

District Board Members

Blaine Maynor- President
Division 1
Nicole Johnson
Division 2
Randy Mendosa
Division 3
Eric Loudenslager - Vice President
Division 4
Jason Akana
Division 5



District Staff

Justin McDonald
Fire Chief
Becky Schuette
Clerk of the Board

Regular Board Meeting September 12, 2023 5:30 PM

Location: 631 9th Street, Arcata
Arcata Station Classroom

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ATTENDANCE & DETERMINATION OF QUORUM

APPROVAL OF AGENDA

PUBLIC COMMENT/ASSOCIATION REPORTS

Pg. 4

Any person may address the District Board on any subject pertaining to District business, which is not listed on the agenda. This comment is provided by the Ralph M. Brown Open Meeting Act (Government Code § 54950 et seq.) and may be limited to three (3) minutes for any person addressing the Board. Any request that requires Board action may be set by the Board for a future agenda or referred to staff.

- Senior Management Group
- Local 4981
- Arcata Volunteer Firefighters Association

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CLOSED SESSIONS

At any time during the regular session, the Board may adjourn to closed session to consider existing or anticipated litigation, liability claims, real property negotiations, license and permit determinations, threats to security, public employee appointments, personnel matters, evaluations and discipline, labor

negotiations, or to discuss with legal counsel matters within the attorney-client privilege.

1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Gov. Code Section 54956.8)
Property: APN: 021-041-002-000, 631 9th Street, Arcata
Agency Negotiators: District Counsel, Ryan Plotz
Under Negotiation: Price and terms of Payment
2. CONFERENCE WITH LEGAL COUNSEL - Anticipated Litigation (Gov. Code Section 54956.9(d)(2).): *2 matters*

DISTRICT BUSINESS

Pg. 6

1. Discuss and Consider Approving Amendment to Real Property Lease Agreement for the Downtown Station (631 9th Street, Arcata) and Authorize the Fire Chief to Make Non-Substantive Amendments Thereto and Execute the Necessary Documents

Pg. 7

CONSENT CALENDAR

Pg. 8

Consent calendar items are considered routine and are acted upon by the Board with a single action. Members of the audience wishing to provide public input may request that the Board remove the item from the Consent Calendar. Comments may be limited to three (3) minutes.

1. Minutes from August 8, 2023 Regular Meeting **Pg. 9**
 - a. Attachment 1 - Updated Policy 360 Volunteer Program
 - b. Attachment 2 - Updated Policy 938 Declaring a Mayday on Non-fire Incidents
 - c. Attachment 3 - Corrected Side Letter
 - d. Attachment 4 - Corrected Policy 422 False Alarm Billing
 - e. Attachment 5 - Corrected Policy 939 Use of Ballistic Safety Equipment
 - f. Attachment 6 - Corrected Policy 1002 Performance Evaluations
 - g. Attachment 7 - Corrected Policy 1054 Drug and Alcohol-Free Workplace

2. Minutes from August 29, 2023 Special Meeting **Pg. 32**

3. Accept the GASB 75 Actuarial Report (Measured as of June 30, 2022) for Fiscal Year End June 30, 2023 Financial Reporting **Pg. 34**
 - a. Attachment 1 - GASB 75 Actuarial Report FYE June 30, 2023 **Pg. 35**

DISTRICT BUSINESS - continued

Pg. 73

2. **PUBLIC HEARING - Adoption of Resolution 23-293 Finalizing the Annual Budget for Fiscal Year 2023/24** **Pg. 74**
 - a. Attachment 1 - Draft Fiscal Year 2023/24 Budget **Pg. 77**
 - b. Attachment 2 - 2023 Pension Liability Assessment **Pg. 84**
 - c. Attachment 3 - Resolution 23-293 with Exhibit A **Pg. 95**

**** Notice is hereby given that the Arcata Fire Protection District will convene a public hearing to consider the adoption of FY 2023/24 budget***

3. Review of the Cal Poly, City of Arcata, and Fire District Working Group **Pg. 97**
 - a. Attachment 1 - Notice of Cancelation Letter **Pg. 98**

4. Review the Fire Chief’s Goals for Fiscal Year 2023/24 and Adopt Resolution 23-294 Approving the Updated Master Salary Schedule Pg. 99
 - a. Attachment 1 - Resolution 23-294 with Exhibit A Pg. 101
5. Update of Live Broadcast of Board Meetings Pg. 103

CORRESPONDENCE & COMMUNICATIONS Pg. 104

1. Public Correspondence - There was no correspondence received this month.
2. Committee Reports
 - a. Budget Development Ad-hoc Committee (*Johnson, Loudenslager*)
3. Fire Chief’s Monthly Report Pg. 105
4. Director Matters

ADJOURNMENT

Next Regular Board Meeting is scheduled for October 10, 2023, **Arcata Downtown Station Classroom, 631 9th Street in Arcata at 5:30 pm.**

Prepared by: *Becky Schuette, Clerk of the Board*

The Arcata Fire Protection District ("District"), in compliance with the Americans with Disabilities Act ("ADA"), individuals who require special accommodations to access, attend and/or participate in District board meetings due to a disability, shall make their request by calling (707)825-2000, no later than 48 hours in advance of the scheduled meeting time. In compliance with Government Code Section 54957.5, non-exempt writings that are distributed to a majority of, or all, the Board in advance of a meeting may be viewed at 2149 Central Avenue, McKinleyville, California or at the scheduled meeting. In addition, if you would like a copy of any record related to an item on the agenda, please contact the Board Secretary, at (707) 825-2000. The meeting agenda is posted at least 72 hours in advance of regular scheduled meetings, at the following locations:

- *District's Headquarters' Building, 2149 Central Avenue, McKinleyville, CA 95519*
- *Arcata Downtown Station, 631 9th Street, Arcata, CA 95521*
- *Mad River Station, 3235 Janes Road, Arcata, CA 95521*
- *The Arcata Fire Protection District website: www.arcatafire.org*

Public Comment & Association Reports



**ARCATA VOLUNTEER FIREFIGHTERS
ASSOCIATION, INC.**

2149 Central Avenue
McKinleyville, California 95519
(707) 825-2000

Date: 9/12/2023 MONTHLY ACTIVITY REPORT
To: Board of Directors, Arcata Fire District
From Arcata Volunteer Firefighters' Association

**Mission: We exist to provide support, advocacy, and a social network for those
Volunteering to contribute to the mission of the Arcata Fire District.**

Volunteering

- Volunteer hours of support for August 55 Hours.
 - Volunteers responded to various incidents.
 - VLU Participated in the Cal Poly Humboldt Annual drill.
 - Volunteers worked on the address placards across the District.
 - Conducted CPR and First Aid Classes.

Community Outreach and Support

- **CPR and First Aid Training**
 - Training conducted by Rod Nakamoto
 - August there were only 8 student receiving CPR/First Aid Certifications
- **Address Placard Projects**
 - Presently 253 placards have been installed across the district.
 - On Order, 36 placards from August and September.
 - Project has approximately \$2000 remaining.
 - Project should finish with well over 300 installed.
- **Grant Activity**
 - Grant request to the California Fire Foundation for new wildland fire PPE was not approved.
 - Looking for other needs as the grant season continues

AVFA Properties

- The 9th Street Fire Station lease in final review/approval.

District Business

This page is a place holder for
**District Business Item 1 - Discuss
and Consider Approving
Amendment to Real Property
Lease Agreement for the
Downtown Station (631 9th Street,
Arcata) and Authorize the Fire
Chief to Make Non-Substantive
Amendments Thereto and
Execute the Necessary Documents**

Consent Calendar



MINUTES

Regular Board Meeting

August 8, 2023

5:30 p.m.

Location: 631 9th Street, Arcata

Arcata Fire Station Classroom

Board of Directors

Blaine Maynor (Division 1) - President, Eric Loudenslager (Division 4) - Vice President, Jason Akana (Division 5) - Director, Nicole Johnson (Division 2) - Director, Randy Mendosa (Division 3) - Director

CALL TO ORDER

The regular session of the Board of Directors for the Arcata Fire District was called to order by President Blaine Maynor at 5:30 pm.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by President Maynor.

ATTENDANCE AND DETERMINATION OF A QUORUM

The meeting continued with a quorum and the following were present: President Blaine Maynor, Vice President Eric Loudenslager, Director Jason Akana, Director Nicole Johnson, and Director Randy Mendosa.

Additional District administrative staff included Fire Chief Justin McDonald, Assistant Chief Chris Emmons, and Board Secretary Becky Schuette.

APPROVAL OF AGENDA

Prior to approval of the agenda, Secretary Schuette reported that the next meeting date listed on page 3 of the agenda should be September 12th instead of July 11th.

Additionally, the Chief requested that the closed session item in the front of the agenda, be moved to the end with the other two closed session items.

It was moved to approve the agenda with the requested modifications.

Motion: Johnson; Second: Mendosa

Roll Call: Ayes; Akana, Johnson, Loudenslager, Mendosa and Maynor.

Motion Carries

PUBLIC COMMENT

There were no public comments.

Senior Management Group – Nothing to report.

Local 4981 – President Marcus Lillard reported they had made two donations to both (Arcata & McKinleyville) High School Safe & Sober Graduations. He also reported that there were two new duty qualified Acting Company Officers available among the career staff.

Arcata Volunteer Firefighters Association (AVFA) – President Roy Willis reviewed their submitted report.

CONSENT CALENDAR

1. Minutes from June 10, 2023, Regular Meeting
2. Minutes from June 19, 2023, Special Meeting
3. June 2023 Financial Report
4. July 2023 Financial Report
5. Approve the Side Letter Between the Arcata Fire Protection District & Arcata Professional Firefighters Local 4981 - Duty Officer Coverage & Assignment Out of Grade
6. Adoption of Policy
7. Elimination of Policy
8. Job Classification Update to Fire Captain and Assistant Chief

Prior to approval of the consent calendar, Chief McDonald advised he had made updates to Policy 360 and 938, which had been handed out prior to the meeting. The updated versions are attached to the minutes as Attachments **1** and **2**.

Director Akana requested items 5 (Side Letter) and 6 (Attachments 5, 8 and 9) be pulled for discussion and clerical corrections.

The Side Letter had a spelling error in the fourth paragraph of the third “Whereas;” hire “hack” was corrected to “hire back.” The corrected version is attached to the minutes as Attachment **3**.

The corrections made to Policies 422, 939, 1002 and 1054 were numbering errors, with no substantive changes to the documents. Those corrected versions are attached in the minutes reflected in track changes as Attachments **4, 5, 6, and 7**.

It was moved to accept the consent calendar with the noted corrections.

Motion: Akana; Second: Loudenslager

Roll Call: Ayes; Akana, Johnson, Loudenslager, Mendosa and Maynor.

Motion Carries

DISTRICT BUSINESS

1. Discussion of the Timeline and Review of the Cal Poly, City of Arcata, and Fire District Working Group: The Chief provided an abbreviated review of his staff note.

Director Loudenslager pointed out that an activity was missing from the timeline. On August 4, 2022, he made a presentation to the Planning Committee, as a representative of the District. That event will be added to the timeline.

Chief McDonald explained that the next step will be for the Board to be presented with the responses to the RFQ and they will need to approve the final bid and costs.

Director Mendosa requested that this be a standing agenda item each month.

There were no public comments.

This item was for information only, no action was taken.

2. Discussion and Consideration of Live Broadcast of Board Meetings: Chief McDonald reviewed his staff report.

There were a several questions and clarification requests from the Directors to staff.

The following member of the public commented:

Roy Willis

It was moved to look to going farther into the live broadcast of meetings.

Motion: Loudenslager; Second: Akana

Roll Call: Ayes; Akana, Johnson, Loudenslager, Mendosa and Maynor.

Motion Carries

CORRESPONDENCE & COMMUNICATIONS

1. Public Correspondence – President Maynor reviewed the submissions aloud.

2. Committee Reports:

- a. Budget Development Ad-hoc Committee (*Johnson, Loudenslager*) – The Chief advised we are still waiting on the fund registers from the County, although they have been requested. The meeting will be scheduled once those have been received.

3. Fire Chief's Monthly Report – The Chief reviewed his monthly report aloud. He added that the Humboldt County Fire Chief's Association approved the budget for the planning work group by allocating \$90,000 which can be used toward the annexation process. The annexation will close the gap between the Kneeland and Arcata jurisdictions out at the end of Jacoby Creek Road. The application has been sent to the State Board of Equalization to begin developing the new tax rate area. The Chief's final addition to his report was the press release reporting the "imposter" Fire Inspector.

4. Director Matters – President Maynor requests an agenda topic for the next meeting regarding the relationship between AFD and AVFA.

CLOSED SESSION

1. Public Employee Performance Evaluation (Gov. Code Section 54957)

Title: *Fire Chief*

2. Conference with Labor Negotiators (Gov. Code Section 54957.6)

Agency designated representatives: *Chief McDonald*

Employee organization: *Arcata Professional Firefighters L4981*

3. Conference with Real Property Negotiators (Gov. Code Section 54956.8)

Property: *APN: 021-041-002-000, 631 9th Street, Arcata*

Agency Negotiators: *District Counsel, Ryan Plotz*

Under Negotiation: *Lease Agreement*

President Maynor adjourned to closed session at 6:43 pm.

Chief McDonald was requested into closed session at 7:12 pm.

The meeting reconvened at 8:24 pm.

Report out of closed session by President Maynor;

Item 1: The Chief received his evaluation, and it will be made public at the next meeting.

Item 2: There was no discussion needed on this item.

Item 3: The item was referred back to staff.

ADJOURNMENT

Following a motion by Director Johnson and a second by Director Mendosa President Maynor adjourned the meeting at 8:26 pm.

The next Regular Meeting is scheduled for **September 12, 2023, at the Arcata Downtown Station Classroom, 631 9th Street in Arcata at 5:30 pm.**

Respectfully submitted,

Becky Schuette,
Clerk of the Board

Volunteer Program

360.1 PURPOSE AND SCOPE

This policy establishes guidelines for the use of volunteers to help improve service to the community, increase district responsiveness, enhance the delivery of services and information input, provide new program opportunities, bring new skills and expertise to the District and prompt new enthusiasm.

360.1.1 DEFINITIONS

Definitions related to this policy include:

Volunteer - An individual who performs a service for the District without promise, expectation or receipt of compensation for services rendered.

360.2 POLICY

It is the policy of the Arcata Fire Protection District to utilize volunteers to the extent reasonably practicable to assist district staff with logistical scene support tasks, administrative support tasks, participate in public education opportunities, and in any other capacity that is intended to support district personnel or provide a service to the community.

360.3 PROCEDURE

Volunteers are intended to supplement and support, rather than supplant firefighters and civilian personnel and are an important component of this organization.

All volunteers shall comply with all orders and directives, either oral or written, issued by the District. A copy of the policies and procedures will be made available to each volunteer upon appointment and he/she shall become thoroughly familiar with these policies.

Whenever a rule, regulation or guideline in this manual relating to district operations refers to a regular full-time employee, it shall also apply to a volunteer, unless by its nature it is inapplicable.

Nothing in the manual shall confer rights upon the volunteer. Volunteers serve at-will and their volunteer status may be terminated at any time without cause or reason.

360.4 VOLUNTEER MANAGEMENT

360.4.1 VOLUNTEER COORDINATOR

There shall be at least one Volunteer Coordinator, appointed by the Fire Chief or the authorized designee. The function of the Volunteer Coordinator(s) is to provide a central coordinating point for effective volunteer management within the District, and to direct and assist staff and volunteer efforts to jointly provide more productive services. The Volunteer Coordinator(s) will work with other district

Revised:	
Board President:	Fire Chief:

staff on an ongoing basis to assist in the development and implementation of volunteer-staffed positions.

- (a) Recruiting, selecting and training qualified volunteers for various positions.
- (b) Facilitating the implementation of new volunteer activities and assignments.
- (c) Maintaining records for each volunteer.
- (d) Tracking and evaluating the contribution of volunteers.
- (e) Assist with maintaining a volunteer handbook and outlining expectations, policies and responsibilities for all volunteers.
- (f) Maintaining a record of volunteer schedules and work hours.
- (g) Completion and dissemination, as appropriate, of all necessary paperwork and information.
- (h) Planning periodic recognition events.
- (i) Maintaining liaison with other community volunteer programs and assisting in communitywide efforts to recognize and promote volunteering.

360.4.2 RECRUITMENT

Volunteers should be recruited on a continuous and ongoing basis consistent with district policy on equal opportunity, non-discriminatory employment. A primary qualification for participation in the application process should be an interest in, and an ability to assist the District in serving the public.

- Be at least 18 years of age
- Possess a valid insurable California driver license if the position requires vehicle operation
- Be able to deal effectively and courteously with the general public
- Be willing to commit to the minimum training and incident/activity hours
- Complete mandatory training as determined to be appropriate by the District
- Possess any other qualifications specific to the volunteer assignment

360.4.3 SCREENING

All prospective volunteers should complete the volunteer application form. The Volunteer Coordinator(s) or the authorized designee should conduct a face-to-face interview with an applicant under consideration.

A documented background investigation shall be completed on each volunteer applicant and should include, but not necessarily be limited to, the following:

- (a) Fingerprints
- (b) Traffic and criminal background check
- (c) Employment history
- (d) References

Revised:	
Board President:	Fire Chief:

360.4.4 SELECTION AND PLACEMENT

Service as a volunteer with the District shall begin with an official notice of acceptance or appointment to a volunteer position. Notice may only be given by the Fire Chief or his or her designee. No volunteer should begin any assignment until they have been officially accepted for that position and completed all required screening and paperwork.

At the time of final acceptance, each volunteer should complete all required enrollment paperwork and will receive a copy of their position description and agreement of service with the District. All volunteers shall receive a copy of the volunteer handbook and shall be required to sign a volunteer agreement.

Volunteers should be placed only in assignments or programs that are consistent with their knowledge, skills, abilities and the needs of the District.

360.4.5 TRAINING

Volunteers will be provided with an orientation program to acquaint them with the District, personnel, and policies and procedures that have a direct impact on their work assignment.

Volunteers should receive position-specific training to ensure they have adequate knowledge and skills to complete tasks required by the position and should receive periodic ongoing training as deemed appropriate by their supervisor or the Volunteer Coordinator(s). Training should reinforce to volunteers that they may not intentionally represent themselves as, or by omission infer that they are firefighter or other full-time employees of the District. They shall always represent themselves as volunteers.

360.4.6 DRESS CODE

As representatives of the District, volunteers are responsible for presenting a professional image to the community. Volunteers shall dress appropriately for the conditions and performance of their duties.

Volunteers shall conform to district-approved dress consistent with their assignment. The uniform or identifiable parts of the uniform shall not be worn while off-duty except volunteers may choose to wear the uniform while in transit to or from official district assignments or functions.

Volunteers shall be required to return any issued uniform or district property at the termination of service.

360.5 MINIMUM PERFORMANCE STANDARDS

To be in "good standing" for the District as determined by the Fire Chief, or his designee, a volunteer must meet these criteria:

- Participate in at least 70% of the available quarterly training
- Participate in at least 2 hours a quarter in incident or district sponsored activities
- Perform all assignments outlined in their particular job description

If a volunteer does not meet these minimum standards for any quarter, the volunteer will not be considered in "good standing". Volunteers who remain not in good standing after two quarters shall

Revised:	
Board President:	Fire Chief:

meet with the Volunteer Coordinator(s) to develop a plan to meet the required minimum training and activities.

If after three quarters of not being in good standing, a meeting will be scheduled with the Fire Chief or designee to determine suitability for continuing as a volunteer.

360.6 CONFIDENTIALITY

Unless otherwise directed by a supervisor, the duties of the position or district policy, all information a volunteer encounters shall be considered confidential. Only that information specifically identified and approved by authorized personnel shall be released.

Revised:	
Board President:	Fire Chief:

Declaring a Mayday on Non-fire Incidents

938.1 PURPOSE

To give crews who are on the scene of a non-fire incident, the ability to communicate the immediate need of CODE 3 law enforcement assistance with minimal radio traffic due to an imminent or direct threat to the crew. A non-fire related MAYDAY should not be confused with use of “New Incident” or “Emergency Traffic”

938.2 POLICY

A non-fire related MAYDAY call should be initiated anytime you or a crew member are faced with an imminent life-threatening scenario, such as a combative patient, increasingly hostile crowd on scene, or you are attacked and your ability to retreat is limited or cut off, etc.

938.3 PROCEDURES

NON-FIRE RELATEED MAYDAY PROTOCOL

- A. A crew member identifies a situation that presents a life-threatening scenario in which they cannot avoid or retreat from.
- B. The crew member will broadcast on the assigned Command Frequency “MAYDAY, MAYDAY, MAYDAY” followed by the Conditions, Actions taken, and Needs (CAN report) to mitigate the life-threat.
- C. If the crew does not have the ability to give the CAN report, the CalFire Emergency Command Center will conduct an “All Call” page for all additional engines and duty officer to respond and will request Law Enforcement CODE 3 to the location of the MAYDAY.
 - The ECC will inform LE they are requesting the closet available resources code 3.
 - The additional responding company officer(s) and/or duty officer may need to develop an action plan in the event they arrive prior to the LE units.
 - In these situations, the CO or DO has the authority to waive the requirement to stage.
- D. If the need for the MAYDAY response is mitigated prior to responding units arriving at scene, the requesting resources will notify the Emergency Command Center via the radio on the designated Command Frequency.

Approved:	Revised:
Board President:	Fire Chief:

Side Letter Between the Arcata Fire Protection District
&
Arcata Professional Firefighters Local 4981

This Side Letter Agreement (“Agreement”) between the Arcata Fire Protection District (“District”) and the Arcata Professional Fire fighters Local 4981 (“L4981”) (Collectively “Parties”) have met and conferred in good faith pursuant to the Meyers-Milias-Brown Act is entered into with respect to the following;

WHEREAS, pursuant to Resolution No. 22-260, the Parties entered into a 2021-2024 Memorandum of Understanding (“MOU”) regarding wages, hours, and terms and conditions of employment; and

WHEREAS, the Parties have determined that Article 19 Duty Officer Coverage and Article 22 – Assignment Out of Grade of the current MOU need to be revised to meet the operational needs of the organization; and

WHEREAS, the Parties agree that Article 19 can be streamlined by moving the hire ~~back~~ *back* procedures to the “Time Off- Hire Back – Forced Shift Procedures” document and agreeing to hour-for-hour renumeration for time in duty status; and

WHEREAS, the Parties agree that in Article 22, Section “b” needs to be updated with a requirement to be qualified to work the position.

NOW THEREFORE, BE IT RESOLVED that the following updates to Article 19 and Article 22 set forth in this Agreement, which will supersede and run parallel to the 2022-2024 MOU, which continues in full force in accordance with Article 27 of the MOU.

Article 19: Duty Officer Coverage

- A. The Local recognizes that the Captain’s position may occasionally serve as the Acting Duty Officer in the absence of a Chief Officer.
- B. Acting Duty Officer will be assigned to the least hours qualified captain who is on duty and back fill for the company officer position will be provided through the hire back process. In the event there are no qualified captains on duty, the position will be offered pursuant to the hire back process as overtime.
- C. Compensation for a Captain acting as the Duty Officer shall be set at 10% over the employee’s base rate or overtime rate.
- D. Renumeration shall be earned on an hour-for-hour basis. There will be a minimum of two (2 hours) compensated time per duty assignment. All hours will be tracked in the scheduling program.

E. Compensation shall be rendered on the payday for which pay-period the duty was covered in.

F. The Employee will use the assigned District vehicle for duty coverage.

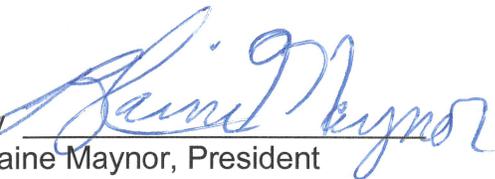
Article 22: Assignment Out of Grade

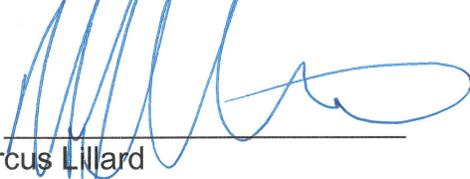
B. An Employee selected to fill a temporary position shall be appointed from a current eligibility list. In the absence of a current promotional eligibility list, the most qualified employee, as it pertains to the relevant job description shall receive the temporary appointment. In the event of multiple equally qualified members, the senior most member shall receive the temporary appointment.

The Parties by and through their authorized agents and representatives agree to the terms of this Side Letter Agreement subject to the adoption of this agreement by the District Board of Directors, this date, August 8, 2023

For the District

For Arcata Professional Firefighters L4981

By 
Blaine Maynor, President
Arcata Fire Protection District

By 
Marcus Lillard
L4981 President

Date 8/8/23

Date 08/01/2023

False Alarm Response Fee

422.1 PURPOSE

The purpose of this policy is to promote the responsible use of fire alarm systems, to set forth additional regulations for the use of fire alarm systems and to provide for service fees and for cost recovery of service fees for violations of this policy. Furthermore, the provisions of this policy are intended to reduce the number of false alarm activations and responses by the Arcata Fire District.

