations	\$ 16,521,363
Depreciation expense	827,385
Interest expense	250,529
Total expenses	<u>17,599,277</u>
PROGRAM REVENUES:	
Charges for services:	
Ambulance services	1,835,405
Fire services – California Office of Emergency Services	1,084,976
Fire prevention	333,309
Mitigation fees	690,030
Administration	29,607
Operating and capital grant funding	903,275
Total program revenues	<u>4,876,602</u>
Net program expense	<u>(12,722,675)</u>
GENERAL REVENUES:	
Property taxes	14,398,961
Rental income – cellular towers	88,655
Investment earnings	59,832
Other revenues	474,926
Total general revenues	<u>15,022,374</u>
Change in net position	<u>2,299,699</u>
Net Position:	
Beginning of year (Deficit), as originally stated	(11,939,368)
Prior period adjustment - change in accounting principle (Note 1.G.1.)	(1,644,960)
Beginning of year (Deficit), as adjusted	<u>(13,584,328)</u>
End of year (Deficit)	<u>\$ (11,284,629)</u>

The notes to financial statements are an integral part of this statement.

NORTH COUNTY FIRE PROTECTION DISTRICT
Balance Sheet – Governmental Funds
June 30, 2018

ASSETS	General Fund	Fire Mitigation Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and investments	\$ 5,253,902	\$ 953,789	\$ 600,476	\$ 6,808,167
Accrued interest receivable	14,431	4,886	2,490	21,807
Accounts receivable – ambulance billings, net	616,762	-	-	616,762
Property taxes receivable	55,431	-	1,021	56,452
Mitigation fees receivable	-	126,474	-	126,474
Other receivables	252,265	-	-	252,265
Deposits with Public Agencies Self-Insurance System	459,081	-	-	459,081
Prepaid items	146,814	-	-	146,814
Due from other funds (Note 4)	1,900,000	-	-	1,900,000
Total assets	\$ 8,698,686	\$ 1,085,149	\$ 603,987	\$ 10,387,822
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	\$ 136,862	\$ -	\$ 634	\$ 137,496
Accrued payroll and related liabilities	593,393	-	-	593,393
Unearned revenue	21,001	-	-	21,001
Due to other funds (Note 4)	-	1,900,000	-	1,900,000
Total liabilities	751,256	1,900,000	634	2,651,890
Fund Balances: (Note 5)				
Nonspendable	146,814	-	-	146,814
Restricted	-	1,085,149	603,353	1,688,502
Assigned	2,482,402	-	-	2,482,402
Unassigned	5,318,214	(1,900,000)	-	3,418,214
Total fund balance	7,947,430	(814,851)	603,353	7,735,932
Total liabilities and fund balance	\$ 8,698,686	\$ 1,085,149	\$ 603,987	\$ 10,387,822

The notes to financial statements are an integral part of this statement.

NORTH COUNTY FIRE PROTECTION DISTRICT

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2018

Fund Balances – Governmental Funds	\$ 7,735,932
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those assets as capital assets.	11,990,947
Deferred outflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those deferred outflows of resources.	7,907,719
Long-term liabilities applicable to the District are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position as follows:	
Accrued interest payable	(42,176)
Compensated absences	(2,023,321)
Long-term debt	(6,323,720)
Workers' compensation claims payable	(2,749,945)
Net other post-employment benefits payable	(2,237,699)
Net pension liability	(23,803,269)
Pension-related debt – CalPERS side-fund liability	(866,461)
Deferred inflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those deferred inflows of resources.	(872,636)
Total adjustments	<u>(19,020,561)</u>
Net Position of Governmental Activities	<u>\$ (11,284,629)</u>

The notes to financial statements are an integral part of this statement.

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NORTH COUNTY FIRE PROTECTION DISTRICT

*Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2018*

	General Fund	Fire Mitigation Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:				
Property taxes	\$ 14,135,919	\$ -	\$ 263,042	\$ 14,398,961
Charges for services:				
Ambulance services	1,835,405	-	-	1,835,405
Fire services - CA Office of Emergency Services	1,084,976	-	-	1,084,976
Fire prevention	333,309	-	-	333,309
Mitigation fees	-	690,030	-	690,030
Administration	29,607	-	-	29,607
Operating and capital grant funding	903,275	-	-	903,275
Rental income - cellular towers	88,655	-	-	88,655
Investment earnings	47,522	7,895	4,415	59,832
Other revenues	474,926	-	-	474,926
Total revenues	18,933,594	697,925	267,457	19,898,976
EXPENDITURES:				
Fire protection and emergency medical transportation:				
Salaries and wages	9,828,013	-	-	9,828,013
Employee benefits	4,111,569	-	-	4,111,569
Contracted service costs	367,948	-	52,964	420,912
Materials and services	2,460,857	-	79,217	2,540,074
Capital outlay	1,971,163	-	-	1,971,163
Debt service:				
Principal	373,553	-	-	373,553
Interest	251,887	-	-	251,887
Total expenditures	19,364,990	-	132,181	19,497,171
REVENUES OVER(UNDER) EXPENDITURES	(431,396)	697,925	135,276	401,805
OTHER FINANCING SOURCES(USES):				
Issuance of debt - capital leases	1,203,331	-	-	1,203,331
Total other financing sources(uses)	1,203,331	-	-	1,203,331
Net Changes in Fund Balance	771,935	697,925	135,276	1,605,136
FUND BALANCE:				
Beginning of year	7,175,495	(1,512,776)	468,077	6,130,796
End of year	\$ 7,947,430	\$ (814,851)	\$ 603,353	\$ 7,735,932

NORTH COUNTY FIRE PROTECTION DISTRICT

*Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Statement of Activities
For the Fiscal Year Ended June 30, 2018*

Net Change in Fund Balances – Governmental Funds \$ 1,605,136

Amounts reported for governmental activities in the statement of activities is different because:

Some expenses reported in the statement of activities do not require the use of current financial resources. Therefore, those expenses are not reported as expenditures in governmental funds as follows:

Change in compensated absences	39,235
Change in accrued interest payable	1,358
Change in workers' compensation claims payable	1,391,323
Change in net other post-employment benefits obligations	(180,388)
Change in net pension liability	(870,965)

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those capitalized assets is allocated over their estimated useful lives as depreciation expense.

Capital outlay	1,971,163
Depreciation expense	(827,385)

Principal repayment of long-term debt obligations are reported as expenditures in governmental funds. However, principal repayments reduce liabilities in the statement of net position and do not result in expenses in the statement of activities.

373,553

Proceeds from issuance of debt are reported as other financing sources in governmental funds and thus contribute to the change in fund balances. In the government-wide statements, however, issuance of debt increases long-term liabilities in the statement of net position and does not affect the statement of activities.

(1,203,331)

Total adjustments

694,563

Change in Net Position of Governmental Activities

\$ 2,299,699

NORTH COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Description of Organization

The North County Fire Protection District (the District) provides fire and emergency medical services to the taxpayers and residents in the Fallbrook, Rainbow, and Bonsall communities of northern San Diego County. The District's governmental powers are exercised through a five-member board of directors.

B. Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, and agencies that are not legally separate from the District.

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete.

The District has identified no organizations that are required to be reported as component units.

C. Basis of Presentation, Basis of Accounting

1. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the primary government (the District) and its component units. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, other nonexchange transactions, and charges for services.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Major Governmental Funds

The District maintains the following major governmental funds:

General Fund: This fund is used to account for all financial resources of the District, except those required to be accounted for in another fund when necessary.

NORTH COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

Non-Major Governmental Funds

Special Revenue Funds:

Fire Mitigation Fund: This fund is used to account for fees collected from builders in the service area that are restricted for the purchase of new capital assets when those assets are needed due to population and infrastructure growth in the service area.

Other Governmental Funds:

Rainbow Subzone-Operations Fund: This fund is used to account for revenues collected and restricted for expenditures made in the Rainbow Subzone service area.

The Rainbow Subzone-Fire Mitigation Fund: This fund is used to account for fees collected from builders in the service area that are restricted for the purchase of new capital assets that are needed due to population and infrastructure growth in the Rainbow Subzone service area.

2. Measurement Focus, Basis of Accounting

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and financing from capital leases are reported as other financing sources.

NORTH COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation, Basis of Accounting (continued)

3. Revenues- Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year. Generally, available is defined as collectible within 60 days.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Cash and Investments

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

Investments are reported at fair value except for short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

In accordance with fair value measurements, the District categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The District has the ability to access the holding and quoted prices as of the measurement date.

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

NORTH COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

1. Cash and Investments (continued)

Level 3 – Inputs that are unobservable. Unobservable inputs reflect the District’s own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

2. Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable – ambulance billings consist of amounts owed by individuals for services rendered for ambulance transport. Uncollectable accounts are based on prior experience and management’s assessment of the collectability of existing accounts. As of June 30, 2018, an allowance for doubtful accounts has been recorded for those uncollectable accounts (see Note 3).

3. Capital Assets

Capital assets are stated at cost or at their estimated fair value at date of donation. It is the District’s policy to capitalize assets costing over \$5,000. The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets.

Estimated service lives for the District’s classes of assets are as follows:

<u>Description</u>	<u>Estimated Lives</u>
Structures and Improvements	10-50 years
Hydrants	10 years
Equipment and Vehicles	5-20 years

4. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

5. Compensated Absences

The District’s policy is to permit full time employees to accumulate earned vacation time and sick leave. Earned vacation time shall be earned by each employee subject to the accrual limitations and policies as defined by District policies. Such unused compensation is calculated at the employees’ then prevalent hourly rate at the time of retirement or termination. Whereas vacation time is compensated at 100% of accumulated hours, sick leave is accrued and compensated only at retirement or termination based on the years of employment.

NORTH COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

6. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan and addition to/deductions from the Plans fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

7. Net Position

Net position is classified into three components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- **Restricted** - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

8. Fund Balances

The fund balance for governmental funds is reported in classifications based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Nonspendable: Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid assets.

Restricted: Fund balance is reported as restricted when the constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provision or by enabling legislation.

NORTH COUNTY FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2018

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

8. Fund Balances (continued)

Committed: The District's highest decision-making level of authority rests with the District's Board. Fund balance is reported as committed when the Board passes a resolution that places specified constraints on how resources may be used. The Board can modify or rescind a commitment of resources through passage of a new resolution.

Assigned: Resources that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

Unassigned: Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the District for any purpose. When expenditures are incurred, and both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

F. Property Taxes

The San Diego County Assessor's Office assesses all real and personal property within the County each year. The San Diego County Tax Collector's Office bills and collects the District's share of property taxes and voter-approved taxes. The San Diego County Auditor-Controller's Office remits current property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article XIII A of the State Constitution at one percent (1%) of countywide assessed valuations.

Property taxes receivable at year-end are related to property taxes collected by San Diego County, which have not been credited to the District's cash balance as of June 30. The property tax calendar is as follows:

Lien date	March 1
Levy date	July 1
Due dates	November 1 and March 1
Collection dates	December 10 and April 10

Property taxes levied are recorded as revenue when received, in the fiscal year of levy, because of the adoption of the *alternate method of property tax distribution* known as the Teeter Plan, by the District and San Diego County. The Teeter Plan authorizes the County Auditor-Controller to allocate 100% of the secured property tax billed but not yet received or paid to the District. San Diego County remits tax proceeds to the District in installments during the fiscal year.

NORTH COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

G. New GASB Pronouncements

During the 2017-18 fiscal year, the following GASB Pronouncements became effective:

1. In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits, or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

2. In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period.
3. In March 2017, the GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). Specifically, this Statement addresses the following topics:
 - Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation
 - Reporting amounts previously reported as goodwill and “negative” goodwill
 - Classifying real estate held by insurance entities
 - Measuring certain money market investments and participating interest-earning investment contracts at amortized cost
 - Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus
 - Recognizing on-behalf payments for pensions or OPEB in employer financial statements

NORTH COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

G. New GASB Pronouncements (continued)

- Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB
 - Classifying employer-paid member contributions for OPEB
 - Simplifying certain aspects of the alternative measurement method for OPEB
 - Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.
4. In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources-resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

NOTE 2 - CASH AND INVESTMENTS

Cash and investments at June 30, 2018, consisted of the following:

<u>Description</u>	<u>Balance</u>
Cash on hand	\$ 118
Demand deposits held with financial institutions	3,208,926
Investments	<u>3,599,123</u>
Total cash and investments	<u>\$ 6,808,167</u>

Demand Deposits

At June 30, 2018, the carrying amount of the District's demand deposits was \$3,208,926, and the financial institutions balances totaled \$3,716,285. The \$507,359 net difference represents outstanding checks, deposits-in-transit and/or other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure an entity's deposits by pledging government securities with a value of 110% of an entity's deposits. California law also allows financial institutions to secure entity deposits by pledging first trust deed mortgage notes having a value of 150% of an entity's total deposits. The entity's Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized agent of depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an agent of depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an agent of depositor has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California agents of depository are considered to be held for, and in the name of, the local government.

NORTH COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 2 – CASH AND INVESTMENTS (continued)

Custodial Credit Risk

The custodial credit risk for *deposits* is the risk that in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District’s investment policy requires that collateral be held by an independent third party with whom the District has a current custodial agreement.

The custodial credit risk for *investments* is the risk that in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The District’s investment policy requires that all security transactions are conducted on a delivery-versus-payment (DVP) method and that all securities are held by a qualified, third-party custodian, as evidenced by safekeeping receipts. The trust department of the District’s bank may act as third-party custodian, provided that the custodian agreement is separate from the banking agreement. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government’s indirect investment in securities through the use of mutual funds or government investment pools (such as SDCPIF).

As of June 30, 2018, approximately \$3.1 million of the District’s deposits were exposed to disclosable custodial credit risk because they were in excess of FDIC limits.

