

**KENTFIELD FIRE PROTECTION DISTRICT
BOARD OF DIRECTORS MEETING**

MEETING TYPE: Regular

DATE: January 15, 2020

CALL TO ORDER: 6:30 p.m. by Chairman Murray. Director Gerbsman led the assembly in the Pledge of Allegiance.

ROLL CALL: All Directors were present. Also in attendance were Chief Pomi, Accountant Hom and Recording Secretary Mulkeen.

APPROVAL OF PRIOR MONTH'S MINUTES: M/S Naso/Evergettis to approve the minutes of December 18, 2019. All ayes.

PUBLIC COMMENT PERIOD: As there were no members of the public in attendance, no comments were received.

AGENDA ADJUSTMENTS: none

SPECIAL ANNOUNCEMENTS/PRESENTATIONS: none

UNFINISHED BUSINESS: none

NEW BUSINESS:

- a. F/Y 2019/20 Mid-Year Review Budget Presentation: Accountant Hom presented the following budget highlights for July 1, 2019 through December 2019.

District Revenues:

Category 9001/Property Tax Secured-The District has received \$2.6 million of the \$4.7 million budgeted, at 55% of budget. Typically the county posts property taxes right after the property tax due date, December 10, 2019.

Category 9007/Special Assessment Tax – at 55%

Category 9046/Excess ERAF– received \$209,000; Accountant Hom projects this will extrapolate to an estimated \$325,000 at the end of fiscal year, which means this category will be to the positive, at an estimated \$100,000.

Category 9201/Interest Income from the County of Marin – Accountant Hom reported the December interest for this quarter had not yet been posted when he created this report. Currently the County's Treasury Pool is earning an interest rate of 2%. This category currently at \$30,000. He estimates this category will come in significantly higher than the \$15,000 initially budgeted.

Category 9950/State Fires-budgeted at \$250,000, with \$36,000 received to date.

Accountant Hom reported the District still needs to collect an estimated \$110,000 from OES for a fiscal year-end total of \$140,000. He commented, this fire season has not been as robust as in recent years. Total revenues as of December 2019 is \$3.5 million, at 55% of actual.

Expenses

Salary & Benefits:

Category 1030/Overtime at \$280,000, at 69% of budget; the agency is done with fire season use of overtime.

Category 1050/Safety-Regular Pay at 45% of budget.

Category 1515/Health Insurance at 53%.

Category 1530/Retire Employer at 68% because the District paid the entire unfunded liability in one lump sum at the beginning of the fiscal year, July 2019. The payments throughout the remainder of the year are for normal costs. That's why you see a spike in the retirement category. This category is at the halfway point of the budget year.

Category 1560/OPEB – we are making quarterly contributions into the trust, CERBT, and are at 50% of budget.

Total Salaries & Benefits at \$2.5 million, at 52% of budget.

Service & Supplies: \$450,000 spent, at 48% of budget. Chief Pomi interjected Category 2150/Prevention budget of \$171,000 included \$136,000 as part of the CalFire grant that the District used for vegetation management along the roadsides in the Kent Woodlands. While the budget shows the expenditure of \$95,000 the District will be reimbursed by CalFire.

Capital Outlay: spent \$20,000, at 6.2% of annual budget.

Director Gerbsman asked about capital outlay funds for the building. Chief Pomi replied the building funds are in a reserve account and reserve accounts will be discussed at next month's meeting where upon the board will allocate surplus funds into our reserve funds. Chief added that in 2024, in four years, the District should have up to \$1 million in the building reserve account for the potential of replacing the roof and HVAC system.

Debt Service: Total of \$161,000, at 51%.

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Accountant Hom reported that as of the end of December, the budget has a surplus of \$400,000. Accountant Hom asked if there were questions. There were none.

The Board thanked Accountant Hom for his presentation.

Chief Pomi summarized that with last month's audit presentation and Accountant Hom's mid-year review tonight that he and Accountant Hom can present assigned and unassigned funds at the February board meeting and seek the board's recommendations on their allocation.

OPPORTUNITY FOR PUBLIC COMMENTS: There were no public comments made.

M/S Gerbsman/Naso to approve the F/Y 2019/20 Mid-Year Review Budget as presented by Accountant Hom. All ayes.

- b. County of Marin 19/20 Annual Statement of Investment Policy: Chief commented our general checking is banked with the County of Marin Treasury. The account is pooled with other Marin County agency funds and invested in short term investments so the District can have easy access them. They are stable, safe, and low risk. He announced this annual statement investment policy was approved by the Board of Supervisors in December 2019 and is presented to the board for review, questions and discussion. There was none.