422.2 DEFINITIONS

- ERS: Emergency Reporting Software is the records management software utilized by the Arcata Fire Protection District. Incident information is recorded in this database.
- Alarm System: Any combination of alarm system devices or equipment which is designed or intended to notify persons of an emergency at a particular location to which the AFD responds. The term "alarm system" includes any equipment which is designed to detect an emergency, or which is designed to be activated by a person to report an emergency.
- Alarm User: Any person owning or using an alarm system at his/her place of residence or business, whether it be owned, leased or rented and made available for use by his/her agents, employees, representatives or family.
- False Alarm: An alarm signal that prompts a response by the AFD when an emergency does not exist.
- Company Officer: Fire department individual responsible for documentation of actions taken and input into Emergency Reporting Software.
- Response: The point in time that an engine company has moved the fire apparatus to respond to an alarm activation.

422.3 POLICY

The Arcata Fire District shall level a false alarm response fee to all occupancies except for R-3 single family residential or duplex occupancies. False alarm response fees are intended to reduce the number of false alarm responses by the suppression staff within the District. Upon response to a false alarm, it will be the responsibility of the Company Officer to determine (1) whether the incident is inside the District, (2) if the cause of the false alarm fits the definition of the policy as defined below, (3) upon clearing the scene, record the determination; billable or non-billable, and (4) to see that the incident report is completed accurately with regard to the response so that proper billing will occur.

Approved:	Revised:
Board President:	Fire Chief:

442422.4 PROCEDURE

Examples of False Alarms that qualify under Ordinance 19-18, Current Fee Schedule Resolution 22-271.

- A. An alarm caused by improper installation or maintenance of the fire alarm system. This includes missing backup batteries, loose connections, smoke detectors mounted near air vents or otherwise overly sensitive detectors.
- B. An alarm caused by the alarm user or alarm company working on the system or testing the system without prior notification to the Arcata Fire District Business Office at (707) 825-2000.
- C. A false alarm set off by the alarm user or an employee when no emergency exists.
- D. The occupant conducting a fire drill without prior notification of the Arcata Fire Protection District Arcata Fire District Business Office at (707) 825-2000.
- E. An alarm caused by normal cooking where the alarm user could relocate a smoke detector, provide better ventilation, or control heat to prevent burning of food.
- F. An alarm caused by dust from construction.
- G. A burglar alarm reported by an alarm company as a fire alarm.
- H. An alarm for which there is no explanation. If a cause for the alarm cannot be identified -- no pull station was activated, smoke was not present, etc. -- the alarm system will be assumed to have malfunctioned, and the ordinance applies.

Examples of False Alarms That DO NOT Qualify Under the Ordinance

- A. An activation of the alarm caused by a fire, potential fire, or hazardous situation. For instance, smoke from an overheated stove produces a potential fire situation.
 - 1. Natural Disasters:
 - Earthquakes
 - Any other natural disturbance, which is reasonable beyond the owner/user's ability to control.
- B. Any other unusual occurrence, which may be determined by the department to be beyond the owner/user's ability to control.
- C. A test by the Fire District or other regulatory agency.
- D. A malicious activation of a pull station by someone who is not an employee of the alarm user unless management could relocate the pull station or provide protective covers to prevent easy activation.
- E. An alarm caused by unauthorized tampering with an alarm system by someone other than an employee of a business or member of the family occupying a residence where the alarm activates.

- F. A burglar alarm, medical alarm, or elevator alarm that is reported as a fire alarm by an occupant.
- G. A beeping smoke detector in a residence that the occupant wishes the fire department to check.
- H. Occupants' Negligence
 - 1. In cases where someone's negligence causes a fire alarm to activate, it is important to determine who caused the alarm and what his or her relationship is to the alarm user. If an alarm is caused by a fire alarm user or an agent or employee, the policy applies.
 - These would include the property manager and his or her staff, employees of the business occupying the building and persons using the building under contract to the business.
 - Occupants of a residence where an alarm occurs also qualify.
 - 2. If an alarm is caused by someone who is not the alarm user or an agent or employee, the ordinance does not apply unless the alarm user could have taken reasonable measures to prevent the false alarm.

Documenting a False Alarm

- A. The Company Officer will be responsible for determining if the alarm is billable or non-billable.
- B. When the incident type is identified as fitting the definition of a false alarm identified in this policy it shall be recorded as such in the Company Officer's Incident Report.
- C. Provide a brief description of what appears to have caused the alarm in the narrative section of the incident report.
- E. Ensure the billable/non-billable box is checked appropriately in the Custom Tab of ERS.
- F. If possible, obtain proper identification and documentation of the persons responsible for the fire alarm and the correct location of the alarm activation. It is important to include the occupant and owner's names on the incident report. Where there are several occupancies located at the same address, the specific occupancy must be identified on the report.

Notification of Alarm Users

District Staff will identify all billable responses and:

- A. All billable false alarm response information will be queried and billed on a monthly basis; processing based upon AFD policy on FALSE ALARMS RESPONSE.
- B. No penalty fee will be applied to the first false alarm per twelve (12) month period. A notification of a false alarm activation shall be mailed to the alarm user.
- C. The second and any subsequent false alarm in a twelve (12) month period is subject to a penalty fee as set in the Arcata Fire Protection District Schedule of Fees and Charges. A statement reflecting the fees shall be mailed to property owner monthly.

D. An appeal for review of responses and billing for false alarms can be made to the Fire Chief. The appeal must be received by the District within 30 days of the date of the initial invoice.

Use of Ballistic Safety Equipment

939.1 PURPOSE

The Arcata Fire Protection District is committed to the safety of its members. It is the policy of the Arcata Fire Protection District to don any combination of District issued body armor, eye protection and Kevlar helmet prior to responding to a scene or any circumstance presenting a real or perceived imminent violent threat to member safety.

939.2 POLICY

The use of body armor, eye protection and Kevlar helmet shall be required when dispatched to the following incident types:

- Active shooter, when assigned to a rescue task force, any incident that may be interpreted as explosive devices (suspicious box, bomb threat, etc.), SWAT standby, and other violent types of incidents where it is deemed necessary by the IC or Company Officer.
- During times of civil unrest, personnel shall wear body armor, eye protection, and helmets at all times outside of quarters.

Personnel are required to wear body armor, and eye protection when dispatched to the following incident types:

- Involving gunshot wounds (GSW),
- Stabbings
- Assaults or self-harm violence with an un secure scene or an extended response from Law Enforcement
- Any incident where it is deemed necessary by the IC or Company Officer, personnel are encouraged to wear the body armor

~~339~~939.3 PROCEDURES

Body armor shall not be removed until conclusion of the incident, away from the incident location, or once back in quarters.

When required, body armor shall be donned prior to leaving the fire station or staging area. If unit is in service out of quarters upon receipt of an alarm where body armor is required, the armor shall be donned before arriving at the incident location.

Class B uniform shirts are not to be worn underneath the vest as the badges will damage the inside of the vest. Department issued short, long sleeve t-shirts, or wildland jacket are acceptable to be worn underneath the vest.

Radio straps shall be worn on the outside of the vest.

Approved:	Revised:
Board President:	Fire Chief:

Civilian ride alongs must remain in the cab of the engine if responding to any of the above listed incident types.

CARE, MAINTENANCE AND STORAGE

Ballistic equipment shall be carried on all first out engines chief officer vehicles.

See owner's manual for cleaning instructions

Performance Evaluations

1002.1 PURPOSE AND SCOPE

The objective of the evaluation system is to record work performance for both the District and the employee, giving recognition for good work and providing a guide for improvement where needed. The employee performance evaluation report is a gauge in measuring performance and is used for making personnel decisions relating to merit increase, promotion, reassignment, discipline, demotion and termination. The report also provides a guide for mutual work planning and review and an opportunity to convert general impressions into a more objective history of work performance based on job standards.

1002.2 POLICY

Employee performance evaluations will be undertaken based on job-related factors specific to the position occupied by the employee without regard to race, sexual orientation, age, pregnancy, religion, creed, color, national origin, ancestry, physical or mental disability, marital status or sex.

1002.3 EVALUATION TYPES

Probationary Firefighter Evaluation – The probationary Engineer/Firefighter’s will receive a quarterly evaluation in a semi-formal memo form. Prior to the end of the 12-month probationary period, their assigned officer shall conduct a final performance evaluation. In addition to completing the evaluation, the employee’s Captain shall draft a memo to the Fire Chief stating that the individual has completed their probationary period requirements and recommend removing the individual from probation.

Annual Engineer/Firefighter Evaluation – It is the responsibility of the Captains to schedule their Engineer/Firefighter’s evaluation. All evaluations must be completed no later than December 15 of each year.

Probationary Captain Evaluation – At the end of a new Captain’s 12-month probationary period, the Assistant Chiefs of Operations and Training shall jointly conduct the performance evaluation. In addition to completing the evaluation, the Operations Assistant Chief shall draft a memo to the Fire Chief stating that the individual has completed their probationary period requirements and recommend removing the individual from probation.

Annual Captain Evaluation – It is the responsibility of the Operations Assistant Chief to schedule the captain’s annual evaluation. All evaluations must be completed no later than December 15 of each year.

Annual Chief Officer Evaluation – It is the responsibility of the Fire Chief to schedule the Chief Officer’s annual evaluation. All evaluations must be completed no later than December 15 of each year.

Revised:	
Board President:	Fire Chief:

Annual Fire Chief Evaluation – It is the responsibility of the Fire Chief and the Board to schedule and conduct the Fire Chief’s annual evaluation. The evaluation will follow the section in the Fire Chief’s contract that covers evaluations.

Transfer - If an employee is transferred from one supervisor to another in the middle of an evaluation period and less than six months have transpired since the transfer, an evaluation shall be completed by the current supervisor with input from the previous supervisor.

1002.4 PROCEDURES

The performance evaluation shall cover the current calendar year (or, in the case of probationary status, the preceding 12-month period) and should be based on the employee's performance only during that period. At the beginning of the rating period, each supervisor should discuss the tasks of the position, standards of performance expected and the evaluation rating criteria with each employee.

Two months before the performance evaluation review meeting, the supervisor will provide the Self-Assessment form to the employee which shall be returned at least two weeks before the review meeting. After the supervisor conducting the appraisal receives the self-evaluation form, the supervisor will review the form and complete the District’s evaluation sheet. The completed form will be reviewed by the supervising chief officer.

Before December 15th (or ~~the~~ after the eleventh month of probation) the supervisor and employee will meet to discuss the evaluation. The supervisor shall discuss the results with the employee and answer any questions the employee may have. If the employee has valid and reasonable protests of any of the ratings, the supervisor may make appropriate changes to the evaluation. Areas needing improvement and goals for reaching the expected level of performance should be identified and discussed. The supervisor should also provide relevant counseling regarding advancement and training opportunities. The supervisor and employee will sign and date the evaluation. If the employee disagrees with the results of evaluation report, within 10 days of the receipt of the report the employee may provide written comments in the form of an addendum that will be attached to the document.

Written comments should be used by the rater to document the employee's strengths, weaknesses and make any suggestions for improvement. Any job dimension rating marked unsatisfactory or outstanding should be substantiated in the rater comments section.

The components of the evaluation will be based on a scale of “needs improvement” to “outstanding”. The supervisor will discuss any and all items that fall into the category of “needs improvement” making recommendations with timelines to what the employee may do to improve their performance. The evaluation sheet also has space for those excellent or far exceeding requirements demonstrated by the subordinate. After the meeting all signed forms and attachments shall be to the Fire Chief for his/her signature.

When any employee's job performance falls below the established standards of the job, the supervisor should, as soon as practicable but at least 60 days prior to the end of the annual evaluation period,

Revised:	
Board President:	Fire Chief:

advise the employee in writing in order to provide an opportunity for the employee to improve performance. The involved employee should be provided the opportunity to initial any such writing and respond in writing within 10 days, if desired.

Failure to meet established performance standards is justification for an unsatisfactory rating and placement into a performance improvement plan (PIP). PIP may be initiated any time the employee and the supervisor believe one is necessary due to employee performance deficiencies. Generally, the PIP will be used to document areas of performance deemed less than standard when follow up action is planned (e.g., action plan, remedial training, retraining). The PIP and associated documentation shall be submitted with the annual evaluation as one package.

1002.5 RATINGS

Outstanding - Performance that is well beyond that expected or required in the standards for the position. It is exceptional performance, definitely superior or extraordinary.

Exceeds standards - Performance that is better than expected of a fully competent employee. It is superior to what is expected or required by the standards for the position but is not of such rare nature to warrant outstanding.

Meets standards - Performance expected of a fully competent employee and meets the standards required of the position.

Needs improvement - Performance that is less than that expected of a fully competent employee and less than the standards required of the position. A needs improvement rating should be thoroughly discussed with the employee and include a structured plan intended to improve performance, with short interval interim evaluations.

Unsatisfactory - Performance that is inadequate or undesirable, intolerable and inferior to the standards required of the position.

1002.6 RECORDS MANAGEMENT

The original performance evaluation report an should be maintained in the employee's personnel for the tenure of the employee's employment. A copy should be provided to the employee and a copy should be forwarded to the Fire Chief or his/her designee.

1002.6 SUPERVISOR TRAINING

Within one year of appointment to a supervisory position, all supervisors should attend an approved supervisory course that includes training on the completion of performance evaluations.

Revised:	
Board President:	Fire Chief:

Drug and Alcohol Free Workplace

1054.1 PURPOSE AND SCOPE

The Arcata Fire Protection District prohibits the use of drugs and alcohol in the workplace in order to provide a safer work environment for members and to protect the public's safety and welfare. The purpose of this policy is to promote a drug and alcohol-free workplace and to eliminate drug and alcohol-related inefficiencies and risks. This policy applies to all members of the District when they are on District property, or when performing District-related business elsewhere, except as this policy is superseded by a memorandum of understanding or federally mandated drug and alcohol policies. Compliance with this policy is a condition of employment. Disciplinary action will be taken against those who violate this policy.

1054.2 POLICY

It is the policy of the Arcata Fire Protection District to provide a drug free workplace for all members.

1054.3 PROHIBITED CONDUCT

Prohibited conduct under this policy includes, but is not limited to:

The manufacture, distribution, sale, dispensation, possession, or use of alcohol or any controlled substance, narcotic (including marijuana), or prescription drug that has not been lawfully prescribed to the employee in either District workplaces or wherever District business is performed.

Working or being subject to call in if impaired by alcohol or any controlled substance, narcotic (including marijuana), or prescription drug that has not been lawfully prescribed to the employee.

An employee's failure to notify their immediate supervisor before beginning work when taking medications or drugs, including but not limited to: prescription drugs, over the counter medications, or illegal drugs or narcotics (including marijuana) which could interfere with the safe and effective performance of duties or operation of District.

An employee's failure to notify the Fire Chief of any criminal conviction for a drug violation that occurred in the workplace within five days after such conviction.

An employee's criminal conviction for a drug violation that occurred in the workplace.

1054.3.1 USE OF PRESCRIBED MEDICATIONS

An employee's use of legally prescribed medications and drugs from a licensed physician is not a per se violation of this policy. An employee must notify the Fire Chief, before beginning work, when taking medications or drugs with side effects which may interfere with the safe, efficient and/or effective

Revised:	
Board President:	Fire Chief:

performance of the employee’s duties or operation of the District’s equipment. Failure to do so may also subject the employee to discipline. In the event there is a question regarding an employee's ability to safely and effectively perform assigned duties while using such medications or drugs, clearance from a qualified physician may be required.

1054.4 DRUG AND ALCOHOL TESTING

The District has discretion to test applicants and employees for alcohol and drug use under the following circumstances.

1054.4.1 PRE-EMPLOYMENT TESTING

Those external applicants who apply for certain jobs where a special need for pre-employment drug and alcohol testing exists must take and pass a drug and alcohol test following a conditional offer of employment. The categories of jobs subject to pre-employment drug and alcohol testing include, but is not limited to, the following:

- Safety sensitive jobs that have public safety implications, such as operating heavy trucks to transport hazardous material, protecting national security, enforcing drug laws, and/or operating natural gas pipelines; and
- Jobs that involve the direct influence over children.

1054.4.2 REASONABLE SUSPICION

The District may require a blood test, urinalysis, or other drug and/or alcohol screening of those employees who are reasonably suspected of using or being under the influence of a drug or alcohol at work, under the following circumstances.

“Reasonable suspicion” to test exists if, based on objective factors, a reasonable person would believe that the employee is under the influence of drugs or alcohol at work. Examples of objective factors, include, but are not limited to: unusual behavior, slurred or altered speech, odor of drugs or alcohol, red or watery eyes, unkempt appearance, unsteady gait, lack of coordination, sleeping on the job, a pattern of abnormal or erratic behavior, a verbal or physical altercation, puncture marks or sores on skin, runny nose, dry mouth, dilated or constricted pupils, agitation, hostility, confused or incoherent behavior, paranoia, euphoria, disorientation, inappropriate wearing of sunglasses, tremors, or other evidence of recent drug or alcohol use. If District suspects drugs or alcohol may have played a role in an accident involving District property or equipment that will also constitute reasonable suspicion.

Document and Analysis: In order to receive authority to test, the supervisor must record the factors that support reasonable suspicion in writing and analyze the matter with the Fire Chief. Any reasonable suspicion testing must be pre-approved by the Fire Chief, or the Fire Chief’s designee.

Testing Protocol: If the documentation and analysis show that there is a reasonable suspicion of drug or alcohol abuse at work, and the Fire Chief has approved, the employee will be relieved from duty, transported to the testing facility and to their home after the test. The employee will be placed on sick or other paid leave until the test results are received. Volunteers will be restricted from working until the test results are received.

Revised:	
Board President:	Fire Chief:

1054.4.2 POST-COLLISION TESTING

The District may require a blood test, urinalysis, or other drug and/or alcohol screening of those employees who are driving and have been involved in a traffic collision under the following circumstances.

“Level II collision” is any traffic collision involving:

- Any injury to persons other than district members.
- Any injury requiring immediate transport and treatment of any district member, contract employee or an employee of another public agency at an emergency treatment facility.
- Moderate damage to property or a vehicle owned or operated by the District. (Classified as large dents in hood, fender, or doors. i.e. If doors won't open, mirrors or grab handles missing, apparatus bay door damage but still operable)

“Level III collision” is any traffic collision involving:

- The death or anticipated disabling injury of a member of this district.
- The death or anticipated disabling injury of other than a member of this district, a contract employee or other public agency employee when the traffic collision involves any district member, vehicle or property.
- Major damage to property of a vehicle owned or operated by the District. (Classified as heavy damage, vehicle out of service; broken axles, bent or twisted frames. i.e. Vehicle rolled over, complete side of vehicle damaged, apparatus bay door rendered inoperable)

1054.7-5 EMPLOYEE ASSISTANCE PROGRAM

The District’s Employee Assistance Program (“EAP”) offers counseling and treatment of drug- or alcohol-related problems. The employee assistance provider has information about: (1) the dangers of drug or alcohol abuse in the workplace; (2) the penalties that may be imposed for drug or alcohol abuse violations; (3) the District’s policy of maintaining a drug- and alcohol-free workplace; and (4) any available drug or alcohol counseling, rehabilitation or employee assistance programs. Employees may contact the Fire Chief or his/her designee, their insurance provider or an EAP representative for additional information.

Revised:	
Board President:	Fire Chief:



MINUTES

*Special Board Meeting
August 29, 2023
9:00 a.m.*

*Location: McKinleyville Station Conference Room
2149 Central Avenue, McKinleyville*

Board of Directors

Blaine Maynor (Division 1) - President, Eric Loudenslager (Division 4) - Vice President, Jason Akana (Division 5) - Director, Nicole Johnson (Division 2) - Director, Randy Mendosa (Division 3) - Director

CALL TO ORDER

The *special* session of the Board of Directors for the Arcata Fire District was called to order by President Blaine Maynor at 09:07 am.

ATTENDANCE AND DETERMINATION OF A QUORUM

The meeting continued with a quorum and the following were present: President Blaine Maynor, Director Nicole Johnson, Director Eric Loudenslager, and Director Randy Mendosa. Director Jason Akana was absent.

Additional District administrative staff included Fire Chief Justin McDonald and Board Secretary Becky Schuette.

PUBLIC COMMENT

There was no public present.

CLOSED SESSION

1. Conference with Real Property Negotiators (Gov. Code Section 54956.8)
Property: APN: 021-041-002-000, 631 9th Street, Arcata
Agency Negotiators: *District Counsel, Ryan Plotz*
Under Negotiation: *Lease Agreement*

Director Maynor adjourned to closed session at 9:08 am.

The meeting reconvened at 10:24 am.

Report out of closed session by President Maynor; the Board gave Direction to Counsel.

ADJOURNMENT

President Maynor adjourned the meeting at 10:24 am.

The next Regular Meeting is scheduled for **September 12, 2023 Arcata Downtown Station Classroom, 631 9th Street in Arcata at 5:30 pm.**

Respectfully submitted,

Becky Schuette,
Clerk of the Board

DRAFT

Date: September 12, 2023
To: Board of Directors, Arcata Fire District
From: Justin McDonald, Fire Chief
Subject: Accept the GASB 75 Actuarial Report (Measured as of June 30, 2022) for Fiscal Year End June 30, 2023

DISCUSSION:

GASB 75 information provides a consistent format and content for state and local governmental employers about financial support for OPEB and provides decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. GASB 75 establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures.

The valuation report identifies the GASB 75 compliant methods and assumptions used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Differences in results from the prior fiscal year end report are identified, quantified and explained. The report also summarizes the underlying employee data and plan provisions used to prepare the benefit and liability projections.

The primary purpose of this report is to provide information required by GASB 75 (“Accounting and Financial Reporting for Postemployment Benefits Other Than Pension [OPEB]”) to be reported in the District’s financial statements for the fiscal year ending June 30, 2023. The information included in the report reflects that the District is currently financing its OPEB liability on a pay-as-you-go basis.

The exhibits presented are based on a roll forward of the results of the June 30, 2021, valuation, and on the employee and plan data provided by District staff for the valuation. The only assumption change reflected in this report is an update to the discount rate, in keeping with the change in applicable municipal bond index on which it is based.

RECOMMENDATION:

Staff recommends the Board the Board accept the Actuarial Valuation and GASB 75 Report FYE June 30, 2023, as prepared by MacLeod Watts, Inc. If necessary, the item can be pulled from the consent calendar for discussion or questions and, if necessary, can be placed on the October agenda for discussion with Cathy MacLeod.

FINANCIAL IMPACT:

- No Fiscal Impact/Not Applicable
- Included in Budget:
- Additional Appropriation Requested:
- Unknown/Not Yet Identified

ALTERNATIVES:

Board Discretion

ATTACHMENTS:

Attachment 1 – GASB 75 Actuarial Report FYE June 30, 2023

MacLeod Watts

August 17, 2023

Justin McDonald
Fire Chief
Arcata Fire Protection District
2149 Central Avenue
McKinleyville, CA 95519

Re: Arcata Fire Protection District Other Post-Employment Benefits
GASB 75 Actuarial Report for the Fiscal Year Ending June 30, 2023

Dear Chief McDonald:

We are pleased to enclose our actuarial report providing financial information about the other post-employment benefit (OPEB) liabilities of the Arcata Fire Protection District. The report's text describes our analysis and assumptions in detail.

The primary purpose of this report is to provide information required by GASB 75 ("Accounting and Financial Reporting for Postemployment Benefits Other Than Pension") to be reported in the District's financial statements for the fiscal year ending June 30, 2023. The information included in this report reflects that the District is currently financing its OPEB liability on a pay-as-you-go basis. Please let us know if we can be of assistance in preparing illustrations of how prefunding impacts the OPEB liability required to be reported under GASB 75.

The exhibits presented are based on a roll forward of the results of the June 30, 2021, valuation, and on the employee and plan data provided to us for that valuation. The only assumption change reflected in this report is an update to the discount rate, in keeping with the change in the applicable municipal bond index on which it is based.

The District also provided information on retiree benefit payments and total covered employee payroll for the current fiscal year. As with any analysis, the soundness of the report is dependent on the inputs. Please review the information shown in the report to be comfortable that it matches your records.

We appreciate the opportunity to work on this analysis and acknowledge the efforts of District employees who provided valuable time and information to enable us to prepare this report. Please let us know if we can be of further assistance.

Sincerely,



Catherine L. MacLeod, FSA, FCA, EA, MAAA
Principal & Consulting Actuary

Enclosure



Arcata Fire Protection District

GASB 75 Actuarial Report
Measured as of June 30, 2022
For Fiscal Year End June 30, 2023 Financial Reporting

Submitted August 2023

MacLeod Watts

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A. Executive Summary

This report presents actuarial information regarding the other post-employment benefit (OPEB) program of the Arcata Fire Protection District (the District). The purpose of this valuation is to assess the OPEB liabilities and provide disclosure information as required by Statement No. 75 of the Governmental Accounting Standards Board (GASB 75) for the fiscal year ending June 30, 2023.