Investments

Investments as of June 30, 2018, consisted of the following:

<u>Investments</u>	<u>Measurement Input</u>	<u>Credit Rating</u>	<u>Fair Value June 30, 2018</u>	<u>Maturity 12 Months or Less</u>
California Local Agency Investment Fund (LAIF)	Level 2	Not Rated	\$ 19,169	\$ 19,169
San Diego County Pooled Investment Fund (SDCPIF)	Level 2	AAAf/S1	3,579,954	3,579,954
Total investments			<u>\$ 3,599,123</u>	<u>\$ 3,599,123</u>

Investments Authorized by the California Government Code and District’s Investment Policy

The District has adopted an investment policy which allows deposits into financial institutions, LAIF, and the San Diego County Treasury’s Pooled Investment Fund. Investment types are authorized by the California Government Code Section 53600 et seq. and Section 5922(d).

California Local Agency Investment Fund (LAIF)

The District is a voluntary participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District’s investment in this pool is reported in the accompanying financial statements at amounts based upon the District’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The District’s investments with LAIF at June 30, 2018, included a portion of the pool funds invested in structured notes and asset-backed securities:

Structured Notes: debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

NORTH COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 2 – CASH AND INVESTMENTS (continued)

California Local Agency Investment Fund (LAIF) (continued)

Asset-Backed Securities: generally mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2018, the District had \$19,169 invested in LAIF, which had invested 2.67% of the pool investment funds in structured notes and medium-term asset-backed securities. The LAIF fair value factor of 0.99813 was used to calculate the fair value of the investments in LAIF.

San Diego County Pooled Investment Fund

The SDPIF is a local government investment pool managed by the County Treasurer's Office on behalf of the Investment Pool participants. Depositors in the Investment Pool include both mandatory participants, agencies that place their funds in the Investment pool as an investment option. Voluntary participants, including cities, fire districts, and various special districts accounted for approximately 7.88% of the Investment Pool as of June 30, 2018.

Pursuant to Section 27130-27137 of the California Government Code, the County Board of Supervisors has established the Treasurer's Oversight Committee (TOC) that monitors and reviews the Investment Policy. The TOC consists of members appointed from the districts or offices that they represent, and up to five members of the public having expertise in, or an academic background in public finance.

To mitigate credit risk, the Investment Pool's Investment Policy, which is more restrictive than the Government Code, places a minimum standard on the ratings of investments held in the Investment Pool. Investments in securities other than those guaranteed by the U.S. Treasury or Government Sponsored Enterprises must have a credit rating of no less than "A" for long-term or "A1" for short-term. Non-rated securities include sweep accounts, collateralized certificates of deposit and repurchase agreements. Sweep accounts and collateralized certificates of deposit must be FDIC insured and collateralized with securities held by a named agent of the depository. Repurchase agreements are collateralized by securities, authorized by the California Government Code Section 53601, having fair market value of 102% or greater than the amount of the repurchase agreement. The Investment Pool does not hold any investments in structured notes.

The District's investments with the County Treasurer's Office include a portion of the pooled funds invested in asset-backed securities. As of June 30, 2018, the District had \$3,579,954 invested with the SDPIF, which had invested 2.11% of the pool investment funds in asset-backed securities.

SDPIF has indicated to the District as of June 30, 2018, the value of its portfolio approximated \$9.95 billion and the portfolio holds some derivative products. The SDPIF fair value factor of 0.99264 was used to calculate the fair value of the investments in SDPIF as of June 30, 2018.

Fair Value Measurement Input

The District categorizes its fair value measurement inputs within the fair value hierarchy established by generally accepted accounting principles. The District has presented its measurement inputs as noted in the previous table.

NORTH COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 2 - CASH AND INVESTMENTS (continued)

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of June 30, 2018, the District's investment in the SDCPIF was rated by Standard & Poor's as AAf/S1 as noted in the table above.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with longer maturities have greater sensitivity to changes in market interest rates. The District's investment policy follows the Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The District has elected to use the segmented time distribution method of disclosure for the maturities of its investments as related to interest rate risk as noted in the table above.

Concentration of Credit Risk

The District's investment policy contains no limitations on the amount that can be invested in any one governmental agency or non-governmental issuer beyond that stipulated by the California Government Code. There were no investments in any one governmental or non-governmental issuer that represented 5% or more of the District's total investments except for those in the SDCPIF.

NOTE 3 - ACCOUNTS RECEIVABLE - AMBULANCE BILLINGS, NET

Accounts receivable - ambulance billings, net as of June 30, 2018, consisted of the following:

<u>Description</u>	<u>Balance</u>
Accounts receivable - ambulance billings	\$ 1,116,762
Allowance for doubtful accounts	<u>(500,000)</u>
Total accounts receivable - ambulance billings, net	<u>\$ 616,762</u>

NOTE 4 - INTERFUND TRANSACTIONS

Balances Due To/From Other Funds

Balances due to/from other funds at June 30, 2018, consisted of the Fire Mitigation Fund owing \$1,900,000 to the General Fund for borrowing related to the construction of Station No. 5.

NORTH COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 5 - NET POSITION AND FUND BALANCES

A. Net Position

Net investment in capital assets as of June 30, 2018, consisted of the following:

<u>Description</u>	<u>Balance</u>
Capital assets - not being depreciated	\$ 925,560
Capital assets - being depreciated, net	11,065,387
Long-term debt obligations payable - current portion	(460,030)
Long-term debt obligations payable - noncurrent portion	<u>(5,863,690)</u>
Total net investment in capital assets	<u>\$ 5,667,227</u>

The District has constraints placed on its net position totaling \$1,688,502 through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

As of June 30, 2018, the District has an unrestricted net position deficit of (\$18,640,358). The unrestricted net position deficit resulted from the reporting of the District's net pension liability, the pension-related debt - CalPERS side-fund liability, and the deferred inflows of resources - deferred amounts related to net pension liability per GASB No. 68. At June 30, 2018, the District's net pension liability amounted to \$23,803,269, the pension-related debt - CalPERS side-fund liability amounted to \$866,461, and the deferred inflows of resources related to net pension liability amounted to \$872,636, which totals \$25,542,366. The District will continue to make its actuarial determined contributions to CalPERS and annually review its outstanding net pension obligation funding requirements.

B. Fund Balances

At June 30, 2018, fund balances of the District's governmental funds were classified as follows:

<u>Description</u>	<u>General Fund</u>	<u>Fire Mitigation Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Nonspendable:				
Prepaid items	\$ 146,814	-	-	\$ 146,814
Restricted:				
Fallbrook - mitigation	-	1,085,149	-	1,085,149
Rainbow subzone - operations	-	-	599,498	599,498
Rainbow subzone - mitigation	-	-	3,855	3,855
Total restricted	<u>-</u>	<u>1,085,149</u>	<u>603,353</u>	<u>1,688,502</u>
Assigned:				
Deposits with Public Agencies Self-Insurance System	459,081	-	-	459,081
Compensated absences	2,023,321	-	-	2,023,321
Total assigned	<u>2,482,402</u>	<u>-</u>	<u>-</u>	<u>2,482,402</u>
Unassigned	5,318,214	(1,900,000)	-	3,418,214
Total fund balances	<u>\$ 7,947,430</u>	<u>\$ (814,851)</u>	<u>\$ 603,353</u>	<u>\$ 7,735,932</u>

NORTH COUNTY FIRE PROTECTION DISTRICT
Notes to Financial Statements
 June 30, 2018

NOTE 6 - CAPITAL ASSETS

Changes in capital assets for the year were as follows:

	Balance July 1, 2017	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2018
Non-depreciable capital assets:				
Land	\$ 612,639	\$ 270,000	\$ -	\$ 882,639
Construction-in-process	-	42,921	-	42,921
Total non-depreciable capital assets	<u>612,639</u>	<u>312,921</u>	<u>-</u>	<u>925,560</u>
Depreciable capital assets:				
Structures and improvements	10,327,984	669,750	(170,050)	10,827,684
Hydrants	267,523	-	-	267,523
Equipment and vehicles	10,351,537	988,492	(408,776)	10,931,253
Total depreciable capital assets	<u>20,947,044</u>	<u>1,658,242</u>	<u>(578,826)</u>	<u>22,026,460</u>
Accumulated depreciation:				
Structures and improvements	(3,542,993)	(223,310)	170,050	(3,596,253)
Hydrants	(267,523)	-	-	(267,523)
Equipment and vehicles	(6,901,998)	(604,075)	408,776	(7,097,297)
Total accumulated depreciation	<u>(10,712,514)</u>	<u>(827,385)</u>	<u>578,826</u>	<u>(10,961,073)</u>
Total depreciable capital assets, net	<u>10,234,530</u>	<u>830,857</u>	<u>-</u>	<u>11,065,387</u>
Total capital assets, net	<u>\$ 10,847,169</u>	<u>\$ 1,143,778</u>	<u>\$ -</u>	<u>\$ 11,990,947</u>

NOTE 7 - LONG-TERM DEBT OBLIGATIONS PAYABLE

Changes in loan payable amounts for the year ended June 30, 2018, were as follows:

<u>Long-Term Debt</u>	Balance July 1, 2017	Additions	Payments	Balance June 30, 2018	Current Portion	Long-term Portion
Bond payable - Station No. 5	\$ 2,757,000	\$ -	\$ (116,000)	\$ 2,641,000	\$ 123,000	\$ 2,518,000
Capital lease payable - ambulance I	170,870	-	(41,013)	129,857	42,129	87,728
Capital lease payable - ambulance II	208,592	-	(39,172)	169,420	40,406	129,014
Capital lease payable - EKG monitors	-	303,331	-	303,331	60,666	242,665
Loan payable - solar project I	415,056	-	(31,335)	383,721	31,649	352,072
Loan payable - solar project II	217,099	-	(10,430)	206,669	10,535	196,134
Note payable - Station No. 5	1,725,325	-	(89,054)	1,636,271	94,019	1,542,252
Loan payable - administrative building	-	900,000	(46,549)	853,451	57,626	795,825
	<u>\$ 5,493,942</u>	<u>\$ 1,203,331</u>	<u>\$ (373,553)</u>	<u>\$ 6,323,720</u>	<u>\$ 460,030</u>	<u>\$ 5,863,690</u>

NORTH COUNTY FIRE PROTECTION DISTRICT
Notes to Financial Statements
Years Ended June 30, 2018

NOTE 7 – LONG-TERM DEBT OBLIGATIONS PAYABLE (continued)

Bond Payable

On September 9, 2013, the District issued bonds for the par amount of \$3,126,000. The proceeds are being used for the ongoing construction at station no. 5. The bond's coupon rate is at 4.35% per annum, and matures on September 1, 2033, with annual debt service payments which include principal and interest. The loan is payable until September 2033. Future remaining payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 123,000	\$ 113,557	\$ 236,557
2020	129,000	108,163	237,163
2021	133,000	102,508	235,508
2022	139,000	96,657	235,657
2023	146,000	90,545	236,545
2024-2028	829,000	350,936	1,179,936
2029-2033	1,028,000	151,858	1,179,858
2034	114,000	2,480	116,480
Total	2,641,000	\$ 1,016,704	\$ 3,657,704
Current	(123,000)		
Long-term	\$ 2,518,000		

Capital Lease Payable - Ambulance I

The District entered into a capital lease for the purchase of an ambulance for \$205,444 at a 2.72% interest rate. Annual principal and interest payments are due on February 25 each year. Future remaining payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 42,129	\$ 3,532	\$ 45,661
2020	43,275	2,386	45,661
2021	44,453	1,209	45,662
Total	129,857	\$ 7,127	\$ 136,984
Current	(42,129)		
Long-term	\$ 87,728		

NORTH COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

Years Ended June 30, 2018

NOTE 7 - LONG-TERM DEBT OBLIGATIONS PAYABLE (continued)

Capital Lease Payable - Ambulance II

The District entered into a capital lease for the purchase of an ambulance for \$208,592 at a 3.15% interest rate. Annual principal and interest payments are due on March 1 each year. Future remaining payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 40,406	\$ 5,337	\$ 45,743
2020	41,678	4,064	45,742
2021	42,991	2,751	45,742
2022	44,345	1,397	45,742
Total	169,420	\$ 13,549	\$ 182,969
Current	(40,406)		
Long-term	\$ 129,014		

Capital Lease Payable - EKG Monitors

The District entered into a capital lease for the purchase of ten EKG monitors for \$303,331 with no interest. Annual principal payments are due on August 1 of each year through 2022. Future remaining payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>
2019	\$ 60,666
2020	60,666
2021	60,667
2022	60,666
2023	60,666
Total	303,331
Current	(60,666)
Long-term	\$ 242,665

NORTH COUNTY FIRE PROTECTION DISTRICT
Notes to Financial Statements
Years Ended June 30, 2018

NOTE 7 – LONG-TERM DEBT OBLIGATIONS PAYABLE (continued)

Loan Payable - Solar Project I

In April 2015, the District purchased a solar power system from the State of California-Energy Resources Conservation and Development Commission for \$475,241, with a loan payable for \$475,241 at a 1.0% interest rate per annum. Principal and interest payments are \$17,704 semi-annually on December 22 and June 22. The loan is payable until December 2029. Future remaining payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 31,649	\$ 3,758	\$ 35,407
2020	31,957	3,450	35,407
2021	32,287	3,120	35,407
2022	32,610	2,797	35,407
2023	32,937	2,470	35,407
2024-2028	169,697	7,340	177,037
2029-2030	52,584	527	53,111
Total	383,721	<u>\$ 23,462</u>	<u>\$ 407,183</u>
Current	<u>(31,649)</u>		
Long term	<u>\$ 352,072</u>		