OPPORTUNITY FOR PUBLIC COMMENTS: There were no public comments made.

M/S Gerbsman/Naso to approve the 19/20 Annual Statement of Investment Policy. All ayes.

- c. Statement of Economic Interest/Form 700: Chairman Murray encouraged members to submit Form 700 to Admin Mulkeen in a timely fashion. Admin Mulkeen reported all board members have submitted their Form 700.
- d. California Employers' Pension Prefunding Trust (CEPPT): Chief Pomi presented this new Trust fund offered by CalPERS and directed the Board to read the informational report in the board packet. Chief continued, if after review and discussion of this information the board feels this plan can benefit the District, he can work with CalPERS to implement this trust and present the detailed procedure to the board. The trust fund is established to offset the unfunded annual pension liability and is 100% voluntary. The board can determine how much they invest each year based on how much the District has available, or how much the board thinks we should contribute. However, once contributions begin, and the investment grows, the funds can only be used to fund pension liability. Currently these funds are in our treasury pooled investment, earning 2%; however, if we put the funds in this type of trust the District has more control of how the funds are invested. The District could make additional or pre-funding payments. Chief Pomi recalled that CalPERS created the OPEB/CERBT Trust in 2011 which the District joined. At that time the District created a fund policy, and invested \$42,000 every quarter, \$160,000 that first year. When actuarial's were performed and the District's Annual Required Contribution was identified, the District was always able to budget accordingly. In today's budget, we contribute \$359,000 to the CERBT Trust. The CERBT Trust has done very well over the last eight years. He reported the District's OPEB outstanding liability is \$4.1 million. Chief Pomi added the District has contributed a total of \$2 million to the CERBT Trust and today it is worth \$3.4 million and is currently 80% funded. CalPERS recognized the success of the CERBT Trust and initiated the creation of the CEPPT Trust. To initiate this CalPERS CEPPT Trust, CalPERS had to get Legislators to pass an assembly bill last fall. Accountant Hom added this trust fund would be similar to the CERBT/OPEB fund the District currently holds with CalPERS and the presentation today is educational for the board. The purpose of this fund is to offset the pension liability. Discussion ensued with the Board. Chairman Murray asked can this trust be another vehicle for pension funding that the board can choose to fund with District surpluses at next month's meeting. Chief Pomi affirmed and reported that the District will have an actuarial from CalPERS this year. He and Accountant Hom can extract information to aid the Board with investment strategy for future planning. Chief Pomi, referring to the CEPPT portfolio options explained there are two strategies: Strategy 1, higher risk, at 5% return or Strategy 2, safer risk, at 4% return. Chief compared these figures with our CERBT Trust investment. The District is investing with Strategy 2 which has a 7% expected long term return and Chief Pomi reported in reviewing the recent returns on our CERBT investment he has seen 9% return. Chief Pomi remarked that he and Accountant Hom are looking for the board's input on what kind of funding policy the District should create. Chief Pomi asked if the Board had any questions. There were none. Chief Pomi remarked he will have this item on next month's agenda.

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CHIEF'S REPORT:

The Bob Mariani Installation Crab Feed is scheduled for Saturday, February 15, 2020 at 5:30 pm, at the Log Cabin in San Anselmo. Invitations were sent to some of the group that worked with Chief Mariani.

The FDAC 2020 Annual Conference is scheduled on April 1, 2, 3, 2020 in Napa. Chief reported he and Director Naso have attended in the past. Chief requested that if any board members are interested contact Admin Mulkeen.

Chief Pomi announced the District posted the Administrative Assistant position. The application deadline is January 31, 2020.

Chief reported the District responded to 1,286 calls for service in 2019, up 185 calls from last year.

Chief Pomi advised he is meeting with all shifts to discuss 2019 completed goals; and discuss 2020 goals and reviewing/educating the pension prefunding of the CEPPT Trust.

DIRECTOR MATTERS: none

CORRESPONDENCE: Reviewed

DISTRICT OPERATIONS: The December 2019 Incident Log and November and December 2019 Overtime Report were reviewed.

APPROVAL OF WARRANTS:

Murray/Gerbsman M/S to approve warrants 805302742 to and including 805302810 for \$707,036.90. All ayes.

The next regular meeting will be held on February 19, 2020.

A moment of silence was held for departed members and for B/C Glenn and his family. B/C Glenn's mother passed away earlier this month.

M/S Gerbsman/Naso to adjourn this meeting at 7:00 p.m. All ayes.

Respectfully submitted,

Sharon Mulkeen
Recording Secretary