Important background information regarding the valuation process can be found in the Appendices. We recommend users of the report read this information to familiarize themselves with the process and context of actuarial valuations, including the requirements of GASB 75. The pages following this executive summary present various exhibits and other relevant information appropriate for disclosures under GASB 75.

This report is based on a roll forward of the June 30, 2021 valuation results. An updated valuation should be prepared as of June 30, 2023. Results of that valuation will first be applied to prepare that GASB 75 report for the District's fiscal year ending June 30, 2024.

OPEB Obligations of the District

The District provides continuation of medical coverage to its retiring employees. This coverage may create one or more of the following types of OPEB liabilities:

- **Explicit subsidy liabilities:** An “explicit subsidy” exists when the employer contributes directly toward the cost of retiree healthcare. In this program, the District pays a portion of medical premiums for qualifying retirees. Details are provided in Supporting Information Section 2.
- **Implicit subsidy liabilities:** An “implicit subsidy” exists when premiums are developed using blended active and retiree claims experience. In this situation, premiums charged for retirees may not be sufficient to cover expected medical claims¹ and the premiums charged for active employees are said to “implicitly subsidize” retirees. This OPEB program includes implicit subsidy liabilities for retiree coverage prior to coverage under Medicare.
- **Other subsidy liabilities:** Pooled plans that do not blend active and retiree premiums likely generate subsidies between employers and retirees within the pool. In the CalPERS medical program, the premium rates for Medicare-covered retirees are based only on retiree claims experience of the pool. A recent actuarial practice note indicated these subsidies should be included in plan liabilities to the extent they are paid by the employer.² We generally expect these subsidies to be small and included any such liability with the implicit subsidy liability in this report.

We determine explicit subsidy liabilities using the expected direct payments promised by the plan toward retiree coverage. We determine the implicit and other subsidy liabilities as the projected difference between (a) retiree medical claim costs by age and (b) premiums charged for retiree coverage. See Appendices for more information on this process.

¹ In rare situations, premiums for retiree coverage may be high enough that they subsidize active employees' claims.

² Exceptions exist for 1) Medicare Advantage Plans, treated as if their premiums are age-based due to the nature of the Federal subsidies paid to these plans, and 2) when employer explicit subsidies to Medicare-covered retirees are low and no part of any potential pool subsidy is expected to be paid by the employer.



Executive Summary

(Continued)

OPEB Funding Policy

The District's OPEB funding policy affects the calculation of liabilities by impacting the discount rate used to develop the plan liability and expense. "Prefunding" is the term used when an agency consistently contributes an amount based on an actuarially determined contribution (ADC) each year. GASB 75 allows prefunded plans to use a discount rate that reflects the expected earnings on trust assets. Pay-as-you-go, or "PAYGO", is the term used when an agency only contributes the required retiree benefits when due. When an agency finances retiree benefits on a pay-as-you-go basis, GASB 75 requires the use of a discount rate equal to a 20-year high grade municipal bond rate.

The District is currently financing its OPEB liability on a pay-as-you-go basis. With the District's approval, the discount rate used in this valuation is based on the S&P Municipal Bond 20 Year High Grade Index. As of the beginning and end of the Measurement Period, use of this index results in discount rates of 2.18% as of June 30, 2021, and 4.09% as of June 30, 2022.

Actuarial Assumptions

The actuarial "demographic" assumptions (i.e., rates of retirement, death, disability or other termination of employment) used in this report were chosen, for the most part, to be the same as the actuarial demographic assumptions used for the most recent valuation of the retirement plan(s) covering District employees. Other assumptions, such as age-related healthcare claims, healthcare trend, retiree participation rates and spouse coverage, were selected based on demonstrated plan experience and/or our best estimate of expected future experience. All these assumptions, and more, impact expected future benefits.

Please note that this valuation has been prepared on a closed group basis. This means that only employees and retirees present as of the valuation date are considered. We do not consider replacement employees for those we project to leave the current population of plan participants until the valuation date following their employment.

We emphasize that this actuarial valuation provides a projection of future results based on many assumptions. Actual results are likely to vary to some extent and we will continue to monitor these assumptions in future valuations. See Section 3 for a description of assumptions used in this valuation.

Important Dates Used in the Valuation

GASB 75 allows reporting liabilities as of any fiscal year end based on: (1) a *valuation date* no more than 30 months plus 1 day prior to the close of the fiscal year end; and (2) a *measurement date* up to one year prior to the close of the fiscal year. The following dates were used for this report:

Fiscal Year End	June 30, 2023
Measurement Date	June 30, 2022
Measurement Period	June 30, 2021, to June 30, 2022
Valuation Date	June 30, 2021



Executive Summary
 (Concluded)

Updates Since the Prior Report

This report is based on a roll forward of the June 30, 2021, valuation. No benefit changes and no material changes in plan members or premium rates were reported to MacLeod Watts from those provided to us for the 2021 valuation. As such, no new census data was collected, and no plan experience was determined. No assumptions were changed, other than an update to the discount rate as described above.

Impact on Statement of Net Position and OPEB Expense for Fiscal Year Ending 2023

The plan’s impact to Net Position will be the sum of difference between assets and liabilities as of the measurement date plus the unrecognized net outflows and inflows of resources. Different recognition periods apply to deferred resources depending on their origin. The plan’s impact on Net Position on the measurement date can be summarized as follows:

Items	For Reporting At Fiscal Year Ending June 30, 2023
Total OPEB Liability	\$ 8,414,987
Fiduciary Net Position	-
Net OPEB Liability	\$ 8,414,987
<i>Adjustment for Deferred Resources:</i>	
Deferred (Outflows)	(1,178,335)
Deferred Inflows	3,843,418
Impact on Statement of Net Position	\$ 11,080,070
OPEB Expense, FYE 6/30/2023	\$ 94,089

Important Notices

This report is intended to be used only to present the actuarial information relating to other postemployment benefits for the District’s financial statements. The results of this report may not be appropriate for other purposes, where other assumptions, methodology and/or actuarial standards of practice may be required or more suitable. We note that various issues in this report may involve legal analysis of applicable law or regulations. The District should consult counsel on these matters; MacLeod Watts does not practice law and does not intend anything in this report to constitute legal advice. In addition, we recommend the District consult with their internal accounting staff or external auditor or accounting firm about the accounting treatment of OPEB liabilities.



B. Results Measured as of June 30, 2022

The District’s OPEB liability measured as of June 30, 2022, was determined based on a “roll-forward” of the June 30, 2021, valuation. A roll-forward valuation moves the plan liability forward based on expected changes. For this type of valuation, we do not collect new plan data, and we generally do not change any actuarial assumptions. One exception is that changes in the liability discount rate reflecting changes in the municipal bond index is reflected as of the new measurement date.

GASB allows roll-forward valuations to be performed in the year following the full biennial valuation if no material changes to the plan or the plan’s members have occurred. Examples of material changes would include significantly different terminations or retirements during the year than were assumed, or a change in the retirement plan provisions. No such events or plan amendments were reported by the District in the current measurement period.

The chart below reconciles the liability reported last year to that obtained by the roll-forward valuation as of the end of the current fiscal year.

Reconciliation of Changes During Measurement Period	Total OPEB Liability
Balance at Fiscal Year Ending 6/30/2022 <i>Measurement Date 6/30/2021</i>	\$ 10,931,227
Expected Changes During the Period:	
Service Cost	368,016
Interest Cost	242,679
Benefit Payments	(334,328)
Total Expected Changes During the Period	276,367
Expected at Fiscal Year Ending 6/30/2023 <i>Measurement Date 6/30/2022</i>	\$ 11,207,594
Unexpected Changes During the Period:	
Change Due to Change in Discount Rate	(2,792,607)
Total Unexpected Changes During the Period	(2,792,607)
Balance at Fiscal Year Ending 6/30/2023 <i>Measurement Date 6/30/2022</i>	\$ 8,414,987



C. Accounting Information (GASB 75)

The following exhibits are designed to satisfy the reporting and disclosure requirements of GASB 75 for the fiscal year ending June 30, 2023. The District is classified for GASB 75 purposes as a single employer.

Components of Net Position and Expense

The exhibit below shows the development of Net Position and Expense as of the Measurement Date.

Plan Summary Information for FYE June 30, 2023 <i>Measurement Date is June 30, 2022</i>	Arcata FPD
Items Impacting Net Position:	
Total OPEB Liability	\$ 8,414,987
Fiduciary Net Position	-
Net OPEB Liability (Asset)	<u>8,414,987</u>
<i>Deferred (Outflows) Due to:</i>	
Assumption Changes	(650,734)
Plan Experience	(226,689)
Investment Experience	-
Deferred Contributions	(300,912)
<i>Deferred Inflows Due to:</i>	
Assumption Changes	2,688,348
Plan Experience	1,155,070
Investment Experience	-
Impact on Statement of Net Position, FYE 6/30/2023	<u>\$ 11,080,070</u>
Items Impacting OPEB Expense:	
Service Cost	\$ 368,016
Cost of Plan Changes	-
Interest Cost	242,679
Expected Earnings on Assets	-
<i>Recognition of Deferred Outflows:</i>	
Assumption Changes	122,778
Plan Experience	44,536
Investment Experience	-
<i>Recognition of Deferred (Inflows):</i>	
Assumption Changes	(472,369)
Plan Experience	(211,551)
Investment Experience	-
OPEB Expense, FYE 6/30/2023	<u>\$ 94,089</u>



Accounting Information
 (Continued)

Change in Net Position During the Fiscal Year

The exhibit below shows the year-to-year changes in the components of Net Position.

For Reporting at Fiscal Year End <i>Measurement Date</i>	6/30/2022 <i>6/30/2021</i>	6/30/2023 <i>6/30/2022</i>	Change During Period
Total OPEB Liability	\$ 10,931,227	\$ 8,414,987	\$ (2,516,240)
Fiduciary Net Position	-	-	-
Net OPEB Liability (Asset)	10,931,227	8,414,987	(2,516,240)
<i>Deferred (Outflows) Due to:</i>			
Assumption Changes	(773,512)	(650,734)	122,778
Plan Experience	(271,225)	(226,689)	44,536
Investment Experience	-	-	-
Deferred Contributions	(334,328)	(300,912)	33,416
<i>Deferred Inflows Due to:</i>			
Assumption Changes	368,110	2,688,348	2,320,238
Plan Experience	1,366,621	1,155,070	(211,551)
Investment Experience	-	-	-
Impact on Statement of Net Position	<u>\$ 11,286,893</u>	<u>\$ 11,080,070</u>	<u>\$ (206,823)</u>

Change in Net Position During the Fiscal Year

Impact on Statement of Net Position, FYE 6/30/2022	\$ 11,286,893
OPEB Expense (Income)	94,089
Employer Contributions During Fiscal Year	(300,912)
Impact on Statement of Net Position, FYE 6/30/2023	<u>\$ 11,080,070</u>

OPEB Expense

Employer Contributions During Fiscal Year	\$ 300,912
Deterioration (Improvement) in Net Position	(206,823)
OPEB Expense (Income), FYE 6/30/2023	<u>\$ 94,089</u>



Accounting Information
 (Continued)

Recognition Period for Deferred Resources

Liability changes due to plan experience which differs from what was assumed in the prior measurement period and/or from assumption changes during the period are recognized over the plan's Expected Average Remaining Service Life ("EARSL"). The EARSL of 7.09 years is the period used to recognize such changes in the OPEB Liability arising during the current measurement period.

When applicable, changes in the Fiduciary Net Position due to investment performance different from the assumed earnings rate are always recognized over 5 years.

Liability changes attributable to benefit changes occurring during the period, if any, are recognized immediately.

Deferred Resources as of Fiscal Year End and Expected Future Recognition

The exhibit below shows deferred resources as of the fiscal year end June 30, 2023.

Arcata FPD	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 650,734	\$ 2,688,348
Differences Between Expected and Actual Experience	226,689	1,155,070
Net Difference Between Projected and Actual Earnings on Investments	-	-
Deferred Contributions	300,912	-
Total	\$ 1,178,335	\$ 3,843,418

The District will recognize the Deferred Contributions in the next fiscal year. In addition, future recognition of these deferred resources is shown below.

For the Fiscal Year Ending June 30	Recognized Net Deferred Outflows (Inflows) of Resources
2024	\$ (516,606)
2025	(516,606)
2026	(516,606)
2027	(492,271)
2028	(446,298)
Thereafter	(477,608)



Accounting Information

(Continued)

Sensitivity of Liabilities to Changes in the Discount Rate and Healthcare Cost Trend Rate

The discount rate used for accounting purposes for the fiscal year end 2023 is 4.09%. Healthcare Cost Trend Rate was assumed to start at 5.6% (increase effective January 1, 2022) and grade down to 3.9% for years 2075 and later. The impact of a 1% increase or decrease in these assumptions is shown in the chart below.

Sensitivity to:			
Change in Discount Rate	Current - 1% 3.09%	Current 4.09%	Current + 1% 5.09%
Net OPEB Liability (Asset)	9,716,746	8,414,987	7,387,011
Increase (Decrease)	1,301,759		(1,027,976)
% Increase (Decrease)	15.5%		-12.2%
Change in Healthcare Cost Trend Rate	Current Trend - 1%	Current Trend	Current Trend + 1%
Net OPEB Liability (Asset)	7,094,053	8,414,987	10,121,421
Increase (Decrease)	(1,320,934)		1,706,434
% Increase (Decrease)	-15.7%		20.3%



Accounting Information
 (Continued)

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

GASB 75 requires presentation of the 10-year history of changes in the Net OPEB Liability. Results for years since GASB 75 was implemented are shown.

Fiscal Year End June 30	2022	2021	2020	2019	2018
<i>Measurement Date</i>	<i>6/30/2021</i>	<i>6/30/2020</i>	<i>6/30/2019</i>	<i>6/30/2018</i>	<i>6/30/2017</i>
<i>Discount Rate</i>	<i>2.18%</i>	<i>2.66%</i>	<i>2.79%</i>	<i>2.98%</i>	<i>3.13%</i>
Total OPEB liability					
Service Cost	\$ 368,016	\$ 423,184	\$ 517,153	\$ 481,847	\$ 524,580
Interest	242,679	264,495	323,085	313,852	275,938
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	-	(2,001,274)	-	-
Changes of assumptions	(2,792,607)	203,864	174,713	255,819	(760,555)
Benefit payments	(334,328)	(281,447)	(281,304)	(263,236)	(269,146)
Net change in total OPEB liability	(2,516,240)	610,096	(1,267,627)	788,282	(229,183)
Total OPEB liability - beginning	10,931,227	9,197,641	10,465,268	9,676,986	9,906,169
Total OPEB liability - ending (a)	\$ 8,414,987	\$ 9,807,737	\$ 9,197,641	\$ 10,465,268	\$ 9,676,986
Plan fiduciary net position - beginning	-	-	-	-	-
Plan fiduciary net position - ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability - ending (a) - (b)	\$ 8,414,987	\$ 9,807,737	\$ 9,197,641	\$ 10,465,268	\$ 9,676,986
Covered-employee payroll	\$ 1,639,185	\$ 1,802,560	\$ 2,155,428	\$ 1,785,379	\$ 1,848,645
Net OPEB liability as % of covered payroll	513.36%	706.43%	426.72%	586.17%	523.46%



Accounting Information
 (Continued)

Schedule of Changes in the District's Net OPEB Liability and Related Ratios
 (Concluded)

Fiscal Year End	2022	2021	2020	2019	2018
<i>Measurement Date</i>	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
<i>Discount Rate</i>	4.09%	2.66%	2.79%	2.98%	3.13%

Notes to Schedule

Valuation Date	6/30/2021	6/30/2019	6/30/2017
Funding Methodology	Pay-as-you-go	Pay-as-you-go	Pay-as-you-go
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Inflation	2.50%	2.50%	2.75%
Healthcare cost trend rates	5.6% in 2022, fluctuating down to 3.9% in 2075	6.50% in 2021, step down 0.5% each year to 5.0% in 2024	7.50% in 2019, step down 0.5% each year to 5.0% in 2024
Salary increases	3.00%	3.00%	3.25%
Retirement age	From 50 to 75	From 50 to 75	From 50 to 75
Mortality	CalPERS 2017 Study	CalPERS 2017 Study	CalPERS 2014 Study
Mortality Improvement	MW Scale 2022	MW Scale 2018	MW Scale 2017

Schedule of Contributions

This schedule is not required to be provided for unfunded OPEB plans.



Accounting Information
 (Continued)

Detail of Changes to Net Position

The chart below details changes to all components of Net Position.

Arcata FPD	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)	Deferred Outflows:			Deferred Inflows:			Impact on Statement of Net Position (f) = (c) - (d) + (e)
				Assumption Changes	Plan Experience	Investment Experience	Assumption Changes	Plan Experience	Investment Experience	
Balance at Fiscal Year Ending 6/30/2022 <i>Measurement Date 6/30/2021</i>	\$ 10,931,227	\$ -	\$ 10,931,227	\$ 773,512	\$ 271,225	\$ -	\$ 334,328	\$ 1,366,621	\$ -	\$ 11,286,893
Changes During the Period:										
Service Cost	368,016		368,016							368,016
Interest Cost	242,679		242,679							242,679
Expected Investment Income	-		-							-
Employer Contributions	-	334,328	(334,328)							(334,328)
Changes of Benefit Terms	-		-							-
Benefit Payments	(334,328)	(334,328)	-							-
Assumption Changes	(2,792,607)		(2,792,607)				2,792,607			-
Plan Experience	-		-							-
Investment Experience	-		-							-
Recognized Deferred Resources	-		-	(122,778)	(44,536)	-	(334,328)	(211,551)	-	(182,278)
Contributions After Measurement Date	-		-				300,912			(300,912)
Net Changes in Fiscal Year 2022-2023	(2,516,240)	-	(2,516,240)	(122,778)	(44,536)	-	(33,416)	2,320,238	-	(206,823)
Balance at Fiscal Year Ending 6/30/2023 <i>Measurement Date 6/30/2022</i>	\$ 8,414,987	\$ -	\$ 8,414,987	\$ 650,734	\$ 226,689	\$ -	\$ 300,912	\$ 1,155,070	\$ -	\$ 11,080,070



Accounting Information
 (Continued)

Schedule of Deferred Outflows and Inflows of Resources

A listing of all deferred resource bases used to develop the Net Position and Pension Expense is shown below. Deferred Contributions are not shown.

Measurement Date: June 30, 2022

Date Created	Deferred Outflow or (Inflow)				Balance as of Jun 30, 2022	Recognition of Deferred Outflow or Deferred (Inflow) in Measurement Period:						
	Source	Impact on Net OPEB Liability (NOL)	Initial Amount	Period (Yrs)		Annual Recognition	2021-22 (FYE 2023)	2022-23 (FYE 2024)	2023-24 (FYE 2025)	2024-25 (FYE 2026)	2025-26 (FYE 2027)	2026-27 (FYE 2028)
6/30/2017	Assumption Changes	Decreased NOL	\$ (760,555)	9.69	\$ (78,489)	\$ (78,489)	\$ (78,489)	\$ (78,489)	\$ (78,489)	\$ (54,154)	\$ -	\$ -
6/30/2018	Assumption Changes	Increased NOL	255,819	9.69	26,400	26,400	26,400	26,400	26,400	26,400	18,219	-
6/30/2019	Experience Assumption	Decreased NOL	(2,001,274)	9.46	(211,551)	(211,551)	(211,551)	(211,551)	(211,551)	(211,551)	(211,551)	(97,315)
6/30/2019	Assumption Changes	Increased NOL	174,713	9.46	18,469	18,469	18,469	18,469	18,469	18,469	18,469	8,492
6/30/2020	Assumption Changes	Increased NOL	203,864	9.46	21,550	21,550	21,550	21,550	21,550	21,550	21,550	31,464
6/30/2021	Experience Assumption	Increased NOL	315,761	7.09	44,536	44,536	44,536	44,536	44,536	44,536	44,536	4,009
6/30/2021	Assumption Changes	Increased NOL	399,582	7.09	56,359	56,359	56,359	56,359	56,359	56,359	56,359	5,069
6/30/2022	Assumption Changes	Decreased NOL	(2,792,607)	7.09	(393,880)	(393,880)	(393,880)	(393,880)	(393,880)	(393,880)	(393,880)	(429,327)



Accounting Information
 (Continued)

District Contributions to the Plan

District contributions to the Plan occur as benefits are paid to or on behalf of retirees and/or as contributions to an OPEB trust. Benefit payments may occur in the form of direct payments for premiums (“explicit subsidies”) and/or indirect payments to retirees in the form of higher premiums for active employees (“implicit subsidies”). For details on Important Background Information, see Appendices.

District contributions paid during the measurement period (all in the form of benefit payments) are shown below.

For the Measurement Period, Jul 1, 2021 thru Jun 30, 2022	Arcata FPD
Benefits Paid to Retirees	\$ 325,680
Implicit Subsidy Payment	8,648
<i>Total Contributions During the Measurement Period</i>	334,328

District retiree health benefits payments reported as made after the measurement date but prior to the current fiscal year end are shown below.

For the Fiscal Year, Jul 1, 2022 thru Jun 30, 2023	Arcata FPD
Benefits Paid to Retirees	\$ 300,912
Implicit Subsidy Payment	-
<i>Total Contributions During the Current Fiscal Year</i>	300,912



Accounting Information
 (Continued)

Projected Benefit Payments (15-year projection)

The following is an estimate of other post-employment benefits to be paid on behalf of current retirees and current employees expected to retire from the District. Expected annual benefits have been projected on the basis of the actuarial assumptions outlined in Section 3.

These projections do not include any benefits expected to be paid on behalf of current active employees *prior to* retirement, nor do they include any benefits for potential *future employees* (i.e., those who might be hired in future years).

Projected Annual Benefit Payments							
Fiscal Year Ending June 30	Explicit Subsidy			Implicit Subsidy			Total
	Current Retirees	Future Retirees	Total	Current Retirees	Future Retirees	Total	
2023	\$ 300,912	\$ -	\$ 300,912	\$ -	\$ -	\$ -	\$ 300,912
2024	280,411	15,059	295,470	3,802	758	4,560	300,030
2025	291,028	27,854	318,882	10,454	2,695	13,149	332,031
2026	294,282	41,521	335,803	18,088	5,881	23,969	359,772
2027	294,320	59,113	353,433	15,323	10,505	25,828	379,261
2028	296,502	70,734	367,236	18,115	16,564	34,679	401,915
2029	288,733	88,128	376,861	25,922	24,253	50,175	427,036
2030	296,345	109,415	405,760	34,526	33,707	68,233	473,993
2031	292,335	133,496	425,831	31,532	44,397	75,929	501,760
2032	281,565	161,981	443,546	34,894	51,395	86,289	529,835
2033	287,001	179,859	466,860	43,559	53,719	97,278	564,138
2034	278,718	206,772	485,490	37,709	68,590	106,299	591,789
2035	268,867	219,737	488,604	30,030	71,000	101,030	589,634
2036	271,830	238,537	510,367	37,239	73,465	110,704	621,071
2037	274,296	269,269	543,565	45,374	91,951	137,325	680,890

The amounts shown in the Explicit Subsidy table reflect the expected payment by the District toward retiree medical premiums in each of the years shown. The amounts are shown separately, and in total, for those retired on the valuation date (“current retirees”) and those expected to retire after the valuation date (“future retirees”).

The amounts shown in the Implicit Subsidy table reflect the expected excess of retiree medical and prescription drug claims over the premiums expected to be charged during the year for retirees’ coverage. These amounts are also shown separately and in total for those currently retired on the valuation date and for those expected to retire in the future.



Accounting Information
 (Concluded)

Sample Journal Entries

OPEB Accounts at

Beginning of Fiscal Year

	<i>By Source</i>		<i>Sources Combined</i>	
	Debit	Credit	Debit	Credit
Net OPEB Liability		10,931,227		10,931,227
<i>Deferred Outflow:</i>				
Assumption Changes	773,512			
Plan Experience	271,225			
Investment Experience	-			
Contribution Subsequent to MD	334,328			
Deferred Outflows			1,379,065	
<i>Deferred Inflow:</i>				
Assumption Changes		368,110		
Plan Experience		1,366,621		
Investment Experience		-		
Deferred Inflows				1,734,731

Record Benefits Paid to Retirees

	Debit	Credit
Net OPEB Liability	300,912	
Cash		300,912

Record End of Year

Updates to OPEB Accounts

	<i>By Source</i>		<i>Sources Combined</i>	
	Debit	Credit	Debit	Credit
Net OPEB Liability	2,215,328		2,215,328	
<i>Deferred Outflow:</i>				
Assumption Changes		122,778		
Plan Experience		44,536		
Investment Experience				
Contribution Subsequent to MD		33,416		
Deferred Outflows				200,730
<i>Deferred Inflow:</i>				
Assumption Changes		2,320,238		
Plan Experience	211,551			
Investment Experience	-			
Deferred Inflows				2,108,687
OPEB Expense	94,089		94,089	



D. Funding Information

Our understanding is that the District is currently financing its OPEB liability on a pay-as-you-go basis. Prefunding (setting aside funds to accumulate in an irrevocable OPEB trust) has certain advantages, one of which is the ability to (potentially) use a higher discount rate in the determination of liabilities for GASB 75 reporting purposes.