Loan Payable - Solar Project II

In fiscal year 2017, the District purchased a solar power system from the State of California-Energy Resources Conservation and Development Commission for \$227,475, with a loan payable for \$227,475 at a 1.0% interest rate per annum. Principal and interest payments are \$12,575 semi-annually on December 22 and June 22. The loan is payable until June 2036. Future remaining payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 10,535	\$ 2,040	\$ 12,575
2020	10,635	1,940	12,575
2021	10,747	1,828	12,575
2022	10,855	1,721	12,576
2023	10,964	1,612	12,576
2024-2028	56,482	6,395	62,877
2029-2033	59,376	3,501	62,877
2034-2036	37,075	652	37,727
Total	206,669	<u>\$ 19,689</u>	<u>\$ 226,358</u>
Current	<u>(10,535)</u>		
Long-term	<u>\$ 196,134</u>		

NORTH COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

Years Ended June 30, 2018

NOTE 7 – LONG-TERM DEBT OBLIGATIONS PAYABLE (continued)

Note Payable – Station No. 5

On December 29, 2010, the District executed a note payable for Station No. 5 in the principal amount of \$2,200,000 with interest at 3.00% per annum. The note matures on December 1, 2030, with annual payments of \$182,739 which include principal and interest. Future remaining payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 94,019	\$ 88,720	\$ 182,739
2020	99,261	83,478	182,739
2021	104,796	77,943	182,739
2022	110,639	72,100	182,739
2023	116,807	65,931	182,738
2024-2028	689,301	224,392	913,693
2029-2031	<u>421,448</u>	<u>35,398</u>	<u>456,846</u>
Total	1,636,271	<u>\$ 647,962</u>	<u>\$ 2,284,233</u>
Current	<u>(94,019)</u>		
Long-term	<u>\$ 1,542,252</u>		

Loan Payable – Administrative Building

On May 24, 2017, the District entered into an installment agreement for \$900,000 to purchase its administration building. The note is payable monthly through August 2030, and compounds interest at a rate of 3.4% per annum. Future remaining payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 57,626	\$ 28,125	\$ 85,751
2020	59,616	26,135	85,751
2021	61,675	24,076	85,751
2022	63,805	21,946	85,751
2023	66,008	19,742	85,750
2024-2028	365,851	62,903	428,754
2029-2031	<u>178,870</u>	<u>6,922</u>	<u>185,792</u>
Total	853,451	<u>\$ 189,849</u>	<u>\$ 1,043,300</u>
Current	<u>(57,626)</u>		
Long-term	<u>\$ 795,825</u>		

NORTH COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

Years Ended June 30, 2018

NOTE 8 – COMPENSATED ABSENCES

Compensated absences comprise unpaid vacation leave which is accrued as earned. The District’s liability for compensated absences is determined annually.

The changes to the compensated absences balance at June 30, 2018 were as follows:

<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
<u>\$ 2,062,556</u>	<u>\$ 764,454</u>	<u>\$ (803,689)</u>	<u>\$ 2,023,321</u>	<u>\$ 1,000,000</u>	<u>\$ 1,023,321</u>

NOTE 9 – WORKERS COMPENSATION

The District is exposed to various risks of loss and has effectively managed risk through a combination of insurance, with deductibles, self-insurance, and employee education and prevention programs. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. In addition, there were no settlements or claims in the past three years that exceeded insurance coverage.

The District is self-insured for workers’ compensation benefits. The District is one of nine participants in the Public Agency Self-Insurance System (PASIS). PASIS is a joint powers authority which was established in 1977 for the purpose of operating and maintaining a cooperative program of self-insurance and risk management for workers’ compensation. There is no pooling of workers’ compensation liability between the participants, and each participant self-insures their liability up to \$300,000 per occurrence. As of June 30, 2018, the District had \$459,081 on deposit with PASIS.

All members are responsible for paying their own claims and related expenses. PASIS may advance funds to members who have incurred large losses; however, these advances must be repaid.

Excess insurance is purchased above the self-insured retention. As of June 30, 2018, the liability for workers’ compensation claims payable was estimated at \$2,749,945.

Changes in workers’ compensation claims payable for the year ended June 30, 2018, were as follows:

<u>Description</u>	<u>Balance</u>
Estimated claims balance – July 1, 2017	<u>\$ 4,141,268</u>
Claim payments	(11,907,738)
Revised claims estimate	10,516,415
Change in claims balance	<u>(1,391,323)</u>
Estimated claims balance – June 30, 2018	<u>\$ 2,749,945</u>

NORTH COUNTY FIRE PROTECTION DISTRICT
Notes to Financial Statements
Years Ended June 30, 2018

NOTE 10 - PENSION PLANS

A. General Information About the Pension Plans

The net pension liability balances have a measurement date of June 30, 2017, which are rolled-forward for the District's fiscal year ended June 30, 2018.

In this footnote, the District's net pension liability is comprised of a net pension liability balance and the balance of the District's pension-related debt - CalPERS side-funds as follows:

<u>Description</u>	<u>Balance</u>
Net pension liability	\$ 23,803,269
Pension-related debt - CalPERS side-fund	866,461
Total net pension liability balance for footnote	<u>\$ 24,669,730</u>

The Plans Description Schedule

The District has engaged with CalPERS to administer the following pension plans for its employees (members):

	<u>Miscellaneous Plans</u>	
	<u>Classic Tier 1</u>	<u>PEPRA Tier 2</u>
	Prior to <u>December 31, 2012</u>	On or after <u>January 1, 2013</u>
Hire date		
Benefit formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5-years or service	5-years or service
Benefits payments	Monthly for life	Monthly for life
Retirement age	50 - 67 & up	52 - 67 & up
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.0%
Required member contribution rates	2% to 8%	4 %to 7.25%
Required employer contribution rates	4.13% to 404.07%	4.13% to 404.07%

	<u>Safety Plans</u>	
	<u>Classic Tier 1</u>	<u>PEPRA Tier 2</u>
	Prior to <u>December 31, 2012</u>	On or after <u>January 1, 2013</u>
Hire date		
Benefit formula	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5-years or service	5-years or service
Benefits payments	Monthly for life	Monthly for life
Retirement age	50 - 55 & up	50 - 57 & up
Monthly benefits, as a % of eligible compensation	2.4% to 3.0%	2.0% to 2.7%
Required member contribution rates	7% to 10.10%	9.50%to 15.25%
Required employer contribution rates	8.87% to 1,011.38%	8.87% to 1,011.38%

NORTH COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

Years Ended June 30, 2018

NOTE 10 – PENSION PLANS (continued)

A. General Information About the Pension Plans (continued)

Plan Description

The District contributes to the California Public Employees’ Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A full description of the pension plan, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2016 Annual Actuarial Valuation Report. This report and CalPERS’ audited financial statements are publicly available reports that can be obtained at CalPERS’ website under Forms and Publications.

Members Covered by Benefit Terms

At June 30, 2017 (Measurement Date), the following members were covered by the benefit terms:

Plan Members	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Active members	5	3	8
Transferred and terminated members	6	1	7
Separated members	2	-	2
Retired members and beneficiaries	27	-	27
Total plan members	40	4	44

Plan Members	Safety Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Active members	51	25	76
Transferred and terminated members	46	3	49
Separated members	11	4	15
Retired members and beneficiaries	63	-	63
Total plan members	171	32	203

Benefits Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A Classic CalPERS Miscellaneous member becomes eligible for service retirement upon attainment of age 55 with at least 5 years of credited service. Public Employees’ Pension Reform Act (PEPRA) Miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member’s highest 36 full-time equivalent monthly pay. Retirement benefits for Classic Miscellaneous and Safety members are calculated as a percentage of their plan based the average final 36 months compensation. Retirement benefits for PEPRA Miscellaneous and Safety members are calculated as a percentage of their plan based the average final 36 months compensation.

Participant members are eligible for non-industrial disability retirement if they become disabled and have at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by service. Industrial disability benefits are not offered to miscellaneous employees.

NORTH COUNTY FIRE PROTECTION DISTRICT
Notes to Financial Statements
Years Ended June 30, 2018

NOTE 10 - PENSION PLANS (continued)

A. General Information About the Pension Plans (continued)

Benefits Provided (continued)

A member's beneficiary may receive the basic death benefit if the member dies while actively employed. The member must be actively employed with the District to be eligible for this benefit. A member's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the members' accumulated contributions, where interest is currently credited at 7.15% per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each member's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 3%.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers will be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The public agency cost-sharing plans covered by the Miscellaneous risk pool, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of members. For the measurement period ended June 30, 2017 (the measurement date), the active member contribution rate for the Classic Miscellaneous and Safety Plans and the PEPRA Miscellaneous and Safety Plans are based above in the Plans Description schedule.

For the year ended June 30, 2018, the contributions made to the Plan were as follows:

Contribution Type	Miscellaneous Plans		
	Classic Tier 1	PEPRA Tier 2	Total
Contributions - employer	\$ 271,622	\$ 25,828	\$ 297,450
Contributions - members	34,423	24,270	58,693
Total contributions	\$ 306,045	\$ 50,098	\$ 356,143

Contribution Type	Safety Plans		
	Classic Tier 1	PEPRA Tier 2	Total
Contributions - employer	\$ 1,888,958	\$ 120,791	\$ 2,009,749
Contributions - members	496,906	116,122	613,028
Total contributions	\$ 2,385,864	\$ 236,913	\$ 2,622,777

NORTH COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

Years Ended June 30, 2018

NOTE 10 - PENSION PLANS (continued)

A. General Information About the Pension Plans (continued)

Pension-Related Debt - CalPERS Side-Fund

As of June 30, 2003, CalPERS implemented risk-pooling for the District's agent multiple-employer public employee defined benefit pension plan. As a result, the District's defined benefit pension plan with CalPERS converted from an agent multiple-employer plan to a cost-sharing multiple-employer plan. This change in the type of the plan created the CalPERS Side-Fund, which CalPERS financed at a 7.75% interest rate. CalPERS actuarially calculated the amount needed to bring the District into the cost-sharing multiple-employer plan on an equal basis with other governmental agencies that all had less than 100 active and retired employees combined. The reason that CalPERS switched these governmental agencies into the cost-sharing multiple-employer plan was to smooth out the annual costs related to the pension benefit over a longer period of time resulting in a lower cost of service to the governmental agencies.

A portion of the District's annual required contributions to CalPERS are actuarially determined and shared by all governmental agencies within the cost sharing risk pool. Also, the District is required to make annual payments to pay-down the CalPERS Side-Fund, as well. The responsibility for paying-down the District's CalPERS Side-Fund is specific to the District and is not shared by all governmental agencies within the cost sharing risk pool. Therefore, the Side-Fund falls under the definition of pension-related debt and is recorded as liability on the District's financial statements aside from the District's net pension liability.

Annual payments on the CalPERS Side-Fund represent principal and interest payments on the pension-related debt. Debt principal and interest expense is blended into the CalPERS pension benefit rate by individual class of District employee and repaid to CalPERS each payroll period throughout the fiscal year. The following is a pay-down schedule of the remaining payments of the District's CalPERS Side-Fund at a 7.50% interest rate, which was reduced by CalPERS in fiscal year 2012 for fiscal years 2012 and beyond as follows:

<u>Pension Related Debt</u>	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance June 30, 2018</u>
CalPERS Side-Fund - Miscellaneous	\$ 928,716	\$ -	\$ (62,255)	\$ 866,461
CalPERS Side-Fund - Safety	467,243	-	(467,243)	-
	<u>\$ 1,395,959</u>	<u>\$ -</u>	<u>\$ (529,498)</u>	<u>\$ 866,461</u>

The following represents the District's repayment schedules for the pension-related debt as follows:

Pension Related Debt - CalPERS Side-Fund - Miscellaneous Classic Plan

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 69,683	\$ 60,281	\$ 129,964
2020	78,953	54,910	133,863
2021	89,038	48,841	137,879
2022	100,004	42,011	142,015
2023	111,921	34,355	146,276
2024	124,866	25,798	150,664
2025	138,917	16,257	155,174
2026	153,079	5,676	158,755
Total	<u>\$ 866,461</u>	<u>\$ 288,129</u>	<u>\$ 1,154,590</u>

NORTH COUNTY FIRE PROTECTION DISTRICT
Notes to Financial Statements
Years Ended June 30, 2018

NOTE 10 – PENSION PLANS (continued)

B. Net Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans

Actuarial Methods and Assumptions Used to Determine the Total Pension Liability

For the measurement period ended June 30, 2017 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2016 total pension liability. The June 30, 2017 total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds. The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.15% and reflects the long-term expected rate of return for the Plan net of investment expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used in the calculation of the discount rate for public agency plans (including PERF C), the amortization and smoothing periods adopted by the CalPERS Board in 2013 were used. For the Plan, the crossover test was performed for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability for PERF C. The crossover test results can be found on CalPERS' website at <https://www.calpers.ca.gov/page/employers/actuarial-services/gasb>.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

NORTH COUNTY FIRE PROTECTION DISTRICT
Notes to Financial Statements
Years Ended June 30, 2018

NOTE 10 - PENSION PLANS (continued)

B. Net Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans (continued)

Discount Rate (continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set to equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects long-term expected real rate of return by asset class.

<u>Investment Type</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1- 10¹</u>	<u>Real Return Years 11+²</u>
Global Equity	47.0%	4.90%	5.38%
Fixed Income	19.0%	0.80%	2.27%
Inflation Assets	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	-0.90%
	<u>100.0%</u>		

¹ An expected inflation rate-of-return of 2.5% is used for years 1 - 10.

² An expected inflation rate-of-return of 3.0% is used for years 11+.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

<u>Plan Type</u>	<u>Plan's Net Pension Liability/(Asset)</u>		
	<u>Discount Rate - 1%</u>	<u>Current Discount Rate 7.15%</u>	<u>Discount Rate + 1%</u>
	<u>6.15%</u>	<u>7.15%</u>	<u>8.15%</u>
CalPERS - Miscellaneous Plan	\$ 4,327,067	\$ 3,139,416	\$ 2,155,781

<u>Plan Type</u>	<u>Plan's Net Pension Liability/(Asset)</u>		
	<u>Discount Rate - 1%</u>	<u>Current Discount Rate 7.15%</u>	<u>Discount Rate + 1%</u>
	<u>6.15%</u>	<u>7.15%</u>	<u>8.15%</u>
CalPERS - Safety Plan	\$ 33,580,952	\$ 21,530,314	\$ 11,679,519

NORTH COUNTY FIRE PROTECTION DISTRICT
Notes to Financial Statements
Years Ended June 30, 2018

NOTE 10 - PENSION PLANS (continued)

B. Net Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans (continued)

Pension Plan Fiduciary Net Position

Detail information about the plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website under Forms and Publications.