Should the District wish to explore potential future prefunding for this plan we can prepare illustrations of various funding levels and, if appropriate, perform a formal funding valuation at that time. Results under a funding scenario may be materially different from the results presented in this report.



E. Certification

The purpose of this report is to provide actuarial information in compliance with Statement 75 of the Governmental Accounting Standards Board (GASB 75) for other postemployment benefits provided by the Arcata Fire Protection District (the District). We summarized the benefits in this report and our calculations were based on our understanding of the benefits as described herein.

In preparing this report we relied without audit on information provided by the District. This information includes, but is not limited to, plan provisions, census data, and financial information. We performed a limited review of this data and found the information to be reasonably consistent. The accuracy of this report is dependent on this information and if any of the information we relied on is incomplete or inaccurate, then the results reported herein will be different from any report relying on more accurate information.

We consider the actuarial assumptions and methods used in this report to be individually reasonable under the requirements imposed by GASB 75 and taking into consideration reasonable expectations of plan experience. The results provide an estimate of the plan's financial condition at one point in time. Future actuarial results may be significantly different due to a variety of reasons including, but not limited to, demographic and economic assumptions differing from future plan experience, changes in plan provisions, changes in applicable law, or changes in the value of plan benefits relative to other alternatives available to plan members.

Alternative assumptions may also be reasonable; however, demonstrating the range of potential plan results based on alternative assumptions was beyond the scope of our assignment except to the limited extent required by GASB 75. Plan results for accounting purposes may be materially different than results obtained for other purposes such as plan termination, liability settlement, or underlying economic value of the promises made by the plan.

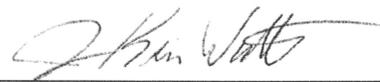
This report is prepared solely for the use and benefit of the District and may not be provided to third parties without prior written consent of MacLeod Watts. Exceptions: The District may provide copies of this report to their professional accounting and legal advisors who are subject to a duty of confidentiality, and the District may provide this work to any party if required by law or court order. No part of this report should be used as the basis for any representations or warranties in any contract or agreement without the written consent of MacLeod Watts.

The undersigned actuaries are unaware of any relationship that might impair the objectivity of this work. Nothing within this report is intended to be a substitute for qualified legal or accounting counsel. The signing actuaries are members of the American Academy of Actuaries and meet the qualification standards for rendering this opinion.

Signed: August 17, 2023



Catherine L. MacLeod, FSA, FCA, EA, MAAA



J. Kevin Watts, FSA, FCA, MAAA



F. Supporting Information

Section 1 - Summary of Employee Data

Active employees: The District reported 16 active employees, all of which were participating in the medical program as of the valuation date. Age and service information for the reported individuals is provided below:

Distribution of Benefits-Eligible Active Employees								
Current Age	Years of Service						Total	Percent
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 & Up		
Under 25		1					1	6%
25 to 29	4						4	25%
30 to 34			1				1	6%
35 to 39	1			1			2	13%
40 to 44				2			2	13%
45 to 49			1	1		2	4	25%
50 to 54		1				1	2	13%
55 to 59							0	0%
60 to 64							0	0%
65 to 69							0	0%
70 & Up							0	0%
Total	5	2	2	4	0	3	16	100%
Percent	31%	13%	13%	25%	0%	19%	100%	

<u>Valuation</u>	<u>June 2019</u>	<u>June 2021</u>
Average Attained Age for Actives	37.1	38.7
Average Years of Service	9.5	9.4

Retired members: There are also 18 retirees currently receiving benefits under this plan. Their ages and benefit levels are summarized below. Of these, 1 is a retired general employee and the other 17 are retired fire safety.

Retirees by Age				
Current Age	Misc	Fire	Total	Percent
Below 50	0	3	3	17%
50 to 54	0	2	2	11%
55 to 59	0	2	2	11%
60 to 64	0	1	1	6%
65 to 69	0	2	2	11%
70 to 74	1	3	4	22%
75 to 79	0	4	4	22%
80 & up	0	0	0	0%
Total	1	17	18	100%
Average Age:				
On 6/30/2021	71.01	63.52	63.94	
At retirement	66.01	50.45	51.31	



Supporting Information

(Continued)

Section 1 - Summary of Employee Data

Summary of Plan Member Counts: The number of members currently or potentially eligible to receive benefits under the OPEB plan are required to be reported in the notes to the financial statements. The chart below shows these counts as provided to us and used for the June 30, 2021, valuation.

Summary of Plan Member Counts	
Number of active plan members	16
Number of inactive plan members currently receiving benefits	18
Number of inactive plan members entitled to but not receiving benefits	0



Supporting Information
 (Continued)

Section 2 - Summary of Retiree Benefit Provisions

OPEB provided: The District provides lifetime retiree medical and dental coverage.

Dental coverage: If dental coverage is selected, the retiree must pay 100% of the premiums. Since no OPEB liability is expected with respect to dental coverage for retirees, it is not considered in this valuation.

Access to coverage: Medical coverage is currently provided through CalPERS as permitted under the Public Employees’ Medical and Hospital Care Act (PEMHCA). This coverage requires the employee to satisfy the requirements for retirement under CalPERS: either (a) attainment of age 50 (age 52, if a miscellaneous PEPR employee) with 5 years of State or public agency service or (b) an approved disability retirement.

The employee must begin his or her retirement (*pension*) benefit within 120 days of terminating employment with the District to be eligible to continue medical coverage through the agency and be entitled to the benefits described below. In other words, it is the timing of initiating retirement benefits and not timing of enrollment in the medical program which determines whether or not a District retiree qualifies for lifetime medical coverage and any benefits defined in the PEMHCA resolution.

Once eligible, coverage may be continued at the retiree’s option for his or her lifetime. A surviving spouse and other eligible dependents may also continue coverage. If an eligible employee is not already enrolled in the medical plan, he or she may enroll within 60 days of retirement, during any future open enrollment period or with a qualifying life event.

Benefits provided: Based on the District’s current PEMHCA resolution, the District makes monthly contributions equal to the minimum employer contributions (MEC). These contributions continue for the retiree’s lifetime (and generally for the surviving spouse’s lifetime) or until coverage is discontinued. The MEC was \$143 per month in 2021 and increased to \$149 per month in 2022.

Some retirees may qualify for additional benefits beyond those required under PEMHCA, based on employee agreements. The benefits vary based on employment date and employee group. A summary of these benefits is provided in a chart on the following page.

Current premium rates: The 2022 CalPERS monthly medical plan rates in Region 1 group are shown in the table below. If different rates apply where the member resides outside of this area, those rates are reflected in the valuation, but not listed here. The additional CalPERS administration fee is assumed.

Region 1 2022 Health Plan Rates						
Plan	Actives and Pre-Med Retirees			Medicare Eligible Retirees		
	Ee Only	Ee & 1	Ee & 2+	Ee Only	Ee & 1	Ee & 2+
Anthem Traditional HMO	\$ 1,304.00	\$ 2,608.00	\$ 3,390.40	\$ 360.19	\$ 720.38	\$ 1,502.78
PERS Platinum PPO	1,057.01	2,114.02	2,748.23	381.94	763.88	1,398.09
PERS Gold PPO	701.23	1,402.46	1,823.20	377.41	754.82	1,175.56
PERS Platinum	847.71	1,695.42	2,204.05	381.94	763.88	1,272.51



Supporting Information
 (Continued)

Section 2 - Summary of Retiree Benefit Provisions

Arcata Fire Protection District: Summary of OPEB Provided as of June 30, 2017						
Employee group (and hire date)	Eligibility	Benefit	Term of Higher Stipend	Surv Spouse Benefit	Dependent Benefits	Benefit Tier
Fire Chief	Any	MEC + Additional Stipend, which in total add up to the PERS Platinum premium rate for <i>employee + any dependents</i>	Lifetime	PEMHCA Minimum (MEC)	Paid up to limit described so long as dependents are eligible	1
Firefighters	PERS Retirement					
Senior Mgmt	Hired prior to 7/1/2008					
Non-Safety	Hired in 2001					
Firefighters	Hired after 6/30/2008 & before 7/21/2015	MEC + Additional Stipend, which in total add up to the PERS Platinum premium rate for <i>employee only</i>	Lifetime	MEC	Dependents may continue coverage at 100% retiree expense	2
Senior Mgmt	Hired after 6/30/2008 & before 1/1/2015					
Firefighters	Hired after 7/20/2015	MEC + Additional Stipend, which in total add up to the PERS Platinum premium rate for <i>employee only</i>	Until Age 65	MEC	Dependents may continue coverage at 100% retiree expense	3
Non-Safety	Hired on 7/1/2016					
Senior Mgmt	10 or more years of District Service	For each year of service, 5% of the <i>employee only</i> PERS Platinum premium. 100% after 20 Years	Until Age 65 MEC thereafter	MEC	Dependents may continue coverage at 100% retiree expense	4
	Hired after 12/31/2014					
	Less than 10 yrs of service		Lifetime	MEC		



Supporting Information

(Continued)

Section 3 - Actuarial Methods and Assumptions

The ultimate real cost of an employee benefit plan is the value of all benefits and other expenses of the plan over its lifetime. These payments depend only on the terms of the plan and the administrative arrangements adopted. The actuarial assumptions are used to estimate the cost of these benefits; the funding method spreads the expected costs on a level basis over the life of the plan.

Important Dates

Fiscal Year End	June 30, 2023
GASB 75 Measurement Date	June 30, 2022 (last day of the prior fiscal year)
Valuation Date	June 30, 2021

Valuation Methods

Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Not applicable (\$0; no OPEB trust has been established)
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.

Development of Age-related Medical Premiums

Actual premium rates for retirees and their spouses were adjusted to an age-related basis by applying medical claim cost factors developed from the data presented in the report, "Health Care Costs – From Birth to Death", sponsored by the Society of Actuaries. A description of the use of claims cost curves can be found in MacLeod Watts's Age Rating Methodology provided in Appendix 2 to this report.

Pre-Medicare retiree premiums are blended with premiums for active members. Medicare-eligible retirees are covered by plans which are rated solely on the experience of Medicare retirees with no subsidy by active employee premiums.

Monthly baseline premium costs were set equal to the active single premiums shown in the chart in Section 2. Representative claims costs derived from the dataset provided by CalPERS are shown in the chart on the following page. Age-based claims were applied (a) for all retirees not yet eligible for Medicare and (b) for Medicare retirees receiving benefits in excess of the PEMHCA minimum *and* covered by Medicare Supplement plans.



Supporting Information

(Continued)

Section 3 - Actuarial Methods and Assumptions

Development of Age-related
 Medical Premiums (continued)

Expected Monthly Claims by Medical Plan for Selected Ages for Non-Medicare Retirees						
Male						
Region	Medical Plan	50	53	56	59	62
Region 1	Anthem Traditional HMO	\$ 1,146	\$ 1,352	\$ 1,570	\$ 1,800	\$ 2,046
	PERS Gold PPO	720	849	986	1,130	1,285
	PERS Platinum PPO	909	1,072	1,245	1,427	1,622
Out of State	PERS Platinum	587	692	803	921	1,047
Female						
Region	Medical Plan	50	53	56	59	62
Region 1	Anthem Traditional HMO	\$ 1,421	\$ 1,560	\$ 1,679	\$ 1,814	\$ 2,000
	PERS Gold PPO	892	980	1,054	1,139	1,256
	PERS Platinum PPO	1,127	1,237	1,331	1,439	1,586
Out of State	PERS Platinum	727	798	859	928	1,023

Expected Monthly Claims by Medical Plan for Selected Ages for Medicare Retirees						
Male						
Region	Medical Plan	65	70	75	80	85
Region 1	Anthem Traditional HMO	<i>Claims not developed for Medicare Advantage plans</i>				
	PERS Gold PPO	315	352	383	401	396
	PERS Platinum PPO	319	357	388	406	401
Out of State	PERS Platinum	322	361	392	411	406
Female						
Region	Medical Plan	65	70	75	80	85
Region 1	Anthem Traditional HMO	<i>Claims not developed for Medicare Advantage plans</i>				
	PERS Gold PPO	301	341	369	385	389
	PERS Platinum PPO	305	345	374	390	394
Out of State	PERS Platinum	309	349	378	395	399



Supporting Information
 (Continued)

Section 3 - Actuarial Methods and Assumptions

Economic Assumptions

Municipal Bond Index	S&P General Obligation 20-Year High Grade Municipal Bond Index
Discount Rates	4.09% as of June 30, 2022, and 2.18% as of June 30, 2021
General Inflation Rate	2.5% per year
Salary Increase	3.0% per year. Since benefits do not depend on salary, this is used to allocate the cost of benefits between service years and to determine the amortization payment component of the Actuarially Determined Contributions.
Healthcare Trend	Medical plan premiums and claims costs by age are assumed to increase once each year. The increases over the prior year's levels are assumed to be effective on the dates shown below:

Effective January 1	Premium Increase	Effective January 1	Premium Increase
2022	Actual	2049-2058	4.6%
2023	5.6%	2059-2065	4.5%
2024	5.4%	2066-2067	4.4%
2025-2026	5.2%	2068-2069	4.3%
2027-2028	5.1%	2070	4.2%
2029-2037	5.0%	2071-2072	4.1%
2038	4.9%	2073-2074	4.0%
2039-2042	4.8%	2075	3.9%
2043-2048	4.7%	& later	3.9%

The healthcare trend shown above was developed using the Getzen Model 2022_b published by the Society of Actuaries using the following settings: CPI 2.5%; Real GDP Growth 1.4%; Excess Medical Growth 1.0%; Expected Health Share of GDP in 2028 20.0%; Resistance Point 25%; Year after which medical growth is limited to growth in GDP 2075.

The required PEMHCA minimum employer contribution (MEC) is assumed to increase by 4.0% annually. This implies a long-term spread between CPI and CPI-Med of 1.5%.



Supporting Information
(Continued)

Section 3 - Actuarial Methods and Assumptions

Participant Election Assumptions

Participation rate	<p><i>Active employees:</i></p> <p>(a) If eligible for the PEMHCA MEC only, 75% are assumed to elect coverage in retirement.</p> <p>(b) 100% of those eligible for benefits in excess of the MEC are assumed to elect coverage in retirement.</p> <p>All active employees are assumed to elect coverage in the PERS Platinum Region 1 plan in retirement.</p> <p><i>Retired participants:</i> Existing medical plan elections are assumed to continue until the retiree's death.</p>
Spouse Coverage	<p><i>Active employees:</i> 85% of Tier 1 participants and 50% of Tier 2, 3 and 4 participants are assumed to be married and to elect coverage for their spouses in retirement. Surviving spouses are assumed to continue coverage until their death. Husbands are assumed to be 3 years older than their wives.</p> <p><i>Retired participants:</i> Existing elections for spouse coverage are assumed to continue until the spouse's death. Actual spouse ages are used, where known; if not, husbands are assumed to be 3 years older than their wives.</p>
Dependent Coverage	<p>If eligible for subsidized dependent coverage in retirement:</p> <p><i>Active employees and retired participants</i> covering dependent children are assumed to end such coverage when the youngest currently covered dependent reaches age 26.</p>
Medicare Eligibility	<p>Absent contrary data, all individuals are assumed to be eligible for Medicare Parts A and B at age 65.</p>

Demographic Assumptions

Demographic actuarial assumptions used in this valuation are based on the 2017 experience study of the California Public Employees Retirement System using data from 1997 to 2015, except for a different basis used to project future mortality improvements.

Mortality Improvement	MacLeod Watts Scale 2022 applied generationally from 2015 (see Appendices)
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Appendix 1: Important Background Information

General Types of Other Post-Employment Benefits (OPEB)

Post-employment benefits other than pensions (OPEB) comprise a part of compensation that employers offer for services received. The most common OPEB are medical, prescription drug, dental, vision, and/or life insurance coverage. Other OPEB may include outside group legal, long-term care, or disability benefits outside of a pension plan. OPEB does not generally include COBRA, vacation, sick leave (unless converted to defined benefit OPEB), or other direct retiree payments.

A direct employer payment toward the cost of OPEB benefits is referred to as an “explicit subsidy”. In addition, if claims experience of employees and retirees are pooled when determining premiums, retiree premiums are based on a pool of members which, on average, are younger and healthier. For certain types of coverage such as medical insurance, this results in an “implicit subsidy” of retiree premiums by active employee premiums since the retiree premiums are lower than they would have been if retirees were insured separately. GASB 75 and Actuarial Standards of Practice generally require that an implicit subsidy of retiree premium rates be valued as an OPEB liability.

Expected retiree claims		
Premium charged for retiree coverage		<i>Covered by higher active premiums</i>
Retiree portion of premium	Agency portion of premium Explicit subsidy	Implicit subsidy

This chart shows the sources of funds needed to cover expected medical claims for pre-Medicare retirees. The portion of the premium paid by the Agency does not impact the amount of the implicit subsidy.

Under GASB 45, for actuarial valuations dated prior to March 31, 2015, an exception allowed plan employers with a very small membership in a large “community-rated” healthcare program to avoid reporting of implicit subsidy liability. Following a change in Actuarial Standards of Practice and in accordance with GASB 75 requirements, this exception is no longer available.

Valuation Process

The valuation was based on employee census data and benefits provided by the District. A summary of the employee data is provided in Table 1 and a summary of the benefits provided under the Plan is provided in Section 2. While individual employee records were reviewed to verify that they are reasonable in various respects, the data has not been audited and we have otherwise relied on the District as to its accuracy. The valuation was based on the actuarial methods and assumptions described in Section 3.

In developing the projected benefit values and liabilities, we first determine an expected premium or benefit stream over the employee’s future retirement. Benefits may include both direct employer payments (explicit subsidies) and/or an implicit subsidy, arising when retiree premiums are expected to be subsidized by active employee premiums. The projected benefit streams reflect assumed trends



Important Background Information
(Continued)

in the cost of those benefits and assumptions as to the expected date(s) when benefits will end. We then apply assumptions regarding:

- The probability that each individual employee will or will not continue in service to receive benefits.
- The probability of when such retirement will occur for each retiree, based on current age, service and employee type; and
- The likelihood that future retirees will or will not elect retiree coverage (and benefits) for themselves and/or their dependents.

We then calculate a present value of these benefits by discounting the value of each future expected benefit payment, multiplied by the assumed expectation that it will be paid, back to the valuation date using the discount rate. These benefit projections and liabilities have a very long time horizon. The final payments for currently active employees may not be made for many decades.

The resulting present value for each employee is allocated as a level percent of payroll each year over the employee's career using the entry age normal cost method and the amounts for each individual are then summed to get the results for the entire plan. This creates a cost expected to increase each year as payroll increases. Amounts attributed to prior fiscal years form the "Total OPEB Liability". The OPEB cost allocated for active employees in the current year is referred to as "Service Cost".

Where contributions have been made to an irrevocable OPEB trust, the accumulated value of trust assets ("Fiduciary Net Position") is applied to offset the "Total OPEB Liability", resulting in the "Net OPEB Liability". If a plan is not being funded, then the Net OPEB Liability is equal to the Total OPEB Liability.

It is important to remember that an actuarial valuation is, by its nature, a projection of one possible future outcome based on many assumptions. To the extent that actual experience is not what we assumed, future results will differ. Some possible sources of future differences may include:

- A significant change in the number of covered or eligible plan members;
- A significant increase or decrease in the future premium rates;
- A change in the subsidy provided by the Agency toward retiree premiums;
- Longer life expectancies of retirees;
- Significant changes in expected retiree healthcare claims by age, relative to healthcare claims for active employees and their dependents;
- Higher or lower returns on plan assets or contribution levels other than were assumed; and/or
- Changes in the discount rate used to value the OPEB liability



Important Background Information
(Continued)

Requirements of GASB 75

The Governmental Accounting Standards Board (GASB) issued GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for the measurement, recognition, and disclosure of OPEB expense and related liabilities (assets), note disclosures, and required supplementary information (RSI) in the financial reports of state and local governmental employers.

Important Dates

GASB 75 requires that the information used for financial reporting falls within prescribed timeframes. Actuarial valuations of the total OPEB liability are generally required at least every two years. If a valuation is not performed as of the Measurement Date, then liabilities are required to be based on roll forward procedures from a prior valuation performed no more than 30 months and 1 day prior to the most recent year-end. In addition, the net OPEB liability is required to be measured as of a date no earlier than the end of the prior fiscal year (the "Measurement Date").

Recognition of Plan Changes and Gains and Losses

Under GASB 75, gains and losses related to changes in Total OPEB Liability and Fiduciary Net Position are recognized in OPEB expense systematically over time.

- *Timing of recognition:* Changes in the Total OPEB Liability relating to changes in plan benefits are recognized immediately (fully expensed) in the year in which the change occurs. Gains and Losses are amortized, with the applicable period based on the type of gain or loss. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.
- *Deferred recognition periods:* These periods differ depending on the source of the gain or loss.

Difference between projected and actual trust earnings:	5-year straight-line recognition
All other amounts:	Straight-line recognition over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits, determined as of the beginning of the Measurement Period. In determining the EARSL, all active, retired and inactive (vested) members are counted, with the latter two groups having 0 remaining service years.



Important Background Information
 (Continued)

Implicit Subsidy Plan Contributions

An implicit subsidy occurs when expected retiree claims exceed the premiums charged for retiree coverage. When this occurs, we expect part of the premiums paid for active employees to cover a portion of retiree claims. This transfer represents the current year’s “implicit subsidy”. Because GASB 75 treats payments to an irrevocable trust *or directly to the insurer* as employer contributions, each year’s implicit subsidy is treated as a contribution toward the payment of retiree benefits.

The following hypothetical example illustrates this treatment:

Hypothetical Illustration of Implicit Subsidy Recognition	For Active Employees	For Retired Employees
<i>Prior to Implicit Subsidy Adjustment</i>		
Premiums Paid by Agency During Fiscal Year	\$ 411,000	\$ 48,000
Accounting Treatment	Compensation Cost for Active Employees	Contribution to Plan & Benefits Paid from Plan
<i>After Implicit Subsidy Adjustment</i>		
Premiums Paid by Agency During Fiscal Year	\$ 411,000	\$ 48,000
Implicit Subsidy Adjustment	(23,000)	23,000
Accounting Cost of Premiums Paid	\$ 388,000	\$ 71,000
Accounting Treatment Impact	Reduces Compensation Cost for Active Employees	Increases Contributions to Plan & Benefits Paid from Plan

The example above shows that total payments toward active and retired employee healthcare premiums is the same, but for accounting purposes part of the total is shifted from actives to retirees. This shifted amount is recognized as an OPEB contribution and reduces the current year’s premium expense for active employees.

Discount Rate

When the financing of OPEB liabilities is on a pay-as-you-go basis, GASB 75 requires that the discount rate used for valuing liabilities be based on the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). When a plan sponsor makes regular, sufficient contributions to a trust in order to prefund the OPEB liabilities, GASB 75 allows use of a rate up to the expected rate of return of the trust. Therefore, prefunding has an advantage of potentially being able to report overall lower liabilities due to future expected benefits being discounted at a higher rate.



Important Background Information
(Concluded)

Actuarial Funding Method and Assumptions

The “ultimate real cost” of an employee benefit plan is the value of all benefits and other expenses of the plan over its lifetime. These expenditures are dependent only on the terms of the plan and the administrative arrangements adopted, and as such are not affected by the actuarial funding method.

The actuarial funding method attempts to spread recognition of these expected costs on a level basis over the life of the plan, and as such sets the “incidence of cost”. GASB 75 specifically requires that the actuarial present value of projected benefit payments be attributed to periods of employee service using the Entry Age Actuarial Cost Method, with each period’s service cost determined as a level percentage of pay.

The results of this report may not be appropriate for other purposes, where other assumptions, methodology and/or actuarial standards of practice may be required or more suitable.



Appendix 2: MacLeod Watts Age Rating Methodology

Both accounting standards (e.g., GASB 75) and actuarial standards (e.g., ASOP 6) require that expected retiree claims, not just premiums paid, be reflected in most situations where an actuary is calculating retiree healthcare liabilities. Unfortunately, the actuary is often required to perform these calculations without any underlying claims information. In most situations, the information is not available, but even when available, the information may not be credible due to the size of the group being considered.

Actuaries have developed methodologies to approximate healthcare claims from the premiums being paid by the plan sponsor. Any methodology requires adopting certain assumptions and using general studies of healthcare costs as substitutes when there is a lack of credible claims information for the specific plan being reviewed.

Premiums paid by sponsors are often uniform for all employee and retiree ages and genders, with a drop in premiums for those participants who are Medicare-eligible. While the total premiums are expected to pay for the total claims for the insured group, on average, the premiums charged would not be sufficient to pay for the claims of older insureds and would be expected to exceed the expected claims of younger insureds. An age-rating methodology takes the typically uniform premiums paid by plan sponsors and spreads the total premium dollars to each age and gender intended to better approximate what the insurer might be expecting in actual claims costs at each age and gender.

The process of translating premiums into expected claims by age and gender generally follows the steps below.

1. *Obtain or Develop Relative Medical Claims Costs by Age, Gender, or other categories that are deemed significant.* For example, a claims cost curve might show that, if a 50-year-old male has \$1 in claims, then on average a 50-year-old female has claims of \$1.25, a 30-year male has claims of \$0.40, and an 8-year-old female has claims of \$0.20. The claims cost curve provides such relative costs for each age, gender, or any other significant factor the curve might have been developed to reflect. Section 3 provides the source of information used to develop such a curve and shows sample relative claims costs developed for the plan under consideration.
2. *Obtain a census of participants, their chosen medical coverage, and the premium charged for their coverage.* An attempt is made to find the group of participants that the insurer considered in setting the premiums they charge for coverage. That group includes the participant and any covered spouses and children. When information about dependents is unavailable, assumptions must be made about spouse age and the number and age of children represented in the population. These assumptions are provided in Section 3.
3. *Spread the total premium paid by the group to each covered participant or dependent based on expected claims.* The medical claims cost curve is used to spread the total premium dollars paid by the group to each participant reflecting their age, gender, or other relevant category. After this step, the actuary has a schedule of expected claims costs for each age and gender for the current premium year. It is these claims costs that are projected into the future by medical cost inflation assumptions when valuing expected future retiree claims.

The methodology described above is dependent on the data and methodologies used in whatever study might be used to develop claims cost curves for any given plan sponsor. These methodologies and assumptions can be found in the referenced paper cited as a source in the valuation report.



Appendix 3: MacLeod Watts Mortality Projection Methodology

Actuarial standards of practice (e.g., ASOP 35, Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations, and ASOP 6, Measuring Retiree Group Benefits Obligations) indicate that the actuary should reflect the effect of mortality improvement (i.e., longer life expectancies in the future), both before and after the measurement date. The development of credible mortality improvement rates requires the analysis of large quantities of data over long periods of time. Because it would be extremely difficult for an individual actuary or firm to acquire and process such extensive amounts of data, actuaries typically rely on large studies published periodically by organizations such as the Society of Actuaries or Social Security Administration.

As noted in a recent actuarial study on mortality improvement, key principles in developing a credible mortality improvement model would include the following:

- (1) Short-term mortality improvement rates should be based on recent experience.
- (2) Long-term mortality improvement rates should be based on expert opinion.
- (3) Short-term mortality improvement rates should blend smoothly into the assumed long-term rates over an appropriate transition period.

The **MacLeod Watts Scale 2022** was developed from a blending of data and methodologies found in two published sources: (1) the Society of Actuaries Mortality Improvement Scale MP-2021 Report, published in October 2021 and (2) the demographic assumptions used in the 2021 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, published August 2021.

MacLeod Watts Scale 2022 is a two-dimensional mortality improvement scale reflecting both age and year of mortality improvement. The underlying base scale is Scale MP-2021 which has two segments – (1) historical improvement rates for the period 1951-2017 and (2) an estimate of future mortality improvement for years 2018-2020 using the Scale MP-2021 methodology but utilizing the assumptions obtained from Scale MP-2015. The MacLeod Watts scale then transitions from the 2020 improvement rate to the Social Security Administration (SSA) Intermediate Scale linearly over the 10-year period 2021-2030. After this transition period, the MacLeod Watts Scale uses the constant mortality improvement rate from the SSA Intermediate Scale from 2030-2044. The SSA's Intermediate Scale has a final step down in 2045 which is reflected in the MacLeod Watts scale for years 2045 and thereafter. Over the ages 95 to 118, the SSA improvement rate is graded to zero.

Scale MP-2021 can be found at the SOA website and the projection scales used in the 2021 Social Security Administrations Trustees Report at the Social Security Administration website.



Glossary

Actuarial Funding Method – A procedure which calculates the actuarial present value of plan benefits and expenses, and allocates these expenses to time periods, typically as a normal cost and an actuarial accrued liability

Actuarial Present Value of Projected Benefits (APVPB) – The amount presently required to fund all projected plan benefits in the future. This value is determined by discounting the future payments by an appropriate interest rate and the probability of nonpayment.

CalPERS – Many state governments maintain a public employee retirement system; CalPERS is the California program, covering all eligible state government employees as well as other employees of other governments within California who have elected to join the system

Defined Benefit (DB) – A pension or OPEB plan which defines the monthly income or other benefit which the plan member receives at or after separation from employment

Defined Contribution (DC) – A pension or OPEB plan which establishes an individual account for each member and specifies how contributions to each active member's account are determined and the terms of distribution of the account after separation from employment

Discount Rate - Interest rate used to discount future potential benefit payments to the valuation date. Under GASB 75, if a plan is prefunded, then the discount rate is equal to the expected trust return. If a plan is not prefunded (pay-as-you-go), then the rate of return is based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Expected Average Remaining Service Lifetime (EARSL) – Average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees), beginning in the current period

Entry Age Actuarial Cost Method – An actuarial funding method where, for each individual, the actuarial present value of benefits is levelly spread over the individual's projected earnings or service from entry age to the last age at which benefits can be paid

Excise Tax – The Affordable Care Act created an excise tax on the value of employer sponsored coverage which exceeds certain thresholds ("Cadillac Plans"). The tax was repealed in December 2019.

Explicit Subsidy – The projected dollar value of future retiree healthcare costs expected to be paid directly by the Employer, e.g., the Employer's payment of all or a portion of the monthly retiree premium billed by the insurer for the retiree's coverage

Fiduciary Net Position –The value of trust assets used to offset the Total OPEB Liability to determine the Net OPEB Liability.

Government Accounting Standards Board (GASB) – A private, not-for-profit organization which develops generally accepted accounting principles (GAAP) for U.S. state and local governments; like FASB, it is part of the Financial Accounting Foundation (FAF), which funds each organization and selects the members of each board

Health Care Trend – The assumed rate(s) of increase in future dollar values of premiums or healthcare claims, attributable to increases in the cost of healthcare; contributing factors include medical inflation, frequency or extent of utilization of services and technological developments.



Glossary
(Continued)

Implicit Subsidy – The projected difference between future retiree claims and the premiums to be charged for retiree coverage; this difference results when the claims experience of active and retired employees are pooled together, and a ‘blended’ group premium rate is charged for both actives and retirees; a portion of the active employee premiums subsidizes the retiree premiums.

Net OPEB Liability (NOL) – The liability to employees for benefits provided through a defined benefit OPEB. Only assets administered through a trust that meet certain criteria may be used to reduce the Total OPEB Liability.

Net Position – The Impact on Statement of Net Position is the Net OPEB Liability adjusted for deferred resource items

OPEB Expense – The OPEB expense reported in the Agency’s financial statement. OPEB expense is the annual cost of the plan recognized in the financial statements.

Other Post-Employment Benefits (OPEB) – Post-employment benefits other than pension benefits, most commonly healthcare benefits but also including life insurance if provided separately from a pension plan

Pay-As-You-Go (PAYGO) – Contributions to the plan are made at about the same time and in about the same amount as benefit payments and expenses coming due

PEMHCA – The Public Employees’ Medical and Hospital Care Act, established by the California legislature in 1961, provides community-rated medical benefits to participating public employers. Among its extensive regulations are the requirements that a contracting Agency contribute toward medical insurance premiums for retired annuitants and that a contracting Agency file a resolution, adopted by its governing body, with the CalPERS Board establishing any new contribution.

Plan Assets – The value of cash and investments considered as ‘belonging’ to the plan and permitted to be used to offset the AAL for valuation purposes. To be considered a plan asset, GASB 75 requires (a) contributions to the OPEB plan be irrevocable, (b) OPEB assets to dedicated to providing OPEB benefit to plan members in accordance with the benefit terms of the plan, and (c) plan assets be legally protected from creditors, the OPEB plan administrator and the plan members.

Public Agency Miscellaneous (PAM) – Non-safety public employees.

Select and Ultimate – Actuarial assumptions which contemplate rates which differ by year initially (the select period) and then stabilize at a constant long-term rate (the ultimate rate)

Service Cost – Total dollar value of benefits expected to be earned by plan members in the current year, as assigned by the actuarial funding method; also called normal cost

Total OPEB Liability (TOL) – Total dollars required to fund all plan benefits attributable to service rendered as of the valuation date for current plan members and vested prior plan members; a subset of “Actuarial Present Value”

Vesting – As defined by the plan, requirements which when met make a plan benefit nonforfeitable on separation of service before retirement eligibility



District Business

- continued

Date: September 12, 2023
To: Board of Directors, Arcata Fire District
From: Justin McDonald, Fire Chief
Subject: **CONDUCT A PUBLIC HEARING** to Consider Adoption of Resolution 23-293 Finalizing the Annual Budget for Fiscal Year 2023/24

Background

Pursuant to Government Code 13895, the Board is required to adopt a final budget, after making any changes to the preliminary budget, no later than October 1. The Board adopted the preliminary FY2023/24 budget via the consent calendar on the June 13, 2023, Regular Board meeting. Since that meeting, staff have been able to refine projections to reflect more exact revenue and expenditure calculations for this fiscal year. The following is a summary of changes to be included in the final budget.

TOTAL REVENUES: \$6,755,000 *Estimated to be 2% lower than FYE 22/23*

\$6,444,000 in Tax Revenues: The revenue amounts have been adjusted from the preliminary projections. The staff has applied a conservative 1.5% growth factor on the property tax revenue from the prior fiscal year end. According to the County, they are projecting a 4.9% growth countywide for FY 23/24, but it is best practice to keep our projections below the 2% rate that property tax can adjust.

The revenue for the District property assessments is calculated using the Assessor parcel list and applying the 2020 Special Tax and 2006 Benefit Assessment values. There is also a 2% reduction to each fund to account for parcels that go uncollected during the fiscal year. The 2020 Special Tax is projected to generate \$2.28 million with the '06 Benefit Assessment at \$1.43 million.

The rest of the tax revenue items are projected based on the 10-year average.

\$195,000 in Use of Money & Property: This category is estimated based on funds kept in the County Treasury, Coast Central Credit Union, and CalTrust. Money held at CalTrust has been earning over 4% monthly.

\$48,000 in Intergovernmental: As of August 24, 2023, Calpoly Humboldt has requested to terminate their services agreement with the District. The revenue in the area was reduced by \$23,000 to account for the pro-rated refund they have requested.

\$67,000 in Charges for Service: No changes from preliminary budget.

\$700 in Miscellaneous Revenue: No changes from preliminary budget.

TOTAL EXPENSES: \$6,719,000 *Estimated to be 9% higher than FYE 22/23*

\$4,677,000 in Salaries & Benefits: The subcategories were adjusted to reflect actual projected costs based on the current staffing levels. Overall, the salaries and benefits category increased by 17% from the amount in the 22/23 FYE.

For FY 23/24 there was no required Unfunded Accrued Liability payment to CalPERS. However, there was \$190,000 allocated for a payment and per the District's financial advisor, he recommends that this money be applied as a prepayment to the projected payment to next year's UAL payment. Please see attachment #2 for the fiscal analysis of the prepayment option.

The Unemployment Insurance subcategory was removed from the budget. This is self-funded insurance and if there is an unemployment claim the funds will now be deducted from the Contingency Fund.

\$898,000 in Service and Supplies: Overall, the services and supplies category increased by 10% from the amount in the 22/23 FYE.

Clothing & personal supplies will increase by 41% to account for the annual testing/inspection that needs to be conducted on PPE. The District's liability insurance costs increased 18% due to an industry-wide rate increase. Overall Equipment maintenance has been reduced by 17% as the District surplused older vehicles and downsized the fleet. Line item 5120.1 is now a combined fund for all apparatus and vehicle maintenance costs. Previously, these were two different item numbers. 5120.13 will receive an 84% increase to cover the costs of calibration of the radiological and multi-gas meters. Structure & Ground maintenance was increased 17% to cover parking lot preventative maintenance.

Staff is also recommending removing 5230.17 HBF Truck response and 5230.5 Assessment refunds from the budget. These items are rarely used and if funding is needed can be supplemented with one-time use of contingency funds.

Future Decision Point

5180.2-Human Resource Services, 5180.Background Checks and Recruitment and has a decision point, currently HR Services is set for \$10,000 as a place holder, Background checks is set for \$5000, depending on recruitment and promotional needs this item may need to be adjusted at the mid-year review.

\$1,165,000 in Other Expenditures: In this section, the budget was updated with a net change from the preliminary budget, with an 11% decrease.

Debt Service:

- \$115,183 to Engine lease payment
- \$387,683 to UAL refinance payment.

Operating Fund Transfers out:

- \$261,816 transferred to the PERS Rate stabilization fund.
- \$200,000 transferred to Contingency Fund
- \$200,000 transferred to Vehicle Replacement Fund.

SURPLUS FUNDS: \$36,000

Recommendation

Staff recommends the Board hold the public hearing and adopt the FY 2023/24 Budget as presented.

District Funds Requested/Required

- No Fiscal Impact/Not Applicable
- Included in Budget
- Additional Appropriation Requested
- Unknown/Not Yet Identified

Alternatives

The Board has the following alternatives:

1. Take no action
2. With direction, refer the topic back to staff for further consideration

Attachments

Attachment 1 – Proposed Final Budget

Attachment 2 – 2023 Pension Liability Assessment

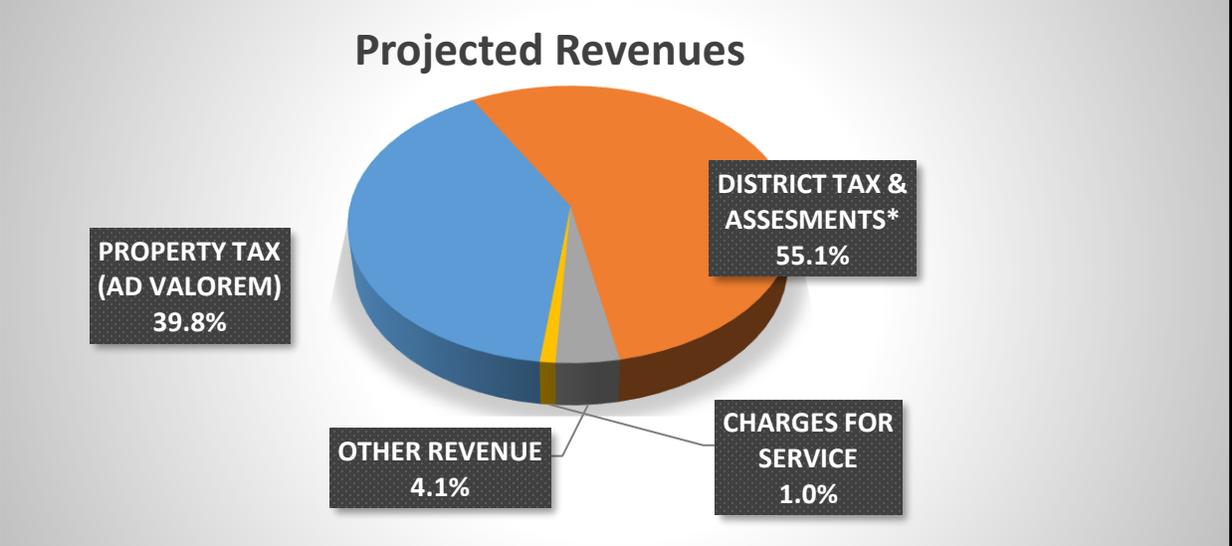
Attachment 3 – Resolution 23-293 and Exhibit A, Fiscal Year 2023/24 Budget



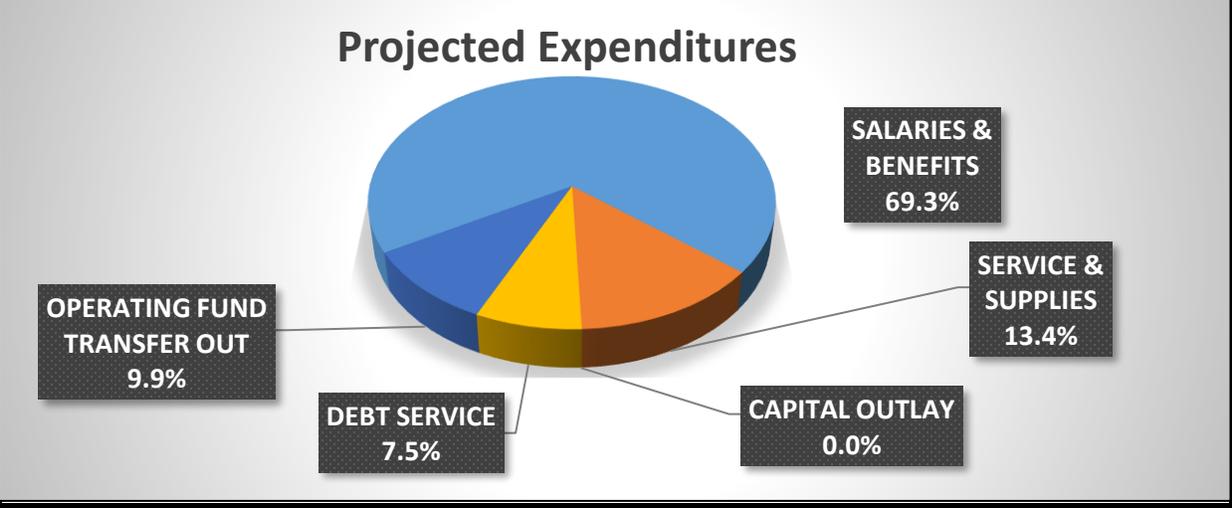
FISCAL YEAR 2023/24 Budget Projections

REVENUES	\$6,755,000
PROPERTY TAX (AD VALOREM)	\$2,689,000
DISTRICT TAX & ASSESSMENTS*	\$3,724,000
OTHER REVENUE	\$275,000
CHARGES FOR SERVICE	\$67,000

** amount reflect 2% reduction of total assessments to account for non-paying properties*



EXPENDITURES	\$6,719,000
SALARIES & BENEFITS	\$4,656,000
SERVICE & SUPPLIES	\$898,000
CAPITAL OUTLAY	\$0
DEBT SERVICE	\$503,000
OPERATING FUND TRANSFER OUT	\$662,000
Surplus (Deficit)	\$36,000





Financial Summary

Revenue Sources	General Operating Fund	2006 Benefit Assessment ⁽¹⁾	2020 Special Tax ⁽²⁾	Fire Prevention Bureau	Assistance By Hire	TOTAL
Tax Revenue	\$2,685,000	-	-	\$34,500	-	\$2,719,500
District Assessment & Tax Interest	-	\$1,434,000	\$2,255,500	\$34,500	-	\$3,724,000
Intergovernmental	\$195,000	-	-	-	-	\$195,000
Charges for Service	\$48,000	-	-	-	-	\$48,000
Other Revenue	\$10,000	-	-	\$57,000	-	\$67,000
	\$1,000	-	-	-	-	\$1,000
Total Revenue	\$2,939,000	\$1,434,000	\$2,255,500	\$126,000	\$0	\$6,754,500
Expenditures and Appropriations						
Personnel	\$2,615,000	\$1,065,000	\$859,000	\$117,000	-	\$4,656,000
Services & Supplies	\$297,000	\$296,000	\$296,000	\$9,000	-	\$898,000
Debt Service	-	\$129,000	\$373,000	-	-	\$502,000
Capital Expense	-	-	-	-	-	\$0
Operating Fund Transfers Out	-	-	\$662,000	-	-	\$662,000
Total Expenditures	\$2,912,000	\$1,490,000	\$2,190,000	\$126,000	\$0	\$6,718,000
Fund Balance	\$27,000	(\$56,000)	\$65,500	\$0	\$0	Surplus / (Deficit) \$36,000
Operating Fund Balance needed on July 1, 2022	\$3,916,594		Fund Balances - Beginning		\$6,018,426	
Fund Balances - Ending \$6,054,426						
<i>Footnote #1 - The Benefit Assessment funds 3 Fire Captains, 3 Engineers, 1/3 of the operations</i>						
<i>Footnote #2 - The 2020 Special Tax funds 1 Chief officer, 3 Fire Captains, 3 Engineers, 1/3 of the operations</i>						
Budgeted Position Allocation	Admin	Suppression	Prevention	Logistics	TOTAL	
Full Time Positions	3	19	1	-	23	
Part-time Positions	-	-	2	-	2	
Volunteer Positions	-	-	-	10	10	



General Funds									
	Coast Central Credit Union		County Treasury		CaTRUST Operating Fund		CCCU Liquid Assets		
	FYE 22/23	FY 23/24	FYE 22/23	FY 23/24	FYE 22/23	FY 23/24	FYE 22/23	FY 23/24	
	Actuals	Projected	Actuals	Projected	Actuals	Projected	Actuals	Projected	
Fund Balance - Beginning	\$417,346	\$494,077	\$5,634,660	\$530,189	\$0	\$4,876,889	\$100,308	\$117,270	
Transfers In	\$13,252,420	\$0	\$6,032,735	\$0	\$7,522,115	\$0	\$216,962	\$0	
Transfers Out	\$13,175,689	\$0	\$11,137,206	\$0	\$2,645,226	\$0	\$200,000	\$0	
Rev Over (Under) Exp	\$76,731	\$0	(\$5,104,471)	\$0	\$4,876,889	\$0	\$16,962	\$0	
Fund Balance - Ending	\$494,077	\$494,077	\$530,189	\$530,189	\$4,876,889	\$4,876,889	\$117,270	\$117,270	
PROJECTED CASH IN ACCOUNTS AT AS OF June 30, 2024							\$6,018,426		

RESERVE ACCOUNTS									
	CCCU Savings		Vehicle Replacement		Contingency Fund		PERS Rate Stabilization		
	FYE 22/23	FY 23/24	FYE 22/23	FY 23/24	FYE 22/23	FY 23/24	FYE 22/23	FY 23/24	
	Actuals	Projected	Actuals	Projected	Actuals	Projected	Actuals	Projected	
Fund Balance - Beginning	\$15,793	\$66	\$188,630	\$470,715	\$260,481	\$260,481	\$0	\$354,840	
Transfers In	\$42	\$0	\$358,084	\$200,000	\$0	\$200,000	\$354,840	\$261,816	
Transfers Out	\$15,769	\$0	\$76,000	\$0	\$0	\$0	\$0	\$0	
Rev Over (Under) Exp	(\$15,727)	\$0	\$282,084	\$200,000	\$0	\$200,000	\$354,840	\$261,816	
Fund Balance - Ending	\$66	\$66	\$470,715	\$670,715	\$260,481	\$460,481	\$354,840	\$616,656	
PROJECTED CASH IN RESERVE ACCOUNTS AT CALTRUST AS OF June 30, 2024							\$1,747,918		