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the plan's proportionate share of the risk pool collective net pension liability over the measurement period for the CalPERS Miscellaneous and Safety Plans:

<u>Plan Type and Balance Descriptions</u>	<u>Plan Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Plan Net Pension Liability</u>
CalPERS - Miscellaneous Plan:			
Balance as of June 30, 2016 (Measurement Date)	\$ 7,904,147	\$ 5,045,554	\$ 2,858,593
Balance as of June 30, 2017 (Measurement Date)	\$ 8,634,521	\$ 5,495,105	\$ 3,139,416
Change in Plan Net Pension Liability	\$ 730,374	\$ 449,551	\$ 280,823

<u>Plan Type and Balance Descriptions</u>	<u>Plan Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Plan Net Pension Liability</u>
CalPERS - Safety Plan:			
Balance as of June 30, 2016 (Measurement Date)	\$ 76,958,123	\$ 58,048,642	\$ 18,909,481
Balance as of June 30, 2017 (Measurement Date)	\$ 86,127,003	\$ 64,596,689	\$ 21,530,314
Change in Plan Net Pension Liability	\$ 9,168,880	\$ 6,548,047	\$ 2,620,833

Allocation of Pension Amounts to Individual Employers

CalPERS has prepared separate GASB 68 Accounting Valuation Reports for the miscellaneous risk pool and the safety risk pool. The Schedules of Employer Allocations provide allocation factors by employer for rate plans within the miscellaneous and safety risk pools based on the following allocation methodology:

The Schedules of Employer Allocations includes two ratios:

- 1) *Actuarial Accrued Liability* - Determined based on the Actuarial Accrued Liability from the most recent Actuarial Valuation Report as of June 30, 2016 used for funding purposes.
- 2) *Market Value of Assets* - Determined based on the sum of the Market Value of Assets (MVA) from the most recent Actuarial Valuation Report as of June 30, 2016 used for funding purposes plus supplemental payments made by employers during the current measurement period to reduce their unfunded actuarial accrued liabilities.

NORTH COUNTY FIRE PROTECTION DISTRICT
Notes to Financial Statements
Years Ended June 30, 2018

NOTE 10 - PENSION PLANS (continued)

B. Net Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans (continued)

Allocation of Pension Amounts to Individual Employers (continued)

The Schedules of Employer Allocations is based on Actuarial Valuation Reports that are one year in appears. As such, there will be a one year lag between the time an employer enters the Plan and the fiscal year the employer is first included on the Schedule of Employer Allocations. Employers joining the Plan during the fiscal year ended June 30, 2017, will be included in the Schedule of Employer Allocations as of and for the fiscal year ended June 30, 2018.

The employers' proportionate share percentages of the miscellaneous and safety risk pools were first determined at the rate plan level. The employer's total proportion of the respective miscellaneous and safety risk pools reflects the sum of the proportions of the respective miscellaneous and safety rate plans.

When applying the allocation methodology to the collective miscellaneous or safety risk pool pension amounts, employers should determine proportionate shares using the employer allocation factors as follows:

- 1) *Total Pension Liability (TPL)* - Allocate based on the employer's share of the Actuarial Accrued Liability.
- 2) *Fiduciary Net Position (FNP)* - Allocate based on the employer's share of the Market Value of Assets plus Additional Payments.
- 3) *Net Pension Liability (NPL)* - After completing the above calculations, subtract FNP from TPL to calculate the employer's NPL.
- 4) *Deferred Outflows of Resources, Deferred Inflows of Resources* - Allocate based on the employer's share of the Actuarial Accrued Liability.
- 5) *Pension Expense* - After completing the above calculations, calculate the employer's share of collective pension expense based on the employer's share of changes in net pension liability, changes in deferred outflows and deferred inflows of resources, and the employer's contributions for the fiscal year ended June 30, 2017. The Schedule of Collective Pension Amounts does not reflect employer-specific amounts such as changes in proportion, differences between actual employer contributions and employer's proportionate shares of contributions, and employer contributions to PERF C subsequent to the measurement date as defined in GASB Statement No. 68 paragraphs 54, 55, and 57. Appropriate treatment of such amounts is the responsibility of the employers.

An employer's proportionate share of pension amounts for PERF C equals the sum of the employer's proportionate share of pension amounts for the respective miscellaneous and safety risk pools.

NORTH COUNTY FIRE PROTECTION DISTRICT
Notes to Financial Statements
Years Ended June 30, 2018

NOTE 10 – PENSION PLANS (continued)

B. Net Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans (continued)

Proportionate Share of Net Pension Liability and Pension Expense

The District's proportionate share of the net pension liability was as follows:

	Percentage Share of Risk Pool		Change Increase/ (Decrease)
	Fiscal Year Ending June 30, 2018	Fiscal Year Ending June 30, 2017	
CalPERS - Miscellaneous Plan			
Measurement Date	June 30, 2017	June 30, 2016	
Percentage of Risk Pool Net Pension Liability	0.07964%	0.08229%	-0.00265%
Percentage of Plan (PERF C) Net Pension Liability	0.03166%	0.03304%	-0.00138%

	Percentage Share of Risk Pool		Change Increase/ (Decrease)
	Fiscal Year Ending June 30, 2018	Fiscal Year Ending June 30, 2017	
CalPERS - Safety Plan			
Measurement Date	June 30, 2017	June 30, 2016	
Percentage of Risk Pool Net Pension Liability	0.36033%	0.36510%	-0.00477%
Percentage of Plan (PERF C) Net Pension Liability	0.21710%	0.21853%	-0.00143%

For the year ended June 30, 2018, the District recognized pension expense in the amounts of \$762,058 and \$2,757,208 for the Classic Miscellaneous and Safety plans, respectively, which total \$3,519,266.

NORTH COUNTY FIRE PROTECTION DISTRICT
Notes to Financial Statements
Years Ended June 30, 2018

NOTE 10 – PENSION PLANS (continued)

B. Net Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans (continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Type of Account	Balance as of July 1, 2017	Additions	Deletions	Balance as of June 30, 2018
Deferred Outflows of Resources:				
Pension contributions made after the measurement date:				
CalPERS – Miscellaneous Plan	\$ 268,384	\$ 297,450	\$ (268,384)	\$ 297,450
CalPERS – Safety Plan	2,341,264	2,009,749	(2,341,264)	2,009,749
Sub-total	<u>2,609,648</u>	<u>2,307,199</u>	<u>(2,609,648)</u>	<u>2,307,199</u>
Difference between actual and proportionate share of employer contributions:				
CalPERS – Miscellaneous Plan	76,211	8,915	-	85,126
CalPERS – Safety Plan	21,167	61,381	-	82,548
Sub-total	<u>97,378</u>	<u>70,296</u>	<u>-</u>	<u>167,674</u>
Adjustment due to differences in proportions:				
CalPERS – Miscellaneous Plan	129,807	116,360	-	246,167
CalPERS – Safety Plan	75,232	-	(27,862)	47,370
Sub-total	<u>205,039</u>	<u>116,360</u>	<u>(27,862)</u>	<u>293,537</u>
Differences between projected and actual earnings on pension plan investments:				
CalPERS – Miscellaneous Plan	465,370	-	(383,885)	81,485
CalPERS – Safety Plan	3,469,170	-	(2,673,819)	795,351
Sub-total	<u>3,934,540</u>	<u>-</u>	<u>(3,057,704)</u>	<u>876,836</u>
Differences between expected and actual experience:				
CalPERS – Miscellaneous Plan	7,285	-	(4,381)	2,904
CalPERS – Safety Plan	-	251,525	-	251,525
Sub-total	<u>7,285</u>	<u>251,525</u>	<u>(4,381)</u>	<u>254,429</u>
Changes in assumptions:				
CalPERS – Miscellaneous Plan	-	360,300	-	360,300
CalPERS – Safety Plan	-	3,647,744	-	3,647,744
Sub-total	<u>-</u>	<u>4,008,044</u>	<u>-</u>	<u>4,008,044</u>
Total deferred outflows of resources	<u>\$ 6,853,890</u>	<u>\$ 6,753,424</u>	<u>\$ (5,699,595)</u>	<u>\$ 7,907,719</u>

NORTH COUNTY FIRE PROTECTION DISTRICT
Notes to Financial Statements
Years Ended June 30, 2018

NOTE 10 - PENSION PLANS (continued)

B. Net Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans (continued)

Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

<u>Type of Account</u>	<u>Balance as of July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance as of June 30, 2018</u>
Deferred Inflows of Resources:				
Difference between actual and proportionate share of employer contributions:				
CalPERS - Safety Plan	\$ 147,642	\$ -	\$ (79,237)	\$ 68,405
Sub-total	<u>147,642</u>	<u>-</u>	<u>(79,237)</u>	<u>68,405</u>
Adjustment due to differences in proportions:				
CalPERS - Miscellaneous Plan	26,373	-	(10,604)	15,769
CalPERS - Safety Plan	717,989	-	(344,047)	373,942
Sub-total	<u>744,362</u>	<u>-</u>	<u>(354,651)</u>	<u>389,711</u>
Differences between expected and actual experience:				
CalPERS - Miscellaneous Plan	-	41,603	-	41,603
CalPERS - Safety Plan	161,953	-	(96,374)	65,579
Sub-total	<u>161,953</u>	<u>41,603</u>	<u>(96,374)</u>	<u>107,182</u>
Changes in assumptions:				
CalPERS - Miscellaneous Plan	89,414	-	(61,941)	27,473
CalPERS - Safety Plan	706,127	-	(426,262)	279,865
Sub-total	<u>795,541</u>	<u>-</u>	<u>(488,203)</u>	<u>307,338</u>
Total deferred inflows of resources	\$ 1,849,498	\$ 41,603	\$ (1,018,465)	\$ 872,636

A summary of deferred outflows and deferred inflows is shown here:

<u>Account Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made after the measurement date	\$ 2,307,199	\$ -
Difference between actual and proportionate share of employer contributions	167,674	68,405
Adjustment due to differences in proportions	293,537	389,711
Differences between expected and actual experience	254,429	107,182
Differences between projected and actual earnings on pension plan investments	876,836	-
Changes in assumptions	<u>4,008,044</u>	<u>307,338</u>
Total Deferred Outflows/(Inflows) of Resources	\$ 7,907,719	\$ 872,636

NORTH COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

Years Ended June 30, 2018

NOTE 10 - PENSION PLANS (continued)

C. Net Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans (continued)

Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

The District will recognize \$2,307,199 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date as a reduction of the net pension liability in the fiscal year ended June 30, 2019, as noted on the prior page.

Other remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized to pension expense in future periods as follows:

Amortization Period Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2019	\$ 1,021,252
2020	2,610,685
2021	1,609,713
2022	(513,767)
Total	\$ 4,727,883

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over 5-years straight line. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period.

The expected average remaining service lifetime (EARSL) for PERF C for the measurement date ending June 30, 2017 is 3.8 years, which was obtained by dividing the total service years of 490,088 (the sum of remaining service lifetimes of the active employees) by 130,595 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other receiving a cash fund.

NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. General Information about the OPEB Plan

Plan description

The District provides other postemployment benefits (OPEB) to employees who retire from the District and meet certain eligibility requirements. The contribution requirements of single-employer plan members and the District are established and may be amended by the Board of Directors. The District implemented its OPEB plan in the fiscal year ended June 30, 2014 when the District joined CalPERS for medical insurance for its employees and retirees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

NORTH COUNTY FIRE PROTECTION DISTRICT
Notes to Financial Statements
Years Ended June 30, 2018

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

A. General Information about the OPEB Plan (continued)

Benefits provided

Following is a description of the current retiree benefit plan:

	<u>Firefighters</u>	<u>Miscellaneous</u>
Benefit types provided	Medical only	Medical only
Duration of Benefits	Lifetime	Lifetime
Required Service	CalPERS Retirement	CalPERS Retirement
Minimum Age	CalPERS Retirement	CalPERS Retirement
Dependent Coverage	Surviving Spouse only	Surviving Spouse only
District Contribution %	100% to cap	100% to cap
District Cap	Minimum employer contribution under PEMHCA*	Minimum employer contribution under PEMHCA*

* \$133 per month in 2018 indexed to Medical component of the CPI

Employees covered by benefit terms

At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	31
Active employees	75
Total	106

B. Total OPEB Liability

The District's total OPEB liability of \$2,237,699 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.80%
Inflation	2.75%
Salary Increases	2.75% per annum, in aggregate
Investment Rate of Return	3.80%
Mortality Rate	CalPERS Membership Data
Pre-Retirement Turnover	CalPERS Membership Data
Healthcare Trend Rate	4%

Mortality, Retirement & Turnover Assumptions

The mortality assumptions are based on the 2014 CalPERS Active and Retiree Mortality for Miscellaneous and Safety Employees table created by CalPERS.

NORTH COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

Years Ended June 30, 2018

NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

B. Total OPEB Liability (continued)

The retirement assumptions are based on the 2009 CalPERS 2.0%@60 Rates for Miscellaneous Employees, the 2009 CalPERS 2.7%@55 Rates for Miscellaneous Employees, and the 2009 PERS 3%@55 FIRE RX tables created by CalPERS.

The turnover assumptions are based on the 2009 CalPERS Turnover for Miscellaneous Employees and Sworn Fire Employees tables created by CalPERS.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.8 percent. The projection of cash flows used to determine the discount rate assumed that contributions would be sufficient to fully fund the obligation over a period not to exceed 30 years. The Bond Buyer 20 Bond Index was used.

C. Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2017	\$ 2,107,355
Changes for the year:	
Service cost	99,422
Interest	80,966
Benefit payments	(50,044)
Net changes	130,344
Balance at June 30, 2018	\$ 2,237,699

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

1% Decrease 2.80%	Discount Rate 3.80%	1% Increase 4.80%
\$ 2,642,583	\$ 2,237,699	\$ 1,912,716

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

1% Decrease 3.00%	Healthcare Cost Trend Rates 4.00%	1% Increase 5.00%
\$ 1,933,925	\$ 2,237,699	\$ 2,579,463

NORTH COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

Years Ended June 30, 2018

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the District recognized OPEB expense of \$180,388. At June 30, 2018, the District reported no deferred outflows of resources or deferred inflows of resources related to OPEB.

NOTE 12 – DEFERRED COMPENSATION SAVINGS PLAN

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program. The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors.

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net position.

NOTE 13 – JOINT VENTURES

The District is a member of the North County Dispatch Joint Powers Authority (Authority). The Authority was formed on June 11, 1984, and other member agencies include the North County Fire Protection District, and the cities of Vista, San Marcos, Solana Beach, Oceanside, Encinitas, and Carlsbad. The purpose of the Authority is to provide dispatching and emergency communication services for fire protection, security, and medical services. Each member provides an annually determined contribution towards the ongoing operation of the Authority. In the event of dissolution of the Authority, available assets shall be distributed to the member agencies in proportion to the aggregate contribution made by each agency during the entire term of the agreement.

The activities of the Authority are supervised by a board of directors consisting of eight directors who are appointed by each member's governing body. The District's share of the Authority's assets, liabilities, net position, and changes therein are not available and not material to the District's financial statements. Separate financial statements of the Authority are available at 16936 El Fuego Drive (P.O. Box 1206), Rancho Santa Fe, CA 92067.

NORTH COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

Years Ended June 30, 2018

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Litigation

The District is involved in routine litigation incidental to its business and may be subject to claims and litigation from outside parties. After consultation with legal counsel, management believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

NOTE 15 - RISK MANAGEMENT

The District is insured for a variety of potential exposures. The following is a summary of the insurance policies carried by the District as of June 30, 2018:

General liability: \$1,000,000 per occurrence and \$3,000,000 aggregate. The District purchased additional excess coverage layers: \$10 million per occurrence and \$20 million aggregate for general and auto liability, which increases the limits on the insurance coverage noted above.

Auto liability: \$1,000,000 liability limits and deductibles applied to specific vehicles with a \$1,000 deductible on Comprehensive and Collision, and other vehicles have a \$1,000 deductible on Comprehensive and on Collision.

Required Supplementary Information

NORTH COUNTY FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2018

	Adopted Original Budget	Revised Final Budget	Actual	Variance Positive (Negative)
REVENUES:				
Property taxes	\$ 13,905,000	\$ 13,905,000	\$ 14,135,919	\$ 230,919
Charges for services:				
Ambulance services	1,700,000	1,700,000	1,835,405	135,405
Fire services – CA OES	60,000	60,000	1,084,976	1,024,976
Fire prevention	130,000	130,000	333,309	203,309
Administration	25,000	25,000	29,607	4,607
Operating and capital grant funding	786,584	976,572	903,275	(73,297)
Rental income - cellular towers	85,000	85,000	88,655	3,655
Interest earnings	25,000	25,000	47,522	22,522
Other revenues	593,404	659,006	474,926	(184,080)
Total revenues	17,309,988	17,565,578	18,933,594	1,368,016
EXPENDITURES:				
Current:				
Salaries and wages	8,952,460	9,101,244	9,828,013	(726,769)
Employee benefits	4,122,642	3,989,985	4,111,569	(121,584)
Contracted service costs	590,000	590,000	367,948	222,052
Materials and services	2,468,363	2,597,420	2,460,857	136,563
Capital outlay	763,000	913,137	1,971,163	(1,058,026)
Debt service:				
Principal	391,905	391,905	373,553	18,352
Interest	251,887	251,887	251,887	-
Total expenditures	17,540,257	17,835,578	19,364,990	(1,529,412)
REVENUES OVER(UNDER) EXPENDITURES	(230,269)	(270,000)	(431,396)	2,897,428
OTHER FINANCING SOURCES(USES):				
Transfers in	200,000	200,000	-	(200,000)
Transfers in from reserves	220,269	760,000	-	(760,000)
Transfers out from reserves	(190,000)	(690,000)	-	690,000
Issuance of debt - capital leases	-	-	1,203,331	1,203,331
Total other financing sources(uses)	230,269	270,000	1,203,331	933,331
Net Changes in Fund Balance	\$ -	\$ -	771,935	\$ 3,830,759
FUND BALANCE:				
Beginning of year			7,175,495	
End of year			\$ 7,947,430	

NORTH COUNTY FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule - Fire Mitigation Fund
For the Fiscal Year Ended June 30, 2018

	Adopted Original Budget	Revised Final Budget	Actual	Variance Positive (Negative)
REVENUES:				
Mitigation fees	\$ 195,000	\$ 195,000	\$ 690,030	\$ 495,030
Interest earnings	5,000	5,000	7,895	2,895
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>697,925</u>	<u>497,925</u>
EXPENDITURES:				
Current:				
Materials and services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER(UNDER) EXPENDITURES	200,000	200,000	697,925	497,925
OTHER FINANCING SOURCES(USES):				
Transfers (out)	<u>(200,000)</u>	<u>(200,000)</u>	-	200,000
Total other financing sources(uses)	<u>(200,000)</u>	<u>(200,000)</u>	-	200,000
NET CHANGES IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	697,925	<u>\$ 697,925</u>
FUND BALANCE:				
Beginning of year (Deficit)			<u>(1,512,776)</u>	
End of year (Deficit)			<u>\$ (814,851)</u>	

NORTH COUNTY FIRE PROTECTION DISTRICT
Schedule of Proportionate Share of the Net Pension Liability
For the Fiscal Year Ended June 30, 2018

	Last Ten Fiscal Years*			
	California Public Employees' Retirement System (CalPERS)			
Measurement Date:	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's Proportion of the Net Pension Liability	0.248756%	0.251564%	0.248810%	0.272930%
District's Proportionate Share of the Net Pension Liability	\$ 24,669,730	\$ 21,768,074	\$ 17,078,153	\$ 16,983,012
District's Covered-Employee Payroll	\$ 6,671,377	\$ 6,461,980	\$ 6,452,080	\$ 6,429,039
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	369.78%	336.86%	264.69%	264.16%
Pension Liability	78.96%	74.35%	78.96%	78.67%

* This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.

Notes to the Schedule:

Changes of Assumptions and Methods:

In Fiscal Year 2016-17, the financial reporting discount rate for the PERF C was lowered from 7.65 percent to 7.15 percent. In December 2016, the CalPERS Board approved lowering the funding discount rate used in the PERF C from 7.50 percent to 7.00 percent, which is to be phased-in over a three-year period (7.50 percent to 7.375 percent, 7.375 percent to 7.25 percent, and 7.25 percent to 7.00 percent) beginning with the June 30, 2016, valuation reports. The funding discount rate includes a 15 basis-point reduction for administrative expenses, and the remaining decrease is consistent with the change in the financial reporting discount rate.

In Fiscal Year 2014-15, the financial reporting discount rate was increased from 7.50 percent to 7.65 percent resulting from eliminating the 15 basis-point reduction for administrative expenses. The funding discount rate remained at 7.50 percent during this period, and remained adjusted for administrative expenses.

NORTH COUNTY FIRE PROTECTION DISTRICT
Schedule of Pension Contributions
For the Fiscal Year Ended June 30, 2018

Fiscal Year:	Last Ten Fiscal Years*				
	2017-18	2016-17	2015-16	2014-15	2013-14
Actuarially Determined Contribution ¹	\$ 2,307,199	\$ 2,609,648	\$ 2,249,592	\$ 1,929,643	\$ 1,905,899
Contribution in Relation to the Actuarially Determined Contribution ¹	(2,307,199)	(2,609,648)	(2,249,592)	(1,929,643)	(1,905,899)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll ²	\$ 6,905,639	\$ 6,671,377	\$ 6,461,980	\$ 6,452,080	\$ 6,429,039
Contributions as a Percentage of Covered-Employee Payroll	33.41%	39.12%	34.81%	29.91%	29.65%

* This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.

¹ Employers are assumed to make contributions equal to the actuarially determined contributions (which is the actuarially determined contribution). However, some employers may choose to make additional contributions towards their side-fund or their unfunded liability. Employer contributions for such plan exceed the actuarial determined contributions. CalPERS has determined that employer obligations referred to as *side-funds* are not considered separately financed specific liabilities.

² Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB No. 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

Notes to the Schedule:

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

NORTH COUNTY FIRE PROTECTION DISTRICT

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

For the Fiscal Year Ended June 30, 2018

Last 10 Fiscal Years*

	<u>2018</u>
Total OPEB liability	
Service cost	\$ 99,422
Interest	80,966
Benefit payments	<u>(50,044)</u>
Net change in total OPEB liability	130,344
Total OPEB liability- beginning	<u>2,107,355</u>
Total OPEB liability- ending	<u>\$ 2,237,699</u>
Covered-employee payroll	<u>\$ 6,905,639</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>32.40%</u>

Notes to Schedule:

** This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

Supplementary Information

NORTH COUNTY FIRE PROTECTION DISTRICT
Balance Sheets – Other Governmental Funds
For the Fiscal Year Ended June 30, 2018

	Rainbow Subzone		Total
	Operations Fund	Fire Mitigation Fund	
ASSETS			
Assets:			
Cash and investments	\$ 596,684	\$ 3,792	\$ 600,476
Accrued interest receivable	2,427	63	2,490
Property taxes receivable	1,021	-	1,021
Total assets	\$ 600,132	\$ 3,855	\$ 603,987
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued expenses	\$ 634	\$ -	\$ 634
Total liabilities	634	-	634
Fund Balances: (Note 5)			
Restricted	599,498	3,855	603,353
Total fund balance	599,498	3,855	603,353
Total liabilities and fund balance	\$ 600,132	\$ 3,855	\$ 603,987

NORTH COUNTY FIRE PROTECTION DISTRICT

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Other Governmental Funds

For the Fiscal Year Ended June 30, 2018

	Rainbow Subzone		Total
	Operations Fund	Fire Mitigation Fund	
REVENUES:			
Property taxes	\$ 263,042	\$ -	\$ 263,042
Investment earnings	4,144	271	4,415
Total revenues	267,186	271	267,457
EXPENDITURES:			
Current:			
Contracted service costs	52,964	-	52,964
Materials and services	79,217	-	79,217
Total expenditures	132,181	-	132,181
Net Changes in Fund Balance	135,005	271	135,276
FUND BALANCE:			
Beginning of year	464,493	3,584	468,077
End of year	\$ 599,498	\$ 3,855	\$ 603,353

Other Independent Auditors' Report



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
North County Fire Protection District
Fallbrook, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of North County Fire Protection District as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise North County Fire Protection District's basic financial statements, and have issued our report thereon dated November 13, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered North County Fire Protection District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the North County Fire Protection District's internal control. Accordingly, we do not express an opinion on the effectiveness of the North County Fire Protection District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

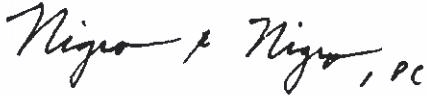
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether North County Fire Protection District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Murrieta, California
November 13, 2018

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**NORTH COUNTY FIRE
PROTECTION DISTRICT
FIRE CHIEF/CEO**

TO: BOARD OF DIRECTORS
FROM: DEPUTY CHIEF MAROVICH AND CHIEF ABBOTT
DATE: DECEMBER 11, 2018
SUBJECT: LONG RANGE FINANCIAL PLAN

DISCUSSION AGENDA

BACKGROUND:

Several months ago, the District retained Raftelis, a public sector financial consulting firm, to develop a long-range financial plan. The purpose of this plan was to:

- Ensure sufficient cash flows for daily and yearly operations and capital replacement, and
- Serve as a basis for establishing minimum fund levels, and
- Serve as a long-range planning tool, and
- Maintain or achieve suitable credit ratings, and
- Integrate into a future strategic plan.

DISCUSSION:

The planning tool developed by Raftelis is a comprehensive relational spreadsheet that incorporates current District finances to illustrate three different potential financial scenarios. Those scenarios are depicted on a “dashboard” to provide a visual representation of the District’s projected financial future for each of those scenarios. Every effort was made to capture accurate financial data, based upon actual historical experience of the District, and adopt realistic funding scenarios (e.g. mid-point funding level for facility plan). It should be emphasized that each of the scenarios is based upon the District’s current financial trajectory, and there are an infinite number of scenarios and/or adjustments that could alter the trajectory of each

The presentation is based upon those scenarios, however the spreadsheet has the ability to alter inputs to more accurately capture the District’s actual experience over time (e.g. receipt of grants, new revenue sources, etc.). The purpose of this presentation is to provide a broad overview so that the Board may have time to contemplate the findings in preparation for more detailed future discussions. During those future discussions with Raftelis and/or Finance, the Board can gain greater familiarity with this planning tool, the finer details associated with each scenario, and explore the impacts of possible input adjustments (e.g. additional sources of revenue or additional expenditure savings). Below is a description of each of the three scenarios:

Long-Range Financial Plan

December 11, 2018

Page 2 of 2

- **Scenario 1 – Current Economy:**

- Property Tax Inflation
 - 3.5% each year for 7 years (FY 2020-FY 2026) – Based on District’s analysis of past 15 years of property taxes
 - 2% each year after FY 2026
- Mitigation Fees
 - \$622,800 each year for 7 years (FY 2020-FY 2026) – Based on the fire mitigation fees of planned development spread over 7 years (\$4,359,600/7)
 - \$250,000 each year after FY 2026

- **Scenario 2 – Growth:**

- Property Tax Inflation
 - 5% each year for 7 years (FY 2020-FY 2026) – Based on the most recent 5-year average District Assessed Values
 - 2% each year after FY 2026
- Mitigation Fees
 - \$622,800 each year for 7 years (FY 2020-FY 2026)
 - \$250,000 each year after FY 2026

- **Scenario 3 – Recession:**

- Property Tax Inflation
 - -2% each year for 5 years (FY 2020-FY 2026) – Based on the most recent recession (FY 2009-FY 2013) 5-year average District Assessed Values
 - 2% each year after FY 2026
- Mitigation Fees
 - \$0 each year for 5 years (FY 2020-FY 2026)
 - \$250,000 each year after FY 2026

FISCAL IMPACT:

No fiscal impact, Discussion Item only. Fiscal impact will depend upon future decisions affecting the District's revenue and expenditures.