	FYE 22-23	PRELIMINARY FY 23-24	Proposed FY 23-24	
REVENUE				
TAX REVENUE	\$ 6,462,000	\$ 6,438,000	\$ 6,444,000	
* 101117 · PROPERTY TAX-CURRENT-SECURED	\$ 2,520,234	\$ 2,487,000	\$ 2,558,000	1.5% growth applied (3.5% 10 yr ave)
* 1C \$	3,724,000	\$ 103,939	\$ 96,000	\$ 90,000
* 105110 · PROPERTY TAX-PRIOR YEARS-SECURED	\$ 64,463	\$ 34,000	\$ 40,000	
* 103500 · PROPERTY TAX-PRIOR YEARS-UNSECURED	\$ 1,407	\$ 1,000	\$ 1,000	adjust to 10yr ave
* 800040 · SUPPLEMENTAL TAXES- CURRENT	\$ 42,328	\$ 28,000	\$ 25,000	
* 105900 · SUPPLEMENTAL TAXES-PRIOR YEAR	\$ 5,665	\$ 5,000	\$ 5,000	
113100 · STATE TIMBER TAX	\$ 1,028	\$ 844	\$ 900	
* 800050 · PROPERTY ASSESSMENTS	\$ 3,722,725	\$ 3,786,000	\$ 3,724,000	
2006 Benefit Assessment	\$ 1,433,633	\$ 1,458,000	\$ 1,434,000	adjust to actual with 2% reduction for non pay
2020 Special Tax	\$ 2,289,092	\$ 2,328,000	\$ 2,290,000	
USE OF MONEY & PROPERTY	\$ 75,000	\$ 42,000	\$ 195,000	
* 800190 · INTEREST INCOME	\$ 75,052	\$ 42,000	\$ 195,000	adjust to 4%
INTERGOVERNMENTAL	\$ 90,000	\$ 71,000	\$ 48,000	
* 525110 · HOMEOWNERS PROP. TAX RELIEF	\$ 24,644	\$ 25,000	\$ 25,000	
800580 · FEDERAL AID IN-LIEU TAX	\$ -	\$ -	\$ -	
800600 · OTHER GOVERNMENT AGENCIES	\$ 58,000	\$ 46,000	\$ 23,000	
Prop 172 Funds	\$ -	\$ 8,700	\$ 8,700	
HSU Contract for Services	\$ 37,171	\$ 37,000	\$ 14,000	prorated refund of \$23,000
Workers Compensation Reimbursement	\$ 18,004	\$ -	\$ -	
Air Quality Management District Fees	\$ 2,511	\$ 700	\$ 700	
800944 · GRANT REVENUE	\$ -	\$ -	\$ -	
800950 · FIREFIGHTING REIMBURSEMENTS	\$ 7,759	\$ -	\$ -	
CHARGES FOR SERVICES	\$ 84,199	\$ 67,000	\$ 67,000	
* 800155 · PREVENTION FEES	\$ 18,273	\$ 12,000	\$ 12,000	
* 800156 · R1/R2 INSPECTION FEES	\$ 43,121	\$ 45,000	\$ 45,000	
800700 · OTHER SERVICES	\$ 188			
* 800946 · INCIDENT REVENUE RECOVERY FEES	\$ 22,617	\$ 10,000	\$ 10,000	
MISCELLANEOUS REVENUES	\$ 46,606	\$ 700	\$ 700	
800920 · SALE OF FIXED ASSETS	\$ 30,000	\$ -	\$ -	
800940 · OTHER REVENUE	\$ 16,237	\$ -	\$ -	
800941 · REFUNDS	\$ (142)	\$ 500	\$ 500	
800942 · INCIDENT REPORTS	\$ 512	\$ 200	\$ 200	
OTHER FINANCING SOURCES	\$ 162,229	\$ -	\$ -	
Transfer-In From Reserve Fund	\$ 162,229	\$ -	\$ -	
Contingency Fund	\$ -	\$ -	\$ -	
Training Reserve Fund	\$ -	\$ -	\$ -	
Vehicle Replacement Fund	\$ 162,229	\$ -	\$ -	
PERS Contingency Fund	\$ -	\$ -	\$ -	
County Treasury General Fund	\$ -	\$ -	\$ -	
TOTAL OPERATING REVENUE	\$ 6,920,000	\$ 6,619,000	\$ 6,755,000	

	FYE 22-23	Preliminary FY 23/24	FY 23-24
EXPENSES			
SALARIES & EMPLOYEE BENEFITS			
5010 · SALARIES AND WAGES	\$2,316,000	\$2,684,000	\$2,726,000
5020 · RETIREMENT	\$750,000	\$825,000	\$834,000
5030-GROUP INSURANCE	\$853,949	\$997,000	\$987,500
5035 · WORKER'S COMPENSATION	\$90,000	\$101,000	\$108,000
TOTAL SALARIES & EMPLOYEE BENEFITS	\$4,010,000	\$4,612,000	\$4,656,000
SERVICE & SUPPLIES			
5050 · CLOTHING & PERSONAL SUPPLIES	\$29,000	\$41,000	\$41,000
5060 · COMMUNICATIONS	\$27,000	\$33,100	\$29,000
5080 · FOOD	\$1,000	\$3,500	\$2,000
5090 · HOUSEHOLD EXPENSE	\$14,000	\$14,500	\$15,000
5100 · LIABILITY INSURANCE	\$44,000	\$43,700	\$52,000
5120 · MAINTENANCE-EQUIPMENT	\$141,000	\$128,600	\$116,600

5121 · MAINTENANCE-ELECTRONICS	\$5,000	\$5,500	\$3,500
5130 · MAINTENANCE-STRUCTURE	\$49,000	\$54,500	\$62,000
5140 · MEDICAL SUPPLIES	\$3,000	\$5,500	\$6,500
5150 · MEMBERSHIPS	\$2,000	\$2,000	\$3,000
5160 · MISCELLANEOUS EXPENSE	\$522	\$1,000	\$1,000
5170 · OFFICE EXPENSE	\$19,984	\$20,600	\$23,000
5180 · PROFESSIONAL & SPECIAL SERVICES	\$135,000	\$127,500	\$131,400
5190 · PUBLICATIONS & LEGAL NOTICES	\$1,000	\$1,000	\$1,000
5200 · RENTS & LEASES-EQUIPMENT	\$7,000	\$8,300	\$8,300
5210 · RENT & LEASES - STRUCTURES	\$120,000	\$120,000	\$120,000
5230 · SPECIAL DISTRICT EXPENSE	\$94,000	\$151,700	\$129,000

5250 · TRANSPORTATION & TRAVEL	\$69,000	\$89,000	\$94,000
5260 · UTILITIES	\$41,000	\$38,200	\$42,100
5370 · MINOR EQUIPMENT PURCHASE	\$14,000	\$27,500	\$17,500
TOTAL SERVICE & SUPPLIES	\$817,000	\$917,000	\$898,000
OTHER EXPENDITURES			
CAPITAL EXPENSE	\$150,000	\$0	\$0
DEBT SERVICE	\$503,000	\$503,000	\$503,000
OPERATING FUND TRANSFERS - OUT	\$662,000	\$662,000	\$662,000
Contingency Fund Transfer	\$200,000	\$200,000	\$200,000
Vehicle Replacement Fund Transfer	\$200,000	\$200,000	\$200,000
PERS Rate Stabilization Fund Transfer	\$261,816	\$261,816	\$261,816
TOTAL OTHER EXPENDITURES	\$1,315,000	\$1,165,000	\$1,165,000
TOTAL EXPENDITURES	\$6,142,000	\$6,694,000	\$6,719,000
Budget Surplus / (deficit)	\$778,000	(\$75,000)	\$36,000



Arcata Fire Protection District

2023 Pension Liability Assessment

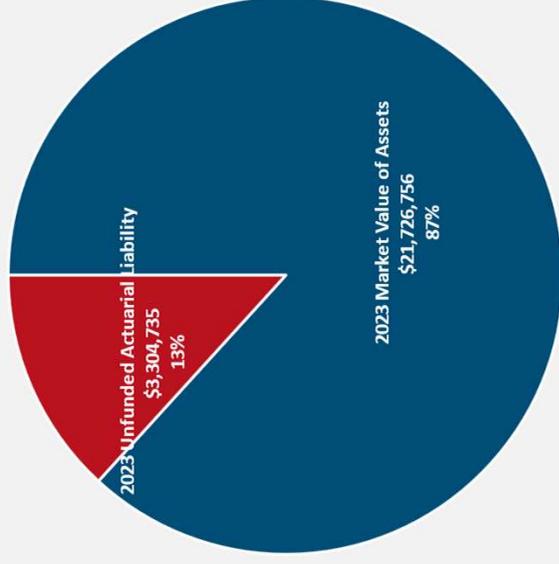
SEPTEMBER 2023

ANDREW FLYNN
MANAGING DIRECTOR
CALIFORNIA MUNICIPAL ADVISORS



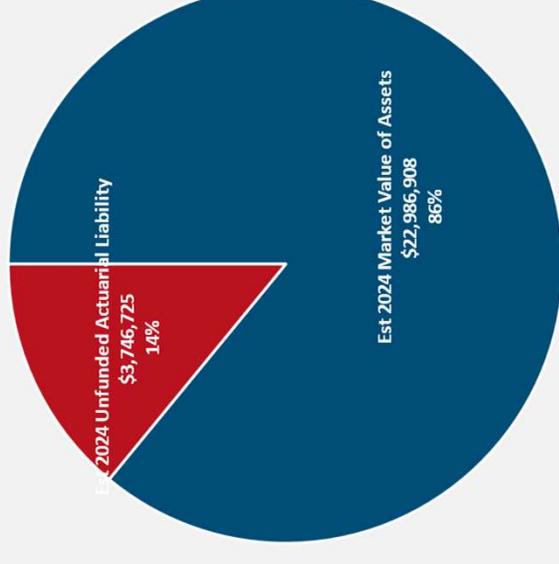
Pension Funding Status

2022 Pension Funding Status



- Total Accrued Liability = \$25.0M
- Market Value of Assets = \$21.7M
- Shortfall = \$3.3M (13.2% of what is needed)
- Accrues interest at 6.8% interest rate = **\$4.5M interest**
- Total Unfunded Liability with interest = **\$7.8M**
- Amortizes over time (currently 23 years)

2023 Estimated Pension Funding Status



- Total Accrued Liability = \$26.7M
- Market Value of Assets = \$23.0M
- Shortfall = \$3.7M (14.0% of what is needed)
- Accrues interest at 6.8% interest rate = **\$10.9M interest**
- Total Unfunded Liability with interest = **\$14.7M**
- Amortizes over time (currently 23 years)

Pension Funding Status

Description	PEPRA - Safety*	Safety*	Safety 2nd*	Miscellaneous*	PEPRA - Misc*	Combined
2023 Total Accrued Liability	\$1,155,099	\$22,284,123	\$1,023,797	\$558,658	\$9,814	\$25,031,491
2023 Market Value of Assets	\$1,001,327	\$19,334,154	\$893,023	\$489,125	\$9,127	\$21,726,756
2023 Unfunded Actuarial Liability (UAL)	\$153,772	\$2,949,969	\$130,774	\$69,533	\$687	\$3,304,735
2023 % Funded	86.7%	86.8%	87.2%	87.6%	93.0%	86.8%
2024 New UAL Estimate	\$20,470	\$393,939	\$17,823	\$9,619	\$138	\$441,990
2024 Total UAL Estimate	\$174,242	\$3,343,908	\$148,597	\$79,152	\$825	\$3,746,725
2024 % Funded Estimate	85.9%	85.9%	86.4%	86.7%	92.1%	86.0%

Source: CalPERS Actuarial Valuation as of June 30, 2023

* Included in analysis

Definitions:

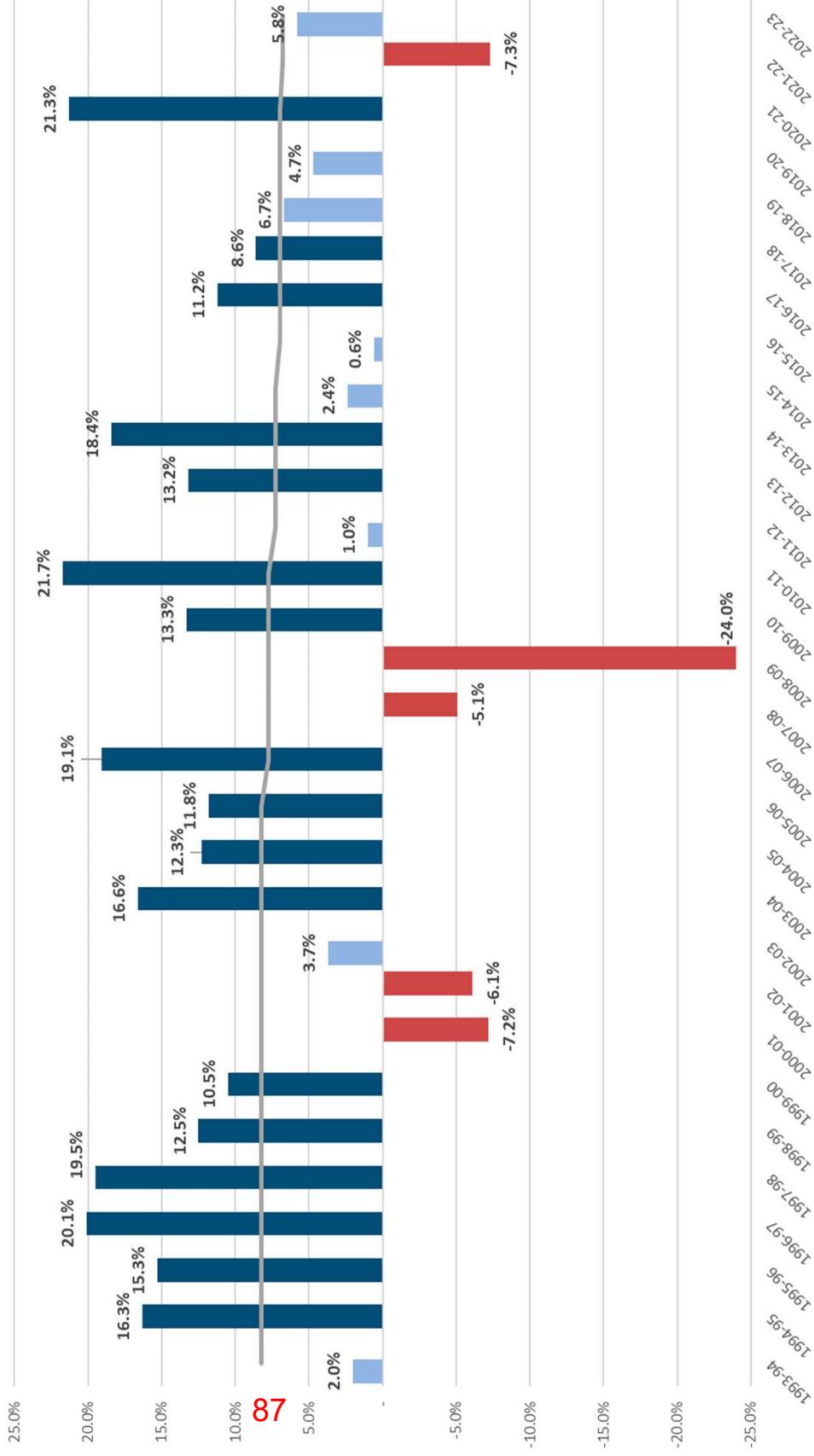
Five Pension Plans:

- Total Accrued Liability = What You Need ➤ Classic: Safety, Safety 2nd & Miscellaneous
- Market Value of Assets = What You Have ➤ PEPRA: Safety & Miscellaneous
- Unfunded Actuarial Liability = What You Owe

Investment Risk and Returns

CaIPERS Historical Average Rates of Return through 2022-23:

Past: 5 years – 6.2% 10 years – 7.2% 15 years – 6.5% 20 years – 7.6% 25 years – 6.6%



CaIPERS manages pension investments

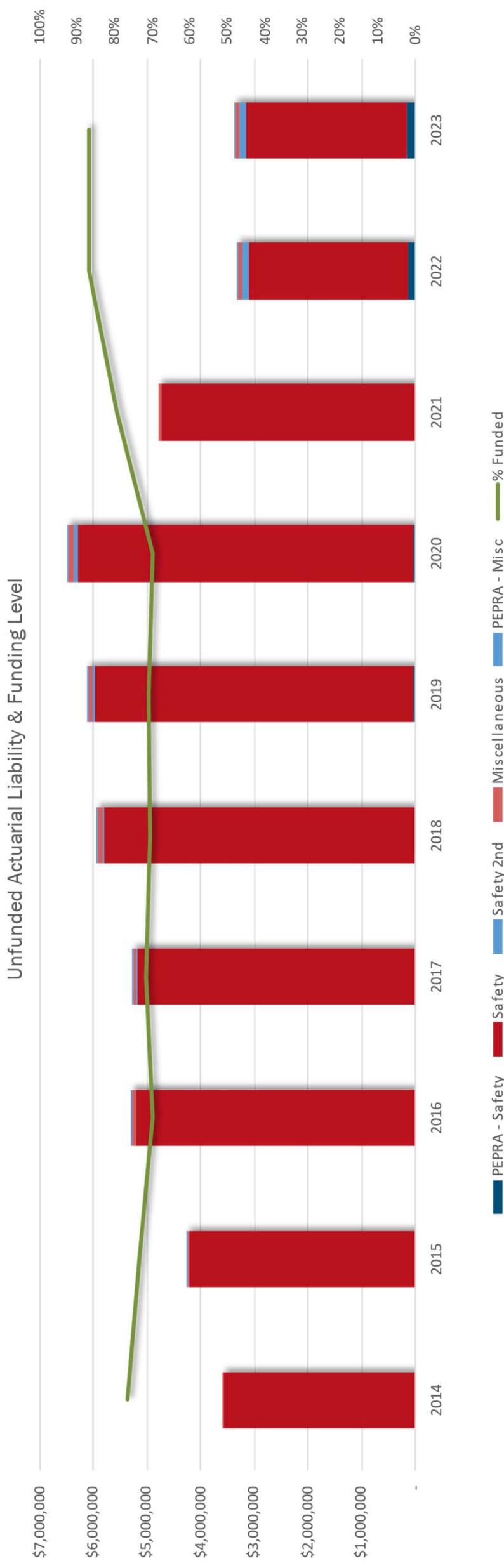
District bears all investment risk

Failure by CaIPERS to achieve target investment returns does not relieve District from pension benefit guarantees to employees and retirees

Lower returns => higher UAL and higher pension payments by District



Pension Funding History



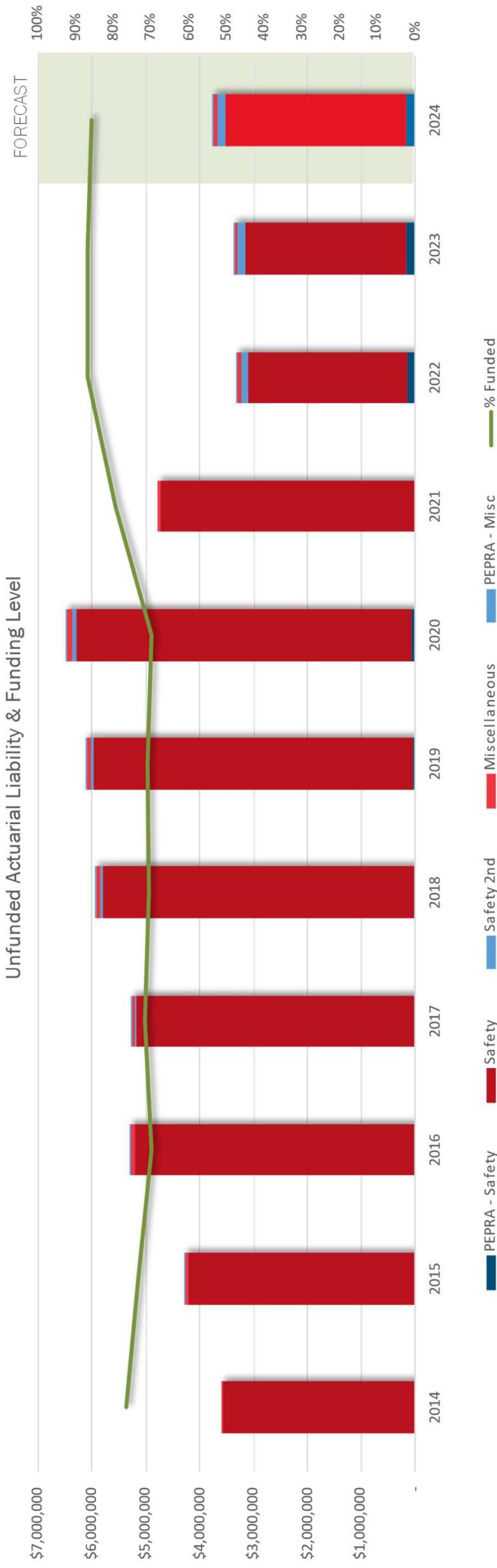
88

Owe
\$231K
 less

Funded Level
10.1%
 higher

Approximate Interest Paid
\$3.4M
 over past 10 years

Pension Funding History with Forecast

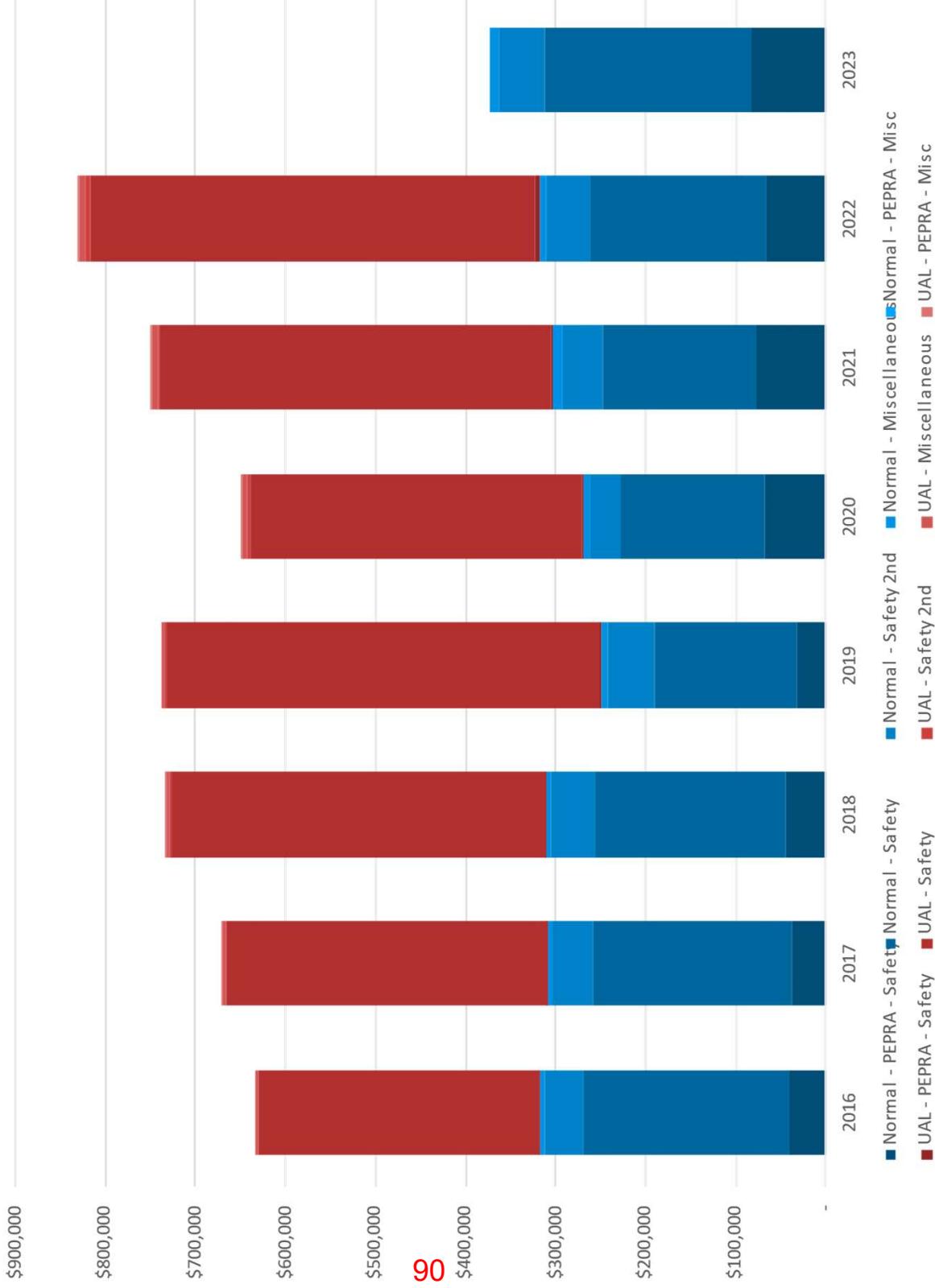


Owe
\$152K
more

Funded Level
9.3%
higher

Approximate Interest Paid
\$3.6M
over past 11 years

Pension Payments



Annual Pension Payment Decrease
\$295K
 in eight years

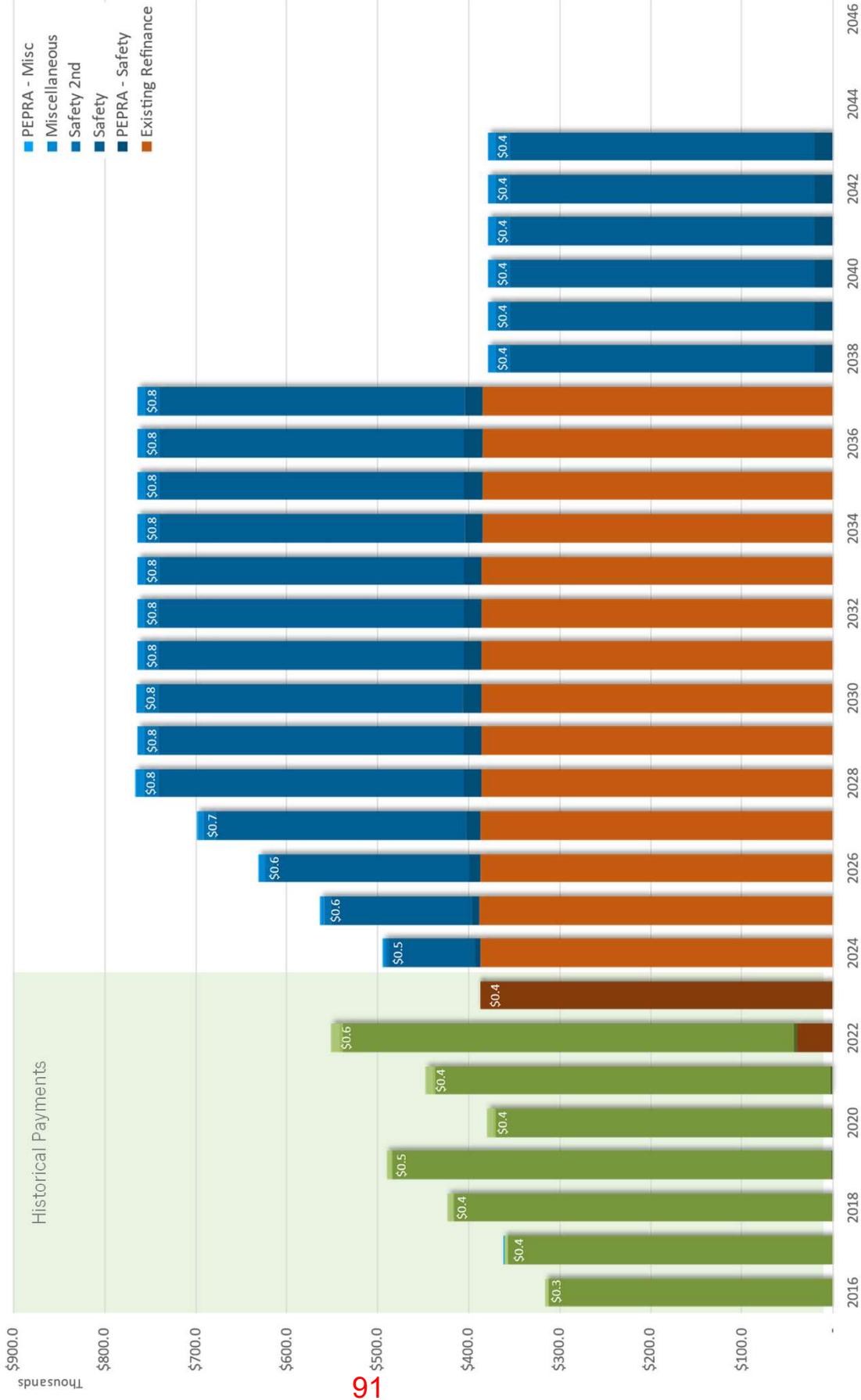
UAL as a Percent of Total Payments
 2017 **49.9%** 2024 **0.00%**