DISCUSSION QUESTIONS:

1. Does the Board desire a workshop to delve into more detail for each scenario?
2. Is there a desire to modify any of the District’s existing fiscal policies?
3. Is there an interest in developing contingency plans for any of these scenarios?

ROBERT H. JAMES

ATTORNEY AT LAW

ROBERT H. JAMES, Esq.

roberthjameslaw@gmail.com

3668 KATIE LENDRE DRIVE

FALLBROOK, CALIFORNIA 92028

TELEPHONE

(760) 723-9018

December 5, 2018

Board of Directors North County Fire Protection District

Re: General Counsel Board Report for December 1, 2018

Writings Concerning Public Business Are Public Records – Even If They Are Sent, Received, Or Stored On An Employee’s Personal Email, Phone, Or Computer

The California Supreme Court held that communications by a city employee concerning public business on a personal account, such as email, phone or computer, may be subject to disclosure under the California Public Records Act (“PRA”).

The Court emphasized the PRA’s purpose is to provide public access to “the conduct of the people’s business” and the California Constitution’s mandate to broadly construe statutes providing for access to public information. In reaching its decision, the Court focused on the definition of a “public record” under the PRA and explained that “a public record has four aspects. . . (1) a writing, (2) with content relating to the conduct of the public’s business, which is (3) prepared by, or (4) owned, used, or retained by any state or local agency.” Writings include electronic communications and “must relate in some substantive way to the conduct of the public’s business” to meet this test. The Supreme Court disagreed with the Court of Appeal on the meaning of “prepared by any state or local agency.” State and local agencies can only act through their individual officials and employees, so when individual employees are conducting public business, they are acting on the agency’s behalf. Thus, writings relating to the public’s business prepared by agency employees are public records, regardless of whether the employee prepared the record on a personal or agency account. The Court explained that the location where the writing is stored is irrelevant; a writing does not lose its status as a public record merely because it is stored in an employee’s personal account.

How does this decision affect us?

Because public agencies will likely be concerned about how to search and obtain public records that may reside in employees’ personal accounts, the Supreme Court issued guidance on this issue. Since the Court was not ruling on any specific search, the Court’s instructions are not legal precedent, but likely will be looked to in the future by other courts and can act as a roadmap to agencies in navigating obtaining public records from employees’ personal accounts.

1. Agencies only need to conduct reasonable searches; “extraordinarily extensive or intrusive searches” are not required.

ROBERT H. JAMES

ATTORNEY AT LAW

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(760) 723-9018

2. Agencies can develop their own internal policies for conducting searches and request and “reasonably rely on [their] employees to search *their own* personal files, accounts, and devices for responsive material.” The Court noted employees can be trained how to search for and segregate public from private records. In addition, agencies can satisfy their obligations under the PRA when employees act in good faith and submit an affidavit with sufficient facts to show the information in their personal records is not a public record under the PRA.
3. Agencies can also adopt policies requiring employees to refrain from using their personal accounts for public business, or requiring them to copy communications to their government accounts when they do so. This would minimize public records from existing solely on personal accounts.

ROBERT H. JAMES, Attorney at Law



Robert H. James, General Counsel for the
North County Fire Protection District

RHJ/km

cc: Chief Steve Abbott



**NORTH COUNTY FIRE
PROTECTION DISTRICT
FIRE CHIEF/CEO**

TO: BOARD OF DIRECTORS
FROM: STEPHEN ABBOTT, FIRE CHIEF/CEO
DATE: DECEMBER 11, 2018
SUBJECT: WRITTEN CORRESPONDENCE

● **WRITTEN COMMUNICATION:**

- None

● **BOARD RECOGNITION PROGRAM:**

- **NOVEMBER 10, 2018 LETTER FROM TRUCKEE MEADOWS COMMUNITY COLLEGE RE: MEDICAL TRANSPORT**
Captain Mattarollo
- **NOVEMBER 2 AND OCTOBER 14, 2018 EMAIL AND LETTER RE: MEDICAL RESCUE EFFORTS**
Captain John Choi
- **OCTOBER 15, 2018 CARD FROM SONOMA COUNTY RESIDENT RE: RECENT FIRES**
- **UNDATED CARD RE: EFFORTS BEYOND MEDICAL RESCUE**

Captain Rees
Engineer McInerney
FF/PM Moore
FF/PM Spencer
EMT Castellano

- **UNDATED CARD RE: THANK YOU CARD**
Unidentified Crew C



November 10, 2018

North County Fire Protection District
Fire Chief Stephen Abbott
330 South Main Avenue
Fallbrook CA 92028-2938

Chief Abbott, it has been quite a long time since we last spoke or saw one another. This afternoon, Fire Captain Mattarollo and his crew responded to a call from my wife while she was experiencing chest pain. This incident was particularly difficult as she is down there taking care of family after the unexpected loss of a family member, and I am here at our home in Virginia City, Nevada.

Captain Mattarollo spoke with me on the phone via facetime while the crew took care of attending to my wife. I had asked the Captain if you still worked for the district and he informed me that you are now the Fire Chief. I told Captain Mattarollo that you and I worked together many years ago and he said, "Oh, then you are family." I cannot tell you how incredibly reassuring that statement was in such a time. Captain Mattarollo and his crew went above and beyond for my wife and kept me informed throughout the incident and transport of my bride to the hospital.

Steve, would you please convey my heartfelt appreciation and gratitude to Captain Mattarollo and his crew for their incredible professionalism, compassion and care for my wife. She has only moments ago arrived at the hospital, but I could not wait to write this to you in thanks for your personnel and agency toward a brother firefighter. Be well my friend and thank you for leading such a fine group of professionals.

Sincerely,

Darryl Cleveland, MA, LP, CFO
Director of Public Safety

The TMCC Paramedic program is accredited by the Commission on Accreditation of Allied Health Education Programs (www.caahep.org) upon the recommendation of the Committee on Accreditation of Educational Programs for the Emergency Medical Services Professions

Division of Sciences
Public Safety Department Office
18600 Wedge Pkwy, Bldg B #124, Reno, NV 89511

Dandini Campus, 7000 Dandini Blvd., Reno, Nevada 89512
775-673-7000 www.tmcc.edu
Nevada System of Higher Education | Dedicated to Equal Opportunity



Loren Stephen-Porter

From: Kevin Mahr
Sent: Friday, November 2, 2018 10:21 AM
To: Stephen Abbott; Steve Marovich; Loren Stephen-Porter
Cc: John Choi; Greg Wilson; Greg Mann
Subject: FW: Off duty assistance from Cpt John Choi

Hi John,

Please see the recognition email below and thank you for your ongoing and outstanding representation of NCFPD and the Fire Service.

Great Work John

Kevin Mahr
Division Chief – Operations
North County Fire Protection District
330 S. Main Ave
Fallbrook, CA 92028
760-723-2015 (Office)
760-802-4181 (Cell)

Kevin,

Please see the email below regarding one of your Captains actions while off duty. Captain Hardy was very impressed with his command of the scene and ability to coach the victims friends in how to perform CPR. Please pass along a huge thank you to Captain Choi from Carlsbad Fire.

Nick

Sent from my iPhone

E101 responded to a motorcycle collision today on Carlsbad Blvd in front of the power plant. I wanted to express the sincere gratitude and pride from our crew and our agency for the service Captain John Choi provided on scene prior to our arrival.

Captain Choi was absolutely handling the scene when we arrived. The scene was dramatic with many bystanders, several of which were the patients friends who just witnessed the tragic accident right in front of them. Traffic was busy on the blvd, and the patient was in CPR status with serious traumatic injuries. John took charge of the scene and had bystanders working for him with people rotating through “quality” compressions that he coached them on, maintaining spinal stabilization and really just handling business with a professional demeanor, and clear decisive direction to do the best they could to give this young man a chance to survive. The friends of the patient will absolutely have better peace of mind looking back that their friend was given immediate quality care as opposed to how much more tragic and helpless they might have felt had Choi and the other bystanders not did what they did.

Oct. 14, 2018

North County Fire Protection

This is a letter of recognition for exceptional service provided by Captain John Choi while off duty in Carlsbad

E101 responded to a motorcycle collision today on Carlsbad Blvd in front of the power plant. I wanted to express the sincere gratitude and pride from our crew and our agency for the service Captain John Choi provided on scene prior to our arrival.

Captain Choi was absolutely handling the scene when we arrived. The scene was dramatic with many bystanders, several of which were the patient's friends who just witnessed the tragic accident right in front of them. Traffic was busy on the blvd, and the patient was in CPR status with serious traumatic injuries. John took charge of the scene and had bystanders working for him with people rotating through "quality" compressions that he coached them on, maintaining spinal stabilization and really just handling business with a professional demeanor, and clear decisive direction to do the best they could to give this young man a chance to survive. The friends of the patient will absolutely have better peace of mind looking back that their friend was given immediate quality care as opposed to how much more tragic and helpless they might have felt had Choi and the other bystanders not did what they did.

Again, we were all very impressed with the quality leadership and direction Captain Choi provided at this incident, he truly gave this young man his best chance of survival and clearly demonstrated to the crowd of onlookers that he was receiving immediate quality care. The young man did not survive, but he truly did receive exceptional care, Thank you John!



Station 1/B

Carlsbad Fire Department

Steve Hardy
Fire Captain
City of Carlsbad
2560 Orion Way
Carlsbad, CA 92010
www.carlsbadca.gov

Fire Department

2560 Orion Way | Carlsbad, CA 92010 | T 760-931-2141 | F 760-929-0256 | www.carlsbadfire.org

Again, we were all very impressed with the quality leadership and direction Captain Choi provided at this incident, he truly gave this young man his best chance of survival and clearly demonstrated to the crowd of onlookers that he was receiving immediate quality care. The young man did not survive, but he truly did receive exceptional care, Thank you John!

Station 1/B



Fire Department

Steve Hardy

Fire Captain

City of Carlsbad

2560 Orion Way

Carlsbad, CA 92010

www.carlsbadca.gov

SONOMA CA 940

2018 PM 2 L



North County Fire Protection Department
330 S Main Ave
Fallbrook, CA 92028



Dear North County Fire
Protection Department,

10/15/18

Thank you for helping fight the fires
in Sonoma County last October. We
are very grateful for everyone who
worked to protect our homes and
community.

Sincerely,

We were the one with
green gate + steep driveway
on Conejo Rd. Thanks for
care of my dog + looking
my home!

Thank you for coming
to help when I had a
stroke + then fell and broke
my back. I will later. May
you stay safe!

Capt. Rees
Emp. McIVER-NG
FF Moore
FF Spanler - CHAD SPENCER
ENT Castellano - ROBERT CASTELLANO

EMT's/Firemen, got your card
thanks for letting me know who came
out to help - nice follow up touch.
Specifically thanks to "C" shift, and
those who lead this team -
Well executed response and transfer
to Hospital! Much appreciated,



News / Public Safety

Firefighters extricate trapped person from SUV after it crashes into semi on I-15

By **City News Service**

DECEMBER 5, 2018 10:02 AM

One person suffered major injuries early Wednesday when an SUV crashed into the rear of a semi truck hauling a trailer on Interstate 15 in North County, authorities said.

The collision happened around 6:20 a.m. on northbound I-15 south of Rainbow Valley Boulevard, **California Highway Patrol Officer Tommy Doerr** said.

North County Fire Protection District firefighters extricated one person who was trapped in a Dodge SUV that struck the back of the semi truck's trailer, NCFPD spokesman **John Choi** said.

Four patients, all from the Dodge SUV, were transported to Palomar Hospital, Choi said, adding that one person suffered major injuries while the rest had minor injuries.

PROTECTING OUR FAMILIES

Proposed changes to the public charge rule could lead to hardship for thousands of families. Make your voice heard.

Public comments are being accepted until Dec 10.

FALLBROOK

Fire chief to speak to Democratic Club

The Fallbrook Democratic Club will hold its monthly meeting **Thursday at the Hilltop Center, 331 E. Elder St. Social time begins at 6:30 p.m., followed by the meeting at 7 p.m.** The speaker will be Stephen Abbot, district fire chief/CEO of the North County Fire Protection District. San Diego Democratic Party Chair Jessica Hayes is slated to attend. In addition to regular meetings on the first Thursday of the month, the club holds casual coffee meetings on the third Wednesday of each month at 8 a.m. at the Fallbrook Coffee Company, 622 S. Mission Road. Visit fallbrookdemocrats.org.

Residents living in the burn area of last December's Lilac Fire are protecting themselves from a new threat as rain dumps on their community.

The fire, fueled by gusty winds, consumed more than 4,000 acres and left many hillsides bare. Those bare hillsides are now more susceptible to erosion and mudflows under heavy rains.

The Rancho Monserate Country Club in Fallbrook, where nearly 70 mobile home units were destroyed in last fall's fire, sits at the bottom of a scorched hill.

Cal Fire described the dual threats of wildfires and mudslides as a one-two punch for residents like Bill Weigel.

"We looked outside and the fire was already a third of the way down this hill. So we

6 of 7

12/6/2018, 3:10 PM

Threat of Wildfires, Mudslides 'One-Two' Punch for Residents in LI... <https://www.nbcsandiego.com/news/local/Threat-of-Wildfires-Muds...>

evacuated right away," Weigel said, remembering Dec. 7, 2017, the day the fire sparked.

Now when he looks out his window he sees rows upon rows of sandbags staggered along the hill. Resident Ron Lafleur said the sandbags were put up around his home this summer and more were added last week ahead of the storm.

Whether against wildfires or mudslides, LaFleur said protecting his property is a year-round battle.

"This whole hill is going to turn green here in a couple weeks and then it's going to be grey again, then we're going to have to remove fire danger," he said.

Cal Fire says people living in heavy fire-damaged areas like theirs should always be prepared for changing weather conditions. Part of being prepared, the agency said, includes having an evacuation plan in place.



Cranston Fire Still Rages, Displacing Thousands NBC4 SoCal

The [North County Fire Protection District](#) has taken on a much heavier load of emergency calls following the closure of Fallbrook Hospital in 2015.

In response, NCFD added an extra ambulance to respond to medical emergencies, but it has put a financial strain on the fire stations.

As the NCFD puts it, they are bringing a hospital to the home of patients.

"We have the ability to bring medications, life-saving medications to them in their time of need," NCFD spokesman John Choi said.

The district serves approximately 55,000 people in Fallbrook, Bonsall and Rainbow.

When NCFD started operating its third ambulance, there was no extra money in the budget for it. Most of its budget comes from property taxes.

NCFD said it has seen a 17 percent increase in calls since Fallbrook Hospital shut its doors. That also means that ambulances are having to travel further to transport patients.

"Our general public has not seen the true impact of a hospital closure because we've been providing this emergency service," Choi said. "But for us internally, we've had to move around money."

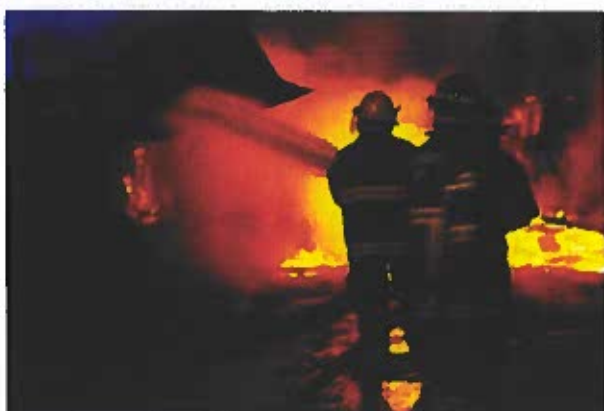
Because NCFD has shifted money, it hasn't been able to make the necessary upgrades to its fire stations.

Some NCFD buildings are not up to California Earthquake Standards, meaning that some of the fire station doors might not open during a large earthquake.

Choi said seven facilities are "end-of-life" and four of those are over 50 years old.

Even though crews are on the road longer, and working in outdated facilities, the NCFD remains dedicated to responding to their community's needs, the agency said.

Questions and Answers Regarding Responding Quickly to Disasters | California Public Agency Labor & Employment Blog



This post was authored by [Laura Schulkind](#), [Jenny Denny](#) and [Eileen O'Hare-Anderson](#)

Many of you are facing tremendous challenges with the current fires in both ends of the state. We wish we could stand next to you and be of practical help. Since we can't do that, we offer these legal answers to the immediate questions you are facing, so you have ready answers at your fingertips. While these are by no means complete answers to every issue that can, will, and has come up, they address the most pressing questions that we have already started to hear.

We hope that having this information easily accessible will allow you more time to focus on the needs and safety of your students, employees, and facilities. We are available to help in any way we can. We will keep you all in our thoughts, and look forward to hearing from you soon, in happier times.

HOW CAN WE CONVENE OUR BOARD AS QUICKLY AS POSSIBLE?

EMERGENCY MEETING

What is an emergency meeting?

“Emergency meetings” are a limited class of meetings held when prompt action is needed due to an actual or threatened emergency situation and are held on little notice. (Gov. Code, § 54956.5.) An emergency situation means a work stoppage, crippling activity, or other activity that severely impairs public health, safety, or both, as determined by a majority of the members of the legislative body. (Gov. Code, § 54956.5 subd. (a)(1).) It also means a dire emergency, which is a crippling disaster, mass destruction, terrorist act, or threatened terrorist activity that poses peril so immediate and significant that

requiring a legislative body to provide one-hour notice before holding an emergency meeting (discussed below) may endanger the public health, safety, or both, as determined by a majority of the members of the legislative body.

What are the notice requirements for an emergency meeting?

Before the meeting

A legislative body may hold an emergency meeting without complying with either the 72-hour notice and agenda posting requirement of regular meetings or the 24-hour notice and agenda posting requirement of special meetings. (Gov. Code, § 54956.5 subd. (b)(1).)

Although the 72 hours' or 24 hours' notice is not necessary, the Board President or designee should notify each local newspaper of general circulation and radio or television station that has requested notice of special meetings one hour prior to the emergency meeting. In the case of a dire emergency, the Board President or designee should provide this notice at or near the time they notify the Board Members of the emergency meeting. (Gov. Code, § 54956.5 subd. (b)(2).)

The Board President or designee should provide this notice by telephone and attempt to provide notice using all telephone numbers provided in the media's written request. If telephones are not working, the notice requirements are deemed waived. However, the news media must be notified as soon as possible of the holding of the meeting, the purpose of the meeting, and any action taken. (Gov. Code, § 54956.5 subd. (b)(2).)

If news media does not have a written request on file for notification of special or emergency meetings, a legislative body has no legal obligation to notify news media of special or emergency meetings—although notification may be advisable in any event to promote communication during disasters.

After the meeting

As soon as possible after the emergency meeting, the legislative body must post the minutes of the meeting, a list of persons whom the body notified or attempted to notify, a copy of the roll call vote and any actions taken at the meeting for at least 10 days in a public place. (Gov. Code, § 54956.5 subd. (e).)

How do you convene an emergency meeting?

When a majority of the legislative body determines that an emergency situation exists, it may call an emergency meeting. (Gov. Code § 54956.5.) Thus, the first order of business at an emergency meeting must be declaration of an emergency. An emergency must be declared by a majority of the full board (not just a majority of those present.)

What may be covered at an emergency meeting?

Business should be limited to those items requiring prompt attention due to the emergency. Further, while a legislative body is relieved of the

responsibility to post an agenda prior to an emergency meeting, an agenda consistent with the parameters of an emergency meeting should be developed and utilized. A legislative body may not take action on items of business not appearing on the agenda. (Gov. Code §§ 54956; 54956.5 subd. (d).) Finally, as a general rule, emergency meetings may not be held in closed session. However, a legislative body may meet in closed session, where the basis for closed session complies with section 54957, if agreed to by a two-thirds vote of the members of the legislative body present, or, if less than two-thirds of the members are present, by a unanimous vote of the members present. (Gov. Code, § 54956.5 subd. (c).)

SPECIAL MEETING

What is a special meeting?

“Special meetings” are meetings called by the Board President or majority of the legislative body to discuss only discrete items on the agenda under the Brown Act’s notice requirements for special meetings. (Gov. Code, § 54956 subd. (a).)

What are the notice requirements for a special meeting?

At least 24 hours before the meeting, a legislative body must post a notice in a location freely accessible to the public that contains the time and place of the meeting and identifies matters to be transacted or discussed at the meeting. The body must also post the agenda on its Internet website, if it has one. (Gov. Code, § 54956(a).) The District should describe the business to be transacted or discussed be in the same manner that an item for a regular meeting would be described on the agenda—with a brief general description. Closed session items should be described in accordance with the Brown Act’s provisions to protect legislative bodies and elected officials from challenges of noncompliance with notice requirements.

How do you convene a special meeting?

The Board President or a majority of the members of the legislative body, may call a special meeting by delivering written notice to each member of the legislative body. The notice must be delivered to all members of the legislative body (typically personally) at least 24 hours before the meeting (unless waived in writing before the meeting or if the member actually appears at the meeting). The body must also provide notice to any newspaper, radio or television station that requested notice of special meetings in writing. (Gov. Code, § 54956 subd. (a).)

A legislative body may not call a special meeting regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits, of a local agency executive. (Gov. Code, § 3511.1 subd. (d).) This does not apply to a local agency calling a special meeting to discuss the local agency’s budget.

What are the agenda requirements for a special meeting?

There is no specific agenda requirement for special meetings, but the notice of

the special meeting effectively serves as the agenda and limits the business that may be transacted or discussed. No other business may be considered by the legislative body. (Gov. Code, § 54956.) The legislative body must give members of the public the opportunity to speak before or during consideration of an item on the agenda but need not allow members of the public an opportunity to speak on other matters within the jurisdiction of the legislative body. (Gov. Code, § 54954.3 subd. (a).)

MEETING LOGISTICS

What if it is not safe to meet in our regular meeting place?

The Brown Act generally requires all regular and special meetings of a legislative body, including retreats and workshops, to be held within the boundaries of the territory over which the local agency exercises jurisdiction. (Gov. Code, § 54954 subd. (b).) However, if a fire, flood, earthquake, or other emergency makes the usual meeting place unsafe, the Board President is authorized to designate another meeting place for the duration of the emergency. News media that have requested notice of meetings must be notified of the designation by the most rapid means of communication available. (Gov. Code, § 54954 subd. (e).) This means you may move your Board meetings to another public venue within your District boundaries.

May members of the legislative body teleconference into the emergency or special meeting?

The Brown Act allows a legislative body to use any type of teleconferencing to meet, receive public comment and testimony, deliberate, or conduct a closed session. (Gov. Code, § 54953 subd. (b)(1).) However, the decision to use teleconferencing is entirely discretionary within the body and can present some issues.

“Teleconference” is defined as “a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both.” (63 Ops.Cal.Atty.Gen. 215 (1980).) Teleconference meetings must comply with all requirements of the Brown Act, including, but not limited to, including the address of each teleconference location in the agenda, posting the agenda in the teleconference location, and public accessibility to the teleconference location. The legislative body must conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the public or parties appearing before the legislative body. This might indicate that teleconferenced emergency meetings, where there is little or no public notice, might be problematic. When the public has short notice of emergency meetings, Districts should be careful in limiting access further by using teleconferenced meetings.

HOW DO WE HANDLE EMPLOYEE ISSUES?

DISASTER SERVICES WORKERS

What is a disaster services worker?

Under the California Emergency Services Act (Gov. Code, § 8550) all public employees are required to render all possible assistance to the Governor and the Secretary of Emergency Management in carrying out the provisions of the Emergency Services Act. (Gov. Code, § 8614.) In addition, all public employees, except legally employed aliens, are deemed disaster service workers. (*Miller v. Board of Supervisors* (1981) 121 Cal.App.3d 184.)

What is disaster service?

Disaster service means “all activities authorized by and carried on pursuant to the California Emergency Services Act, including approved and documented training necessary or proper to engage in such activities.” (Cal. Code Regs., tit. 19, § 2570.2 subd. (b)(1).)

How can we assign work to a disaster services worker?

The California Emergency Services Act does not set out how employees should be notified of their disaster service assignments. Rather, District disaster plans should set out potential disaster scenarios. (Gov. Code, §§ 8610, 8877.5.)

SALARY ISSUES

How do we compensate employees performing disaster services?

The provisions of the Emergency Services Act give agencies some power to direct their employees to perform disaster service duties outside of their typical job duties. The Education Code addresses a District’s obligation to pay overtime for hours worked in excess of eight hours in a day or forty hours in a week. (Ed. Code, § 88027.) (If an employee has a regular workday of less than eight but more than seven hour, or a regular workweek of less than 40 but more than 30 hours, for certain classes the employee will be entitled to overtime for time worked in excess of the established workday. Ed. Code, § 88027.) The District may order employees to work overtime. If your collective bargaining agreement addresses the rotation of overtime, Districts should follow that language.

If the bargaining agreement is silent, use a fair system, such as asking for volunteers or by assigning overtime by lot. Taking such steps unilaterally is likely authorized by the management rights clauses in your CBAs, regarding disaster situations. However, we also recommend communicating and working with your union leadership as quickly as possible, to share information on the well-being and needs of impacted employees as well as district plans for directing and compensating disaster service work.

What if employees are unable to work?

Employees who have suffered personal loss or injury, or who are needed to care for a family member, may of course utilize the full array of applicable leaves available to them by law and pursuant to your collective bargaining agreements. These include but are not limited to: sick leave, extended leave, personal necessity leave, and FMLA/CFRA leave.

Districts should also work with employees who live or travel through affected areas. The fires or associated road closures may interfere with their travel and they may have trouble getting to work on time or at all. School closures will also play havoc with parents' arrangements.

To address employee's inability to attend work, districts should:

- Review the management rights clauses in all your contracts. As noted above, these likely authorize some amount of unilateral action in the face of such a natural disaster. This would include making decisions about work schedules, revised call-in procedures, revised uses of available paid leaves, and other workplace issues normally subject to negotiation.
- While some unilateral action is likely authorized, we recommend meeting quickly—by phone is fine—with union leadership. Check-in and share information each may have on affected employees; strategize how to get support to those in need; inform how the district is addressing needs for leave; etc.

Do we pay employees for time the district is closed?

Whether or not there is a legal obligation to pay employees during a district closure depends on a variety of factors under both the federal FLSA, and state wage and our law, such as: whether the employee is exempt or nonexempt, the length of the closure, whether the employee worked during any period of an FLSA workweek, and whether the employee is otherwise ready, willing and able to work. Thus, as a first step we recommend that you look at your own policies and collective bargaining agreements—which may address the issue. If your policies and/or CBAs are silent, unclear, or you are not sure if they meet minimum legal requirements, contact legal counsel.