Where Things Currently Stand

Current UAL Amortization Schedule

06/30/2022 Actuarial Valuation



Funded Percent
86.8%

INCLUDES:

- UAL Payments Only
- 2021 Refinancing with Sterling Bank

DOES NOT INCLUDE:

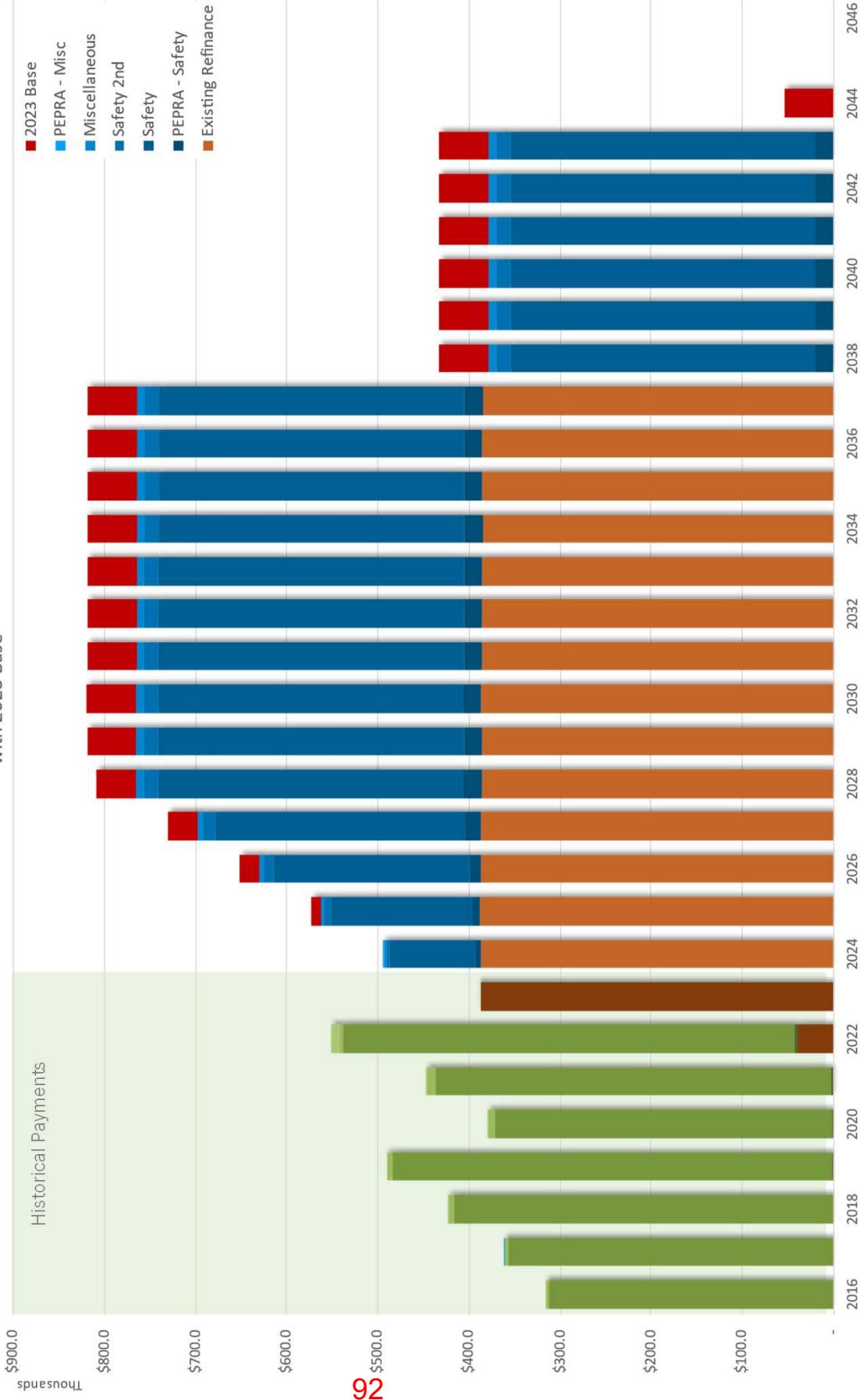
- All Plans – Normal Cost

As of 2022

Principal **\$3.3M**
Interest **\$4.5M**
Total Due \$7.8M

Estimated 2023 Investment Impact

Current UAL Amortization Schedule with 2023 Base



06/30/2022 Actuarial Valuation

Funded Percent
86.0%

INCLUDES:

- UAL Payments Only
- 2021 Refinancing with Sterling Bank
- Estimated impact of 5.8% Return

DOES NOT INCLUDE:

- All Plans – Normal Cost

As of 2022

Principal **\$3.7M**

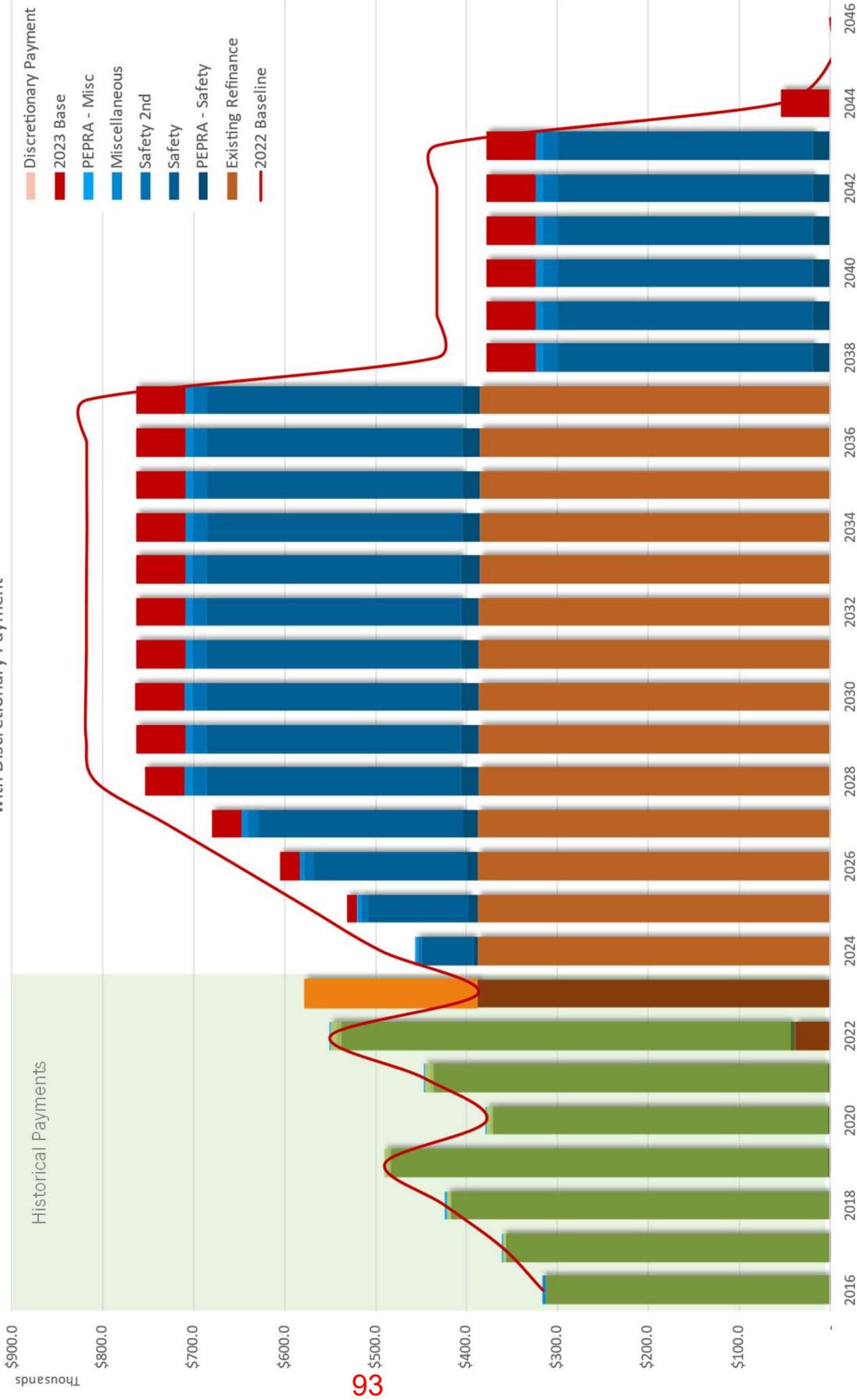
Interest **\$10.9M**

Total Due **\$14.7M**



Additional Discretionary Payment

UAL Amortization Schedule with Discretionary Payment



06/30/2022 Actuarial Valuation

Funded Percent
86.0%

INCLUDES:

- UAL Payments Only
- 2021 Refinancing with Sterling Bank
- Estimated impact of 5.8% Return
- \$190K Discretionary Payment to Safety Plan

DOES NOT INCLUDE:

- All Plans – Normal Cost

As of 2022 Est. Savings

Principal	\$3.7M	-
Interest	\$10.0M	\$0.9M
Total Due	\$13.8M	\$0.9M

QUESTIONS? Contact Us

Andrew Flynn

California Municipal Advisors LLC

(415) 310-1255

andrew.flynn@calmuniadvisors.com



Resolution Number: 23-293

A RESOLUTION OF THE ARCATA FIRE PROTECTION DISTRICT BOARD OF DIRECTORS ADOPTING THE FISCAL YEAR 2023/24 BUDGET

WHEREAS, the Board of Directors has reviewed and considered the Budget for Fiscal Year 2023/24, Exhibit A, hereinafter referred to as the “Budget”; and

WHEREAS, the Budget provides a comprehensive plan of financial operations for the District including an estimate of revenues and the anticipated requirements for expenditures, appropriations, and reserves for the forthcoming fiscal year; and

WHEREAS, the Budget establishes the basis for incurring liability and making expenditures on behalf of the District; and

WHEREAS, section 13895 of the Health and Safety Code provides that on or before October 1 of each year, the Board must adopt a final budget which conforms to the accounting and budgeting procedures for special districts, and

WHEREAS, the Preliminary Fiscal Year 2023/24 Budget was adopted at the June 14, 2022, Regular Board Meeting by a consent calendar roll call vote, and the date of the public hearing set for the September Regular Board Meeting; and

WHEREAS, the September 12, 2023, Regular Board Meeting agenda in which the proposed budget for Fiscal Year 2023/24 was noticed pursuant to the notice provisions of the Ralph M. Brown Act, as codified in section 54950 et seq. of the California Government Code; and

WHEREAS, the September 12, 2023, Regular Board Meeting, the public was offered an opportunity to comment on the proposed budget for Fiscal Year 2023/24, prior to the Board taking action on the matter.

NOW THEREFORE, BE IT RESOLVED THAT the Arcata Fire Protection District Board of Directors hereby approves and adopts the Fiscal Year 2023/24 Budget.

BE IT FURTHER RESOLVED THAT the Fire Chief or designee shall transmit a certified copy of this resolution with Exhibit A, the adopted budget for Fiscal Year 2023/24 to the Office of the Humboldt County Auditor Controller as required pursuant to section 13895 of the Health and Safety Code.

ADOPTED, SIGNED AND APPROVED at a duly called meeting of the Board of Directors of the Arcata Fire Protection District by the following polled vote:

Ayes:

Nays:

Abstain:

Absent:

DATED: September 12, 2023

Signed: _____
Blaine Maynor, President

Attest: _____
Becky Schuette, Board Clerk/Secretary

Arcata Fire Protection District
BUDGET FOR FISCAL YEAR 2023/24

SALARIES & EMPLOYEE BENEFITS

5010 · SALARIES AND WAGES	\$2,726,000
5020 · RETIREMENT	\$834,000
5030 · GROUP INSURANCE	\$987,500
5033 · UNEMPLOYMENT INSURANCE	\$108,000
5035 · WORKER'S COMPENSATION	\$2,726,000

Subtotal Salaries & Employee Benefits \$4,656,000

SERVICE & SUPPLIES

5050 · CLOTHING & PERSONAL SUPPLIES	\$41,000
5060 · COMMUNICATIONS	\$29,000
5080 · FOOD	\$2,000
5090 · HOUSEHOLD EXPENSE	\$15,000
5100 · LIABILITY INSURANCE	\$52,000
5120 · MAINTENANCE-EQUIPMENT	\$116,600
5121 · MAINTENANCE-ELECTRONICS	\$3,500
5130 · MAINTENANCE-STRUCTURE	\$62,000
5140 · MEDICAL SUPPLIES	\$6,500
5150 · MEMBERSHIPS	\$3,000
5160 · MISCELLANEOUS EXPENSE	\$1,000
5170 · OFFICE EXPENSE	\$23,000
5180 · PROFESSIONAL & SPECIAL SERVICES	\$131,400
5190 · PUBLICATIONS & LEGAL NOTICES	\$1,000
5200 · RENT & LEASES - EQUIPMENT	\$8,300
5210 · RENT & LEASES - STRUCTURES	\$120,000
5230 · SPECIAL DISTRICT EXPENSE	\$129,000
5250 · TRANSPORTATION & TRAVEL	\$94,000
5260 · UTILITIES	\$42,100
5370 · MINOR EQUIPMENT	\$17,500

Subtotal Service & Supplies \$898,000

OTHER EXPENDITURES

LOAN/DEBT SERVICE	\$503,000
OPERATING FUND TRANSFERS - OUT	\$662,000

Subtotal Other Expenditures \$1,165,000

TOTAL EXPENDITURES \$6,719,000

TOTAL REVENUE \$6,755,000

BUDGET CONTINGENCY_[Funded/(Underfunded)] \$36,000

Date: September 12, 2023
To: Board of Directors, Arcata Fire District
From: Justin McDonald, Fire Chief
Subject: Review of the Cal Poly, City of Arcata, and Fire District Working Group

DISCUSSION:

The Board has directed staff to keep this topic on the agenda for updates and future discussion.

Since the last Board meeting, the City has received comments from staff on the draft RFQ. There were no comments provided from Cal Poly Humboldt (CPH). City Manager Diemer reached out requesting supporting documents that will be attached to the RFQ. Staff provided her with the District’s response map, budget, and organizational chart. She believes the RFQ will be sent out the week of September 4th.

Also, since the last meeting, on August 22, staff received an email from Cris Koczera, the University’s Director of Risk Management & Safety Services. She was inquiring about the new False Alarm Response Fees (recently enacted pursuant to the updated Schedule of Fees) as the University had received our invoice for \$100 for two responses to Founders Hall. She indicated in her email, “the University was now looking at the agreement the District and University have for ancillary services.” Two days later (8/24/23), staff received an email containing a letter from the CPH procurement department giving the District the 90-day notice that they were terminating the contract. The University was also asking for a prorated refund for the remainder of the term. The notice was acknowledged by staff and has been forwarded to our attorney for review and guidance.

RECOMMENDATION:

There is no recommendation, this item is for information only.

FINANCIAL IMPACT:

- No Fiscal Impact/Not Applicable
- Included in Budget: Intergovernmental revenue fund 800600 has been reduced by \$23,000
- Additional Appropriation Requested:
- Unknown/Not Yet Identified

ALTERNATIVES:

1. Board discretion

ATTACHMENTS:

- Attachment 1 – Notice of Cancelation Letter

CAL POLY HUMBOLDT

August 23, 2023

Arcata Fire Protection District
Fire Chief Justin McDonald
2149 Central Avenue
McKinleyville, CA 95519

Subject: Notice of Agreement Cancellation- Agreement #1125788MY, Arcata Fire Protection District

Dear Chief McDonald,

In accordance with the terms of the subject Agreement, Section 7, Termination, Cal Poly Humboldt is exercising our right to cancel the subject Agreement dated January 1, 2021, by and between the Trustees of the California State University (CSU) on behalf of Humboldt State University (Cal Poly Humboldt) and the Arcata Fire Protection District.

The Agreement shall be terminated as follows:

In accordance with the Agreement, Section 7, Termination, this Agreement shall terminate effective 90 days from this written notice on November 18, 2023.

Sincerely,

 Digitally signed by Addie Dunaway
Date: 2023.08.23 15:47:56 -0700

Addie Dunaway
Procurement Specialist Contracts & Procurement

CC Sheri Cornish Gordon, VP Administration and Finance
Chris Koczera, AVP, CR&R
Tawny Fleming, Director of Contracts & Procurement & AP

Date: September 12, 2023
To: Board of Directors, Arcata Fire District
From: Blaine Maynor, Board President
Subject: Review the Fire Chief's Goals for Fiscal Year 2023/24 and Adopt Resolution 23-294 Approving the Updated Master Salary Schedule

DISCUSSION:

Following the Chief's annual evaluation, the Board and the Chief have agreed to the following goals for fiscal year 2023/2024:

1. Complete a contract for a standard of coverage and cost analysis for the District. The board believes this is very important going forward due to the projected significant increase in the District's population as well as the changing construction (i.e., bigger, taller buildings) currently planned for the region.
2. Complete a rental agreement for the downtown Arcata Station
3. Continue improving the District's equipment/apparatus replacement plan. Going forward, this document shall be updated yearly, and a staff report submitted to the board at a scheduled public board meeting. Additionally, the board requests a list of all current vehicles/apparatus, their current condition, and their approximate retirement dates.
4. Continue developing a succession plan for administration. This is to include a plan for personnel overlap ("doubling up") at the Chief, Assistant Chief, and Business Manager position.
5. To place the names of all 5 communities the District serves on District vehicles (example a.). In addition, replace station signs to better represent the District (example b.).
 - a. Proudly Serving: Arcata, McKinleyville, Bayside, Jacoby Creek, Manilla
 - b. Example: Arcata Fire District across the top of sign, McKinleyville Station at the bottom.

The Board also authorizes a 5% salary increase for the Fiscal Year 2023/24, retroactive to July 1, 2023. As a result an updated Master Salary Schedule will need to be adopted via Resolution 23-294.

RECOMMENDATION:

The Board should receive Directors Maynor and Loudenslagers review of the Chief's Fiscal Year 2023/24 goals and adopt Resolution 23-294 approving an updated Master Salary Schedule that reflects the 5% salary increase for the Chief.

FINANCIAL IMPACT:

- No Fiscal Impact/Not Applicable
- Included in Budget:
- Additional Appropriation Requested:
- Unknown/Not Yet Identified

ALTERNATIVES:

The Board has the following alternatives:

1. Take no action
2. With direction, refer the topic back to staff for further consideration

ATTACHMENTS:

Attachment 1 – Resolution 23-294 with Exhibit A



Resolution Number: 23-294

**A RESOLUTION OF THE ARCATA FIRE PROTECTION DISTRICT BOARD OF DIRECTORS
ADOPTING A NEW MASTER SALARY SCHEDULE EFFECTIVE JULY 1, 2023**

WHEREAS, the Arcata Fire District Board must formally adopt the attached salary schedule as required by the California Public Employee Retirement System (PERS) in accordance with the requirements of CCR 570.5; and

WHEREAS, the Arcata Fire District Board on September 12, 2023, approved a 5% merit increase in the Fire Chief’s base salary; and

WHEREAS, the effective date of the new master salary will be retroactive to July 1, 2023.

NOW THEREFORE, BE IT RESOLVED THAT the Arcata Fire Protection District Board of Directors hereby adopts the new Master Salary Schedule with the above referenced changes and attached herein as **Exhibit A**.

ADOPTED, SIGNED AND APPROVED at a duly called meeting of the Board of Directors of the Arcata Fire Protection District by the following polled vote:

- Ayes:
- Nays:
- Abstain:
- Absent:

DATED: September 12, 2023

Signed:

Blaine Maynor, President

Attest:

Becky Schuette, Board Clerk/Secretary

ARCATA FIRE DISTRICT

BASE SALARY SCHEDULE

Effective 07/01/2023

FULL-TIME POSITIONS

Pay Code	Classification		Range					
			Step 1	Step 2	Step 3	Step 4	Step 5	
I	Fire Chief ^{7,8,10,12}	FLSA Exempt	Annual	\$132,829.00				
			Monthly	\$11,069.08				
			Bi-weekly	\$5,108.81				
			Hourly	\$63.86				
H	Assistant Chief ^{2,3,8,10}	FLSA Exempt	Annual	\$99,852.00	\$104,844.00	\$110,088.00	\$115,596.00	\$121,380.00
			Monthly	\$8,321.00	\$8,737.00	\$9,174.00	\$9,633.00	\$10,115.00
			Bi-weekly	\$3,840.46	\$4,032.46	\$4,234.15	\$4,446.00	\$4,668.46
			Hourly	\$48.01	\$50.41	\$52.93	\$55.58	\$58.36
F	Captain ^{1,2,3,4,5,10,13}	48 / 96 shift (2912 Annual Hours)	Annual	\$67,764.00	\$72,108.00	\$76,500.00	\$80,700.00	\$85,248.00
			Monthly	\$5,647.00	\$6,009.00	\$6,375.00	\$6,725.00	\$7,104.00
			Bi-weekly	\$2,606.31	\$2,773.38	\$2,942.31	\$3,103.85	\$3,278.77
			Hourly	\$23.27	\$24.76	\$26.27	\$27.71	\$29.27
D	Engineer ^{1,2,3,5,9,10,13}	48 / 96 shift (2912 Annual Hours)	Annual	\$58,884.00	\$62,724.00	\$66,528.00	\$70,332.00	\$74,136.00
			Monthly	\$4,907.00	\$5,227.00	\$5,544.00	\$5,861.00	\$6,178.00
			Bi-weekly	\$2,264.77	\$2,412.46	\$2,558.77	\$2,705.08	\$2,851.38
			Hourly	\$20.22	\$21.54	\$22.85	\$24.15	\$25.46
C	Firefighter ^{1,2,3,5,9,10,13}	48 / 96 shift (2912 Annual Hours)	Annual	\$49,596.00	\$52,800.00	\$56,004.00	\$59,196.00	\$62,400.00
			Monthly	\$4,133.00	\$4,400.00	\$4,667.00	\$4,933.00	\$5,200.00
			Bi-weekly	\$1,907.54	\$2,030.77	\$2,154.00	\$2,276.77	\$2,400.00
			Hourly	\$17.03	\$18.13	\$19.23	\$20.33	\$21.43
E	Business Manager ^{8,10,11}	40 hour/week (2080 Annual Hours)	Annual	\$70,140.00	\$73,644.00	\$77,328.00	\$81,192.00	\$85,248.00
			Monthly	\$5,845.00	\$6,137.00	\$6,444.00	\$6,766.00	\$7,104.00
			Bi-weekly	\$2,697.69	\$2,832.46	\$2,974.15	\$3,122.77	\$3,278.77
			Hourly	\$33.72	\$35.41	\$37.18	\$39.03	\$40.98
B	Fire Prevention Specialist ^{8,10,11}	40 hour/week (2080 Annual Hours)	Annual	\$55,428.00	\$58,200.00	\$61,116.00	\$64,176.00	\$67,380.00
			Monthly	\$4,619.00	\$4,850.00	\$5,093.00	\$5,348.00	\$5,615.00
			Bi-weekly	\$2,131.85	\$2,238.46	\$2,350.62	\$2,468.31	\$2,591.54
			Hourly	\$26.65	\$27.98	\$29.38	\$30.85	\$32.39

PART-TIME POSITIONS

Pay Code	Classification		Range				
			Step 1	Step 2	Step 3	Step 4	Step 5
G	Fire Marshal ⁶	Hourly	\$44.45	\$46.67	\$49.00	\$51.46	\$54.03
B	Inspector	Hourly	\$26.65	\$27.99	\$29.39	\$30.86	\$32.40
A	Office Assistant	Hourly	\$24.68	\$25.91	\$27.21	\$28.57	\$30.00

FOOTNOTES

- 1 Position receives FLSA Pay (6 overtime hours per pay period)
- 2 Position receives Uniform Allowance of \$62.50 per month
- 3 Position earns and may receive Holiday Pay
- 4 Position may receive Temporary Upgrade Pay when acting as a Duty Qualified Captain
- 5 Position may receive \$400 Annual Physical Fitness Premium
- 6 Position filled by a Retired Annuitant
- 7 Position receives Uniform Allowance of \$41.66 per month
- 8 Position receives \$65 Cell Phone Stipend per month
- 9 Position may receive Temporary Upgrade Pay when acting as a Company Officer
- 10 Position may receive Employer Paid Member Contribution (EPMC)
- 11 Position receives Uniform Allowance of \$33.33 per month
- 12 Position may receive merit pay increases, if granted, shall not exceed 5% in any fiscal year.
- 13 Position may receive Longevity Pay

Pay periods are bi-weekly and there are 26 pay periods in a year

Date: September 12, 2023
To: Board of Directors, Arcata Fire District
From: Justin McDonald, Fire Chief
Subject: Update of Live Broadcast of Board Meetings

DISCUSSION:

At last month's meeting the Board approved moving forward with utilizing Facebook Live as the platform to broadcast the District Board Meetings. At that time, staff indicated that the first live meeting would likely be the regular October meeting. The Board was also advised that they would be presented with draft updates to the Board Policy Manual and the Records Retention Schedule that would incorporate the live broadcast/video needs.