Student Issues

Student Attendance Accounting

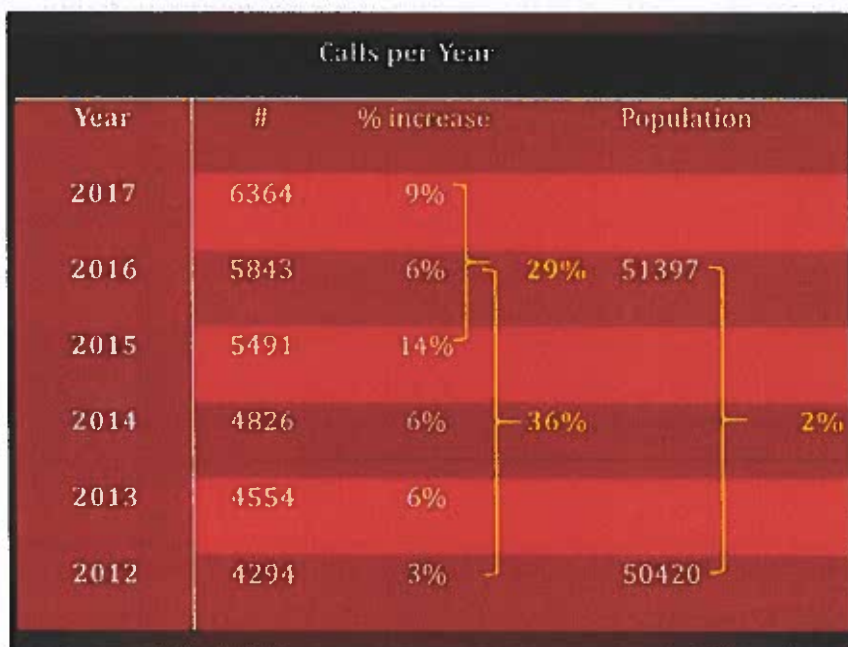
We anticipate that if campus closures last long enough to affect student contact hours the California Community College Chancellor's Office will issue guidance as it has in the past. For programs with specific clinical or other attendance requirements, such as allied health, districts will need to work with the State Accrediting Agency to determine whether those requirements will be revised or modified.

Individual Course Requirements

At colleges fortunate enough to be open, districts should encourage individual faculty members to be flexible, and work with students living or traveling through affected areas.

Fire Chief's Report – How NCFPD is handling increase in calls for EMS services

Village News



North County Fire Protection District

Note: chart does not depict fractions of percent; actual increase in calls from 2012 to 2016 calculated at 36.1 percent.

In last week's paper we ran a story about the impact of the closure of Fallbrook Hospital on Fire and Emergency Medical Service (EMS) operations. That chart depicted some formatting errors. The corrected version is provided today.

We have also received some questions about what North County Fire Protection District has done in response to this dramatic increase in calls for EMS services. In addition to funding a third ambulance and reclassifying certain positions to less costly single-role or "non-safety" status, we have taken other steps to streamline operations.

When calls for service only are determined to be non-life threatening, we will send the closest Basic Life Support engine when appropriate, which keeps our paramedic engines available for emergency response. For those same non-life-threatening calls, we work with our customers to arrange for non-emergency transportation, which keeps our ambulances available for emergency response.

When we repeatedly encounter customers with non-life threatening health conditions, we refer them to our Health Services Referral Program, which plugs them in to local nonprofit and community organizations that can help them better manage their health challenges so that they don't worsen to the extent that they need to call 9-1-1 as frequently. The Foundation for Senior Care is a major contributor to making this particular program function so well.

Moving forward, we are exploring adding a medical director to our regional dispatch center so that we can further refine our call triaging capabilities. Our vision is to have a system wherein customers receive the right resources at the right place and right time the first time. With such capabilities in the future we could work directly with nurse practitioners to interview customers at the time of call, arranging for a doctor's appointment, non-medical transportation, prescriptions, etc.

Approximately one year ago we explored a telehealth opportunity which would have allowed the emergency room physician to conduct a live stream video chat with patients in the field, potentially eliminating the need for transportation altogether. This will be one of the opportunities we will be exploring again in the future once changes in State scope of practice will more readily allow for use of such technologies."

Fire Chief's Report – Hospital closure has had major impact on fire

Village News

As we are approaching the four-year mark since the closure of Fallbrook Hospital, we would like to share with our community the impact that closure has had upon our fire department.

As many of you may know, North County Fire is your provider of fire and emergency medical services and has operated a paramedic program since 1990. This was a huge step for our department in that it increased its workforce and budget by 25 percent. With the closure of the hospital in December 2014, we have seen the number of emergency calls dramatically increase.

As seen in the table below, we have seen a 29 percent increase alone since the hospital closure. What this translates to is longer response times as our ambulances must travel two-to-three times the distance to an out of town hospital and spend generally three times as long to become available for another call within our community.

Moreover, with each 5 percent increase in call volume we see a corresponding increase in the number of overlapping or simultaneous calls, which means that our citizens must wait for an ambulance to travel across town from another station as the first ambulance is already committed to another call.

This is but one of the many reasons why we staff each of our fire engines with paramedics as well – so we can begin to administer advanced life support prior to the arrival of an ambulance. We had originally responded to this challenge by obtaining a two-year FEMA "SAFER" grant for staffing an additional (third) ambulance.

When the "SAFER" grant expired, however, we had to create new internal efficiencies to maintain this third ambulance in our system. This was accomplished by reclassifying our ambulance personnel to "single role" paramedics and EMTs, which are not trained or used as firefighters. We also receive "automatic aid" paramedic ambulances from neighboring jurisdictions, which allows us to continue to meet our customer service demands.

Supervisors award Neighborhood Reinvestment grants

Village News

Two Fallbrook nonprofit organizations, two public agencies based in Fallbrook, two nearby fire safe councils, Camp Pendleton's YMCA and a program which brings arts to the Fallbrook and Oceanside school districts were allocated Neighborhood Reinvestment Program grants during a San Diego County Board of Supervisors meeting held last month.

The supervisors' 5-0 vote awarded grants of \$173,732 to Fallbrook Center for the Arts, \$111,765 to the Mission Resource Conservation District, \$108,896 to the North County Fire Protection District, \$61,288 to the Deer Springs Fire Safe Council, \$48,328 to the Palomar Mountain Fire Safe Council Foundation, \$40,000 to the Armed Services YMCA, \$11,071 to the Fallbrook Land Conservancy and \$3,200 to Young Audiences of San Diego which as Arts for Learning San Diego has a Military Arts Connection program to bring the arts to military dependents.

The Neighborhood Reinvestment Program is intended to provide grants to nonprofit organizations for the furtherance of public purposes at the regional and community levels. In addition to nonprofit organizations, county supervisors can also fund schools and fire departments, and supervisors can also use money from their budgets to supplement other county funding for specific county projects such as parks, roads and libraries.

Each county supervisor recommends the allocation of their Neighborhood Reinvestment Program funds, although those allocations must be approved by a majority of the board. The grants for the Fallbrook and nearby organizations were from Bill Horn's District Five budget.

Fallbrook Center for the Arts is a nonprofit organization which utilizes art and art education to bring visitors to Fallbrook. The activities of Fallbrook Center for the Arts include the Fallbrook Art Center, the Fallbrook School of the Arts, the Brandon Gallery, Art in Public Places and an Arts Calendar.

The Neighborhood Reinvestment Program will assist with capital improvements such as the replacement of the roof and windows, the installation of photovoltaic panels, the purchase and installation of a cafe hood, the relocation of a gas line, renovation of the ceramic studio including shelving and drywall and a point-of-sale credit card system.

"The Fallbrook Center for the Arts attracts a lot of visitors to the area who boost the local economy," Horn said. "This grant for \$173,000 will be used for capital improvements at the center including solar panels, roof replacement, windows and a room renovation."

Resource conservation districts, which are formed to control water runoff and prevent soil erosion, were originally created to focus on agricultural use of land but now involve themselves in watershed management, recreational area management, urban and agricultural irrigation and water use, water quality, forest land productivity and public education for children and adults. Although the Mission Resource Conservation District is a public agency, it has no regulatory power. The Neighborhood Reinvestment Program allocation will subsidize the cost of a demonstration garden and an agritourism project which includes landscaping, solar panels, fencing, brochures and signage.

"The Mission Resource Conservation District educates property owners on how to conserve their own natural resources," Horn said. "I've approved a grant for \$111,000 to help pay for a demonstration garden and agritourism project to assist in those efforts."

The North County Fire Protection District was created in 1986 with the merger of the Fallbrook Fire Protection District and the county service area which served Rainbow. The creation also included the annexation of the Gavilan Mountain area.

The district provides structural and watershed fire protection and suppression, along with emergency medical services, to a population of more than 50,000. That population figure does not include citizens of Oceanside, Vista, Deer Springs and Pala served by automatic aid agreements. The district's air compressor system which refills the self-contained breathing apparatus bottles and a microwave radio system which allows communication throughout the district are both inferior to current standards.

"Public safety is always a priority and wildfires are one of our biggest threats," Horn said. "The North County Fire Protection District needs to update their equipment, so I am happy to award this \$108,896 grant for a microwave radio system and self-contained breathing apparatus compressor."

That automatic aid agreement may mean that NCFPD residents are served by the Deer Springs Fire Protection District, whose Station 1 is located on Circle R Drive less than half a mile from the intersection of Old Highway 395 and Gopher Canyon Road. The Deer Springs Fire Safe Council is an all-volunteer organization whose services include community education, prevention and communication.

The Deer Springs Fire Safe Council works with both the Deer Springs Fire Protection District and the California Department of Forestry and Fire Protection stations and personnel within the Deer Springs boundaries. CDF's Miller Station is on West Lilac Road. Cal Fire and the San Diego County Regional Fire Authority have begun using the Auto Pulse cardiopulmonary

resuscitation equipment which provides a more portable spinal column stabilization backboard.

"The Auto Pulse CPR system offers superior CPR to patients in medical distress," Horn said. "This \$60,000 grant will provide the funds for the Deer Springs Fire Safe Council to purchase the equipment for three stations plus a spare."

The Palomar Mountain Fire Safe Council was formed in 2005 to help reduce dead and dying trees on Palomar Mountain, and the organization's activities also include pre-fire management, meetings and encouragement of community participation through programs and activities including fire-retardant gel.

"The wildfire danger is extremely high on Palomar Mountain this year, so property needs to be cleared and dead trees removed," Horn said. "I approved this \$48,000 grant for the Palomar Mountain Fire Safe Council to purchase fire gel home kits, dumpsters and wood chipping equipment to minimize structure loss during the next wildfire."

The Camp Pendleton Armed Services YMCA has served Marine Corps members and their families since 1943 and provides services and programs intended to enhance the quality of life for military families.

"The Armed Services YMCA does such a great job supporting active-duty Marines, sailors and their families," Horn said. "This \$40,000 grant will be used for toys, tables, chairs and bookshelves for their holiday youth programs."

The Fallbrook Land Conservancy was founded in 1988 with the objective of preserving Fallbrook's rural character and natural beauty through the protection of open space and related activities. The conservancy owns and manages 2,118 acres of open space, holds conservation easements on 965 acres and is also involved in tree planting, habitat restoration and trail maintenance.

The Palomares House, which was built in 1888, is used for the conservancy office as well as community meetings. The Neighborhood Reinvestment Money will help with the expense to purchase and install an energy-efficient cooling system.

"The Fallbrook Land Conservancy is working on upgrades to the historic Palomares House," Horn said. "I've allocated \$11,000 in grant money for a new cooling system to improve the office space and public meeting room."

Arts for Learning San Diego is a nonprofit organization which seeks to integrate the arts into the education and extra-curricular activities of children in the region. Performances, residencies and workshops help youth identify their cultural roots and discover their creative talents.

Arts for Learning San Diego has relationships with school districts and community organizations to increase the accessibility of the arts to children in

schools and community gathering facilities. The Military Arts Connection program helps bring the arts to families of active-duty military personnel in the Fallbrook and Oceanside school districts both on Camp Pendleton and near the base. The Neighborhood Reinvestment Program funding will help with the cost of program guides and fliers.

"Young Audiences of San Diego exposes children K through 12 to the arts who would otherwise miss out because of the lack of access or money," Horn said. "This grant for \$3,200 will help cover printing costs for program fliers."

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**NORTH COUNTY FIRE
PROTECTION DISTRICT
FIRE CHIEF/CEO**

TO: BOARD OF DIRECTORS
FROM: STEPHEN ABBOTT, FIRE CHIEF/CEO
DATE: DECEMBER 11, 2018
SUBJECT: COMMENTS, REPORTS AND UPDATES

● **STAFF COMMENTS/REPORTS/UPDATES:**

● **STEPHEN ABBOTT, FIRE CHIEF/CEO:**

● **CHIEF OFFICERS & STAFF:**

● **BOARD:**

● **BARGAINING GROUPS:**

● **PUBLIC COMMENT:**

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**NORTH COUNTY FIRE
PROTECTION DISTRICT
FIRE CHIEF/CEO**

TO: BOARD OF DIRECTORS
FROM: STEPHEN ABBOTT, FIRE CHIEF/CEO
DATE: DECEMBER 11, 2018
SUBJECT: CLOSED SESSION

CS-1. ANNOUNCEMENT — PRESIDENT MUNSON:

➤ *An announcement regarding the items to be discussed in Closed Session will be made prior to the commencement of Closed Session.*

CS-2. CONFERENCE WITH REAL PROPERTY NEGOTIATOR — GOVERNMENT CODE § 54956.8 — CHIEF ABBOTT:

➤ **PROPERTY LOCATION:** 4157 Olive Hill Road – Station 3
PARTIES: Fallbrook, CA 92028;
North County Fire Protection District (Seller);
UNDER NEGOTIATION: Terms of Sale;
DISTRICT NEGOTIATORS: Chief Abbott, District Counsel James

CS-3. REPORT FROM CLOSED SESSION — PRESIDENT MUNSON

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