Staff identified Articles 7, 8, and 9 of the Board Policy Manual that would need to be adjusted and reviewed by District Counsel to ensure compliance with the Brown Act and other best practices for elected boards. Staff and District Counsel have been required to prioritize the District needs with other more important topics lately, to say nothing of the fact that the District is not the only client that Attorney Plotz must also prioritize. Therefore, the policy updates have not yet been reviewed or updated. It is the hope of staff that the live broadcast of our meetings will begin next month or prior to the end of this year.

RECOMMENDATION:

This item is for information only.

FINANCIAL IMPACT:

- No Fiscal Impact/Not Applicable
- Included in Budget:
- Additional Appropriation Requested:
- Unknown/Not Yet Identified

ALTERNATIVES:

- Board discretion.

ATTACHMENTS:

N/A

Correspondence & Communications

Date: September 12, 2023
To: Board of Directors, Arcata Fire District
From: Justin McDonald, Fire Chief
Subject: Fire Chief's Monthly Report

Monthly Incident Activity

August Notable Incidents

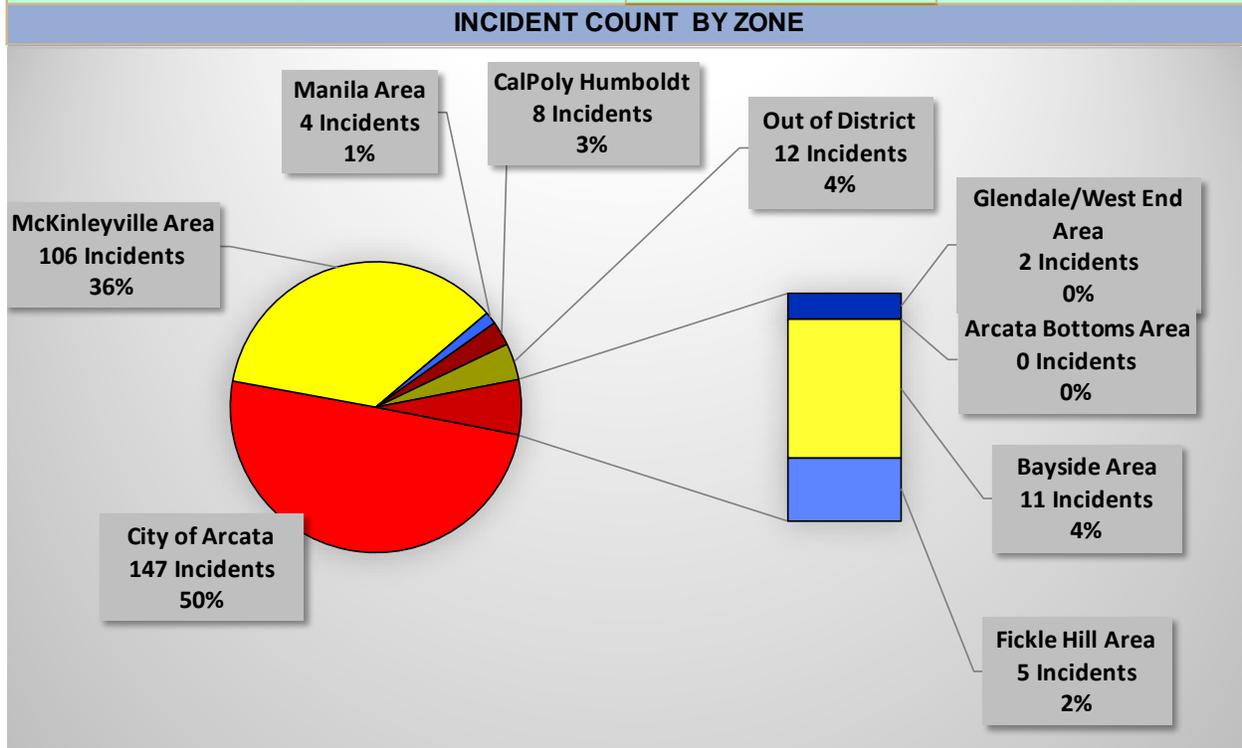
07/10/2023 Structure Fire – 7200 Blk Fickle Hill Road *Out of District Response* - Structure was a total loss. HBF, BLU, KFD, FBR, and CalFire assisted.

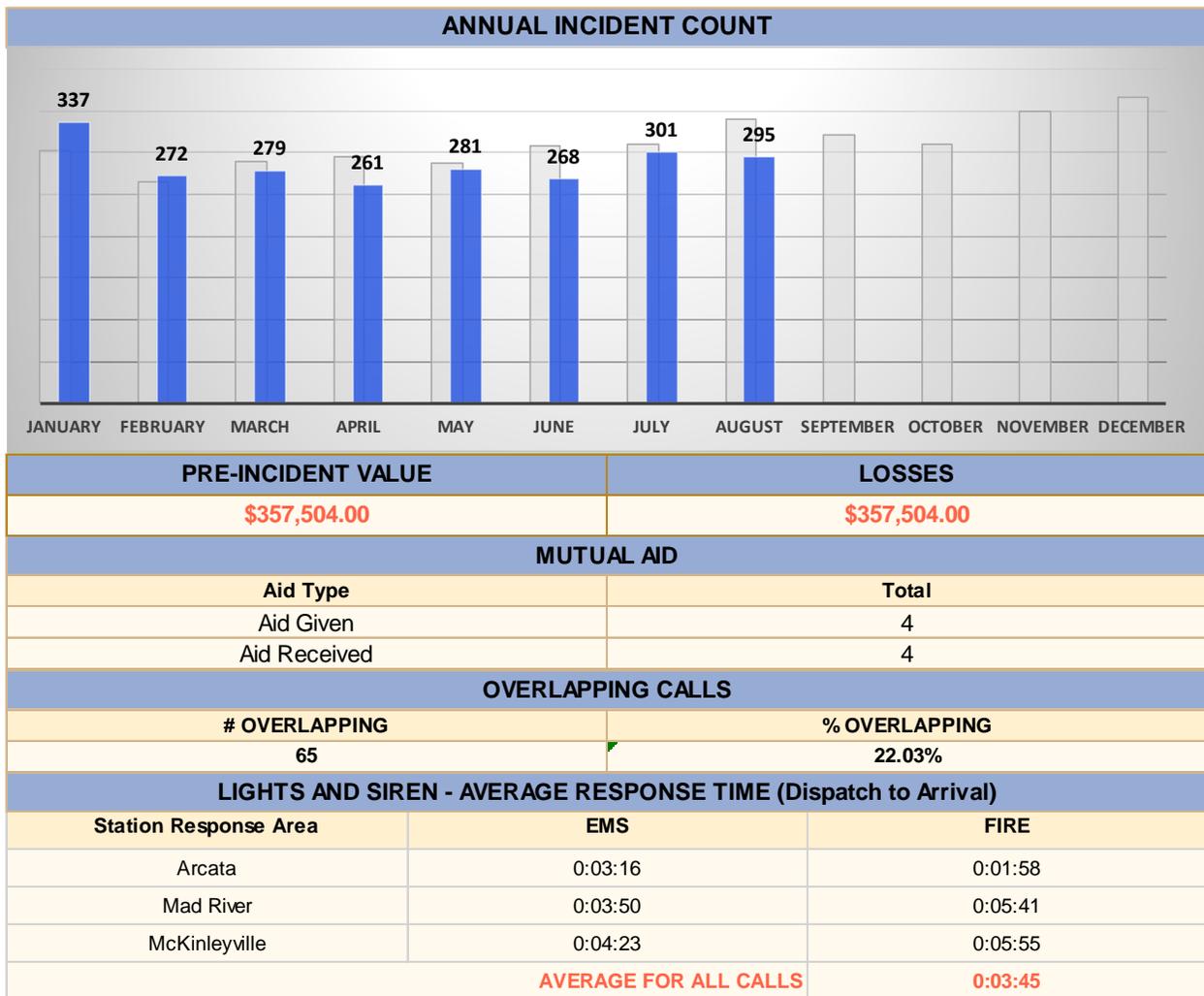
WT8258 assigned to Pecwan 29 hours, SRF lightning 340 hours.

E8239 assigned to Weitchpec for 11 hours.

C8201 assigned as striketeam leader to SRF lighting 336 hours.

MONTHLY INCIDENT COUNT		
Fires	21	7.12%
Overpressure rupture, explosion, overheat - no fire	0	0.00%
Rescue & Emergency Medical Service	159	53.90%
Hazardous Condition (No Fire)	5	1.69%
Service Call	18	6.10%
Good Intent Call	58	19.66%
False Alarm & False Call	24	8.14%
Severe Weather, Natural Disaster, & Other	0	0.00%
Incomplete	10	3.39%
TOTAL	295	100.00%





Monthly Administrative Report

Annexation – There is no new information from LAFCo regarding this process.

ISO Visit – The Bureau is still processing our data from the site visit. We have not received any update as of the time of this report.

Caltrans letter – A response was received from Caltrans on August 14; they thank us and CHP for the information we provided and their Traffic Safety Division is now initiating a project to install a guardrail along that stretch of freeway.

Bayside Property – The Phase 2 study was completed, and the report will be filed. The recommendations for the site are to address contaminated soil by removing and disposing of the materials off site or consolidating and covering the materials to prevent exposure or further release to the environment. The current building will need the materials containing asbestos and lead-based paint to be addressed before renovating or demolishing the building.

Station Signs – Staff will be working with local vendors to develop new station signs that display Arcata Fire District as the focal point.

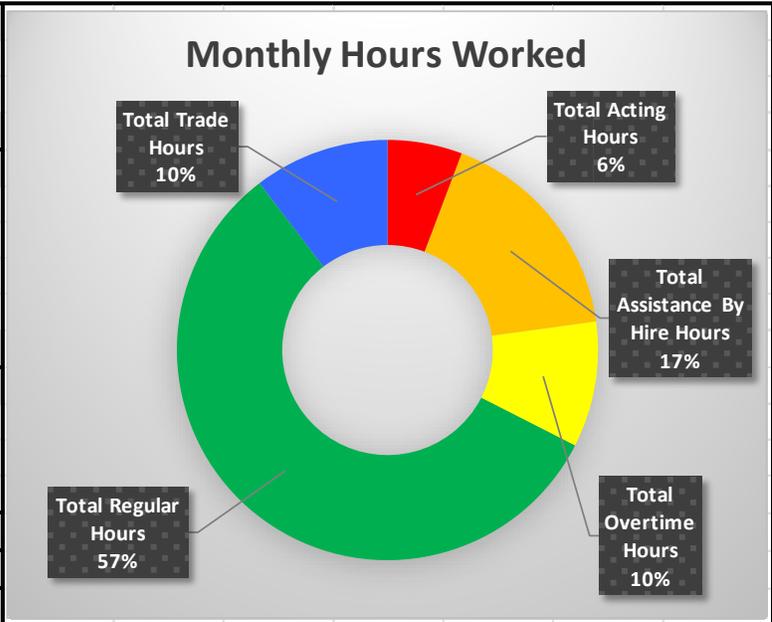
Proudly Serving Logo on Fire Apparatus – The fleet is scheduled to have the logo installed when they go in for logo and vehicle numbering updates. See the draft design below.



Appropriation Limit Suspension Renewal - Staff is working with District Counsel to determine if the appropriation limit suspension will need to be voted on again by the public. The current limit was suspended upon the passage of Measure F and had a 4-year term. This topic will be brought back as a new business item once District Counsel has researched it further.

Monthly Operations Report

Acting	
Company Officer	226
Duty Officer	48
Total Acting Hours	274
Assistance By Hire	
Straight Time	188
Overtime	533.5
Acting Company Officer	45
Acting Company Officer OT	48
Total Assistance By Hire Hours	814.5
Overtime	
Scheduled	445.5
Acting Company Officer	5.5
Miscellaneous	11.08
Total Overtime Hours	462.08
Total Regular Hours	2723
Total Trade Hours	496



Training Highlights – 96 Hours



Apparatus and Station Maintenance and Repair Report

E8211	In Service @ Mad River
E8215	In Service @ Arcata
E8217	<i>In Service – Maintenance needed for oil leak</i>
E8239	In Service @ McK
E8219	In Service @ McK
WT8258	In Service @ Arcata <i>repairs made from being on assignment,</i>
A8241	In Service @ McK
L8291	In Service @ Mad River
L8295	In Service @ Arcata
U8200	<i>Out Of Service – Waiting on Emergency Vehicle upfitting.</i>
U8201	In Service as C8201
U8205	In Service as C8200
U8206	In Service as Fire Marshal
U8208	In Service as Inspector
U8209	In Service @ Arcata

McKinleyville Station – Nothing to report

Mad River Station – Nothing to report

Arcata Station – Nothing to report

Bayside Property – Grass was mowed

Revenue Recovery

Insurance Claims	Last Month		All Year	
	Claims Submitted	3	\$2408.00	48
Payments Received by FRUSA	2	\$617.00	31	\$18,600.47
Claims Denied	0	\$0.00	1	\$348.00
In Progress	3	-	25	-

Inspection Fees Paid

Payments last month

\$3,739.59

(23) Invoices

Payments this year

\$27,990.66

(157) Invoices

Payments last year

\$45,141.14

(290) Invoices

Billing Status	Count	FD Amount
Open -30	26	\$3611.10
Open -60	5	\$624.97
Open -90	1	\$80.40
Sent to collections	28	\$3805.60



PREVENTION

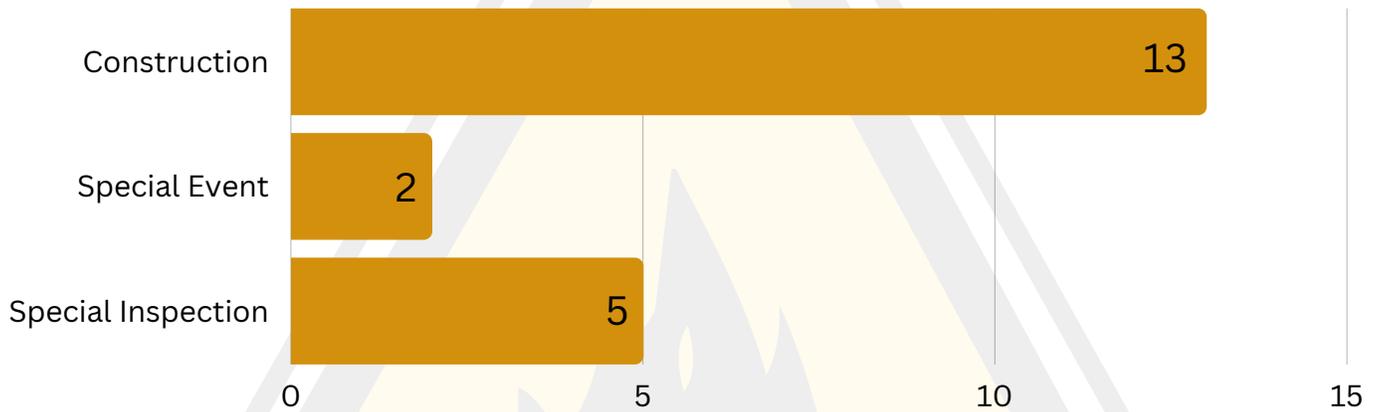
AUGUST 2023

FM = Fire Marshal (105 hours)

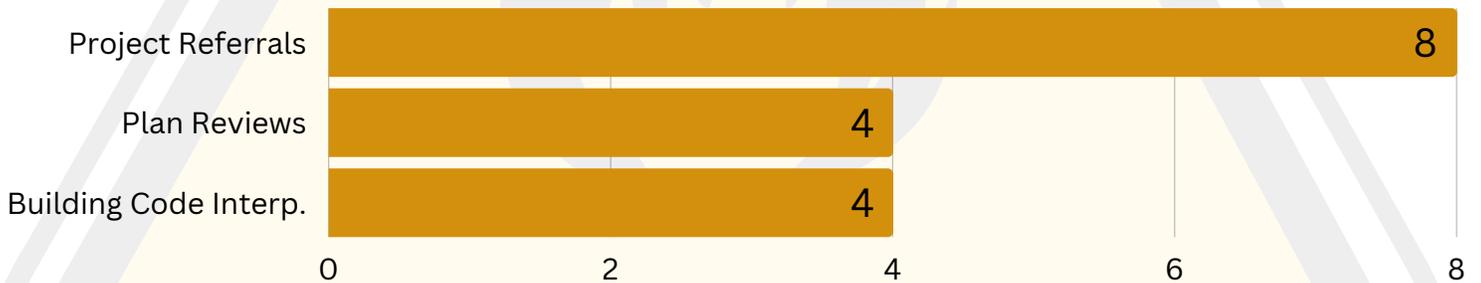
FI = Fire Inspector (153 hours)

FPS: Fire Prevention Specialist

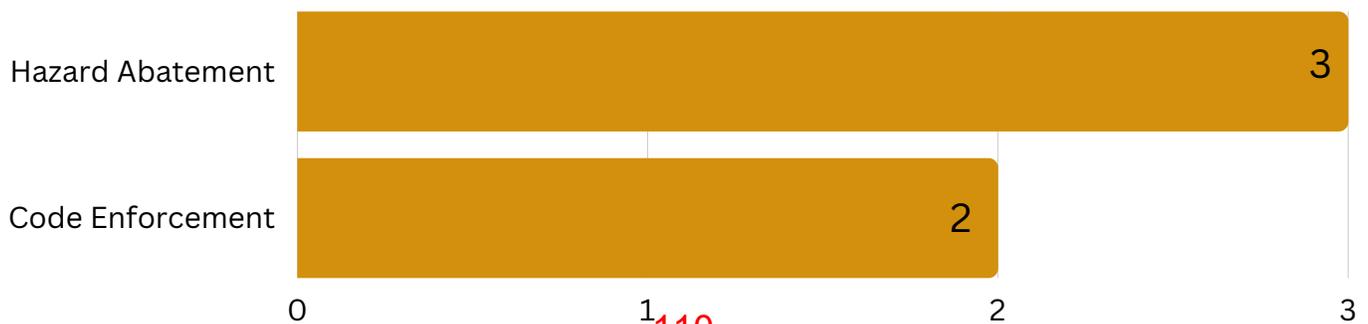
FM: INSPECTIONS



FM: BUILDING PROJECTS



FM: ENFORCEMENT



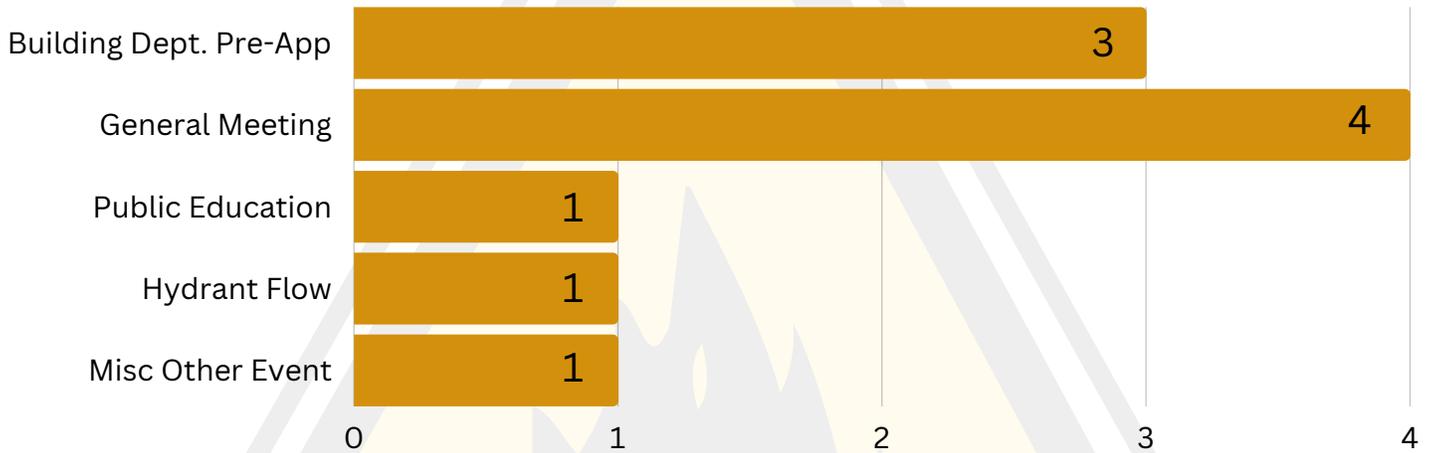


PREVENTION

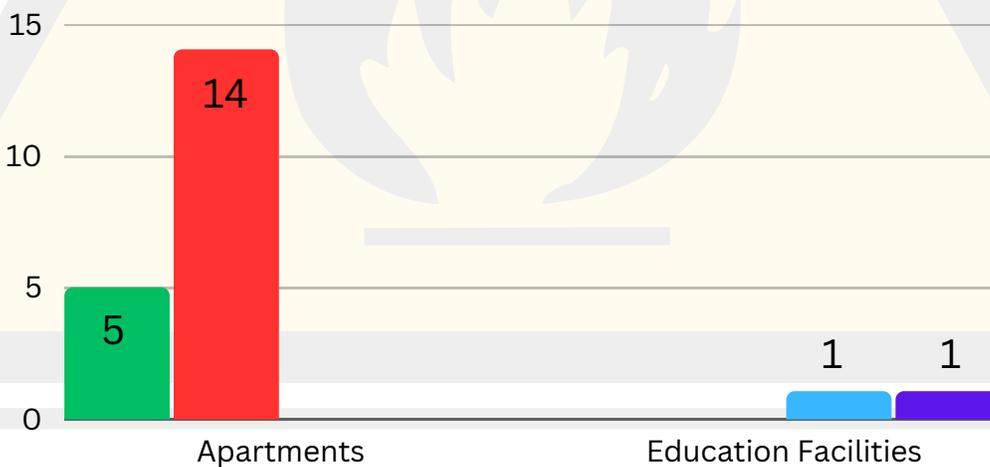
AUGUST 2023

FM = Fire Marshal (90 hours)
 FI = Fire Inspector (153 hours)
 FPS: Fire Prevention Specialist

FM: MEETINGS/OTHER



FI: INSPECTIONS



Green: Pass 1st Inspection

Red: Fail 1st Insp.

Blue: Pass 1st Re-insp.

Purple: Fail 1st Re-insp.



PREVENTION

AUGUST 2023

FM = Fire Marshal (90 hours)
FI = Fire Inspector (153 hours)
FPS: Fire Prevention Specialist

FPS: TRAINING

- Hood suppression system final inspection for Alchemy Distillery in Arcata.
- Monthly meeting with presentation for MMAC
- Quarterly meeting with Fire Safe Council
- Cal Poly children's center final inspection

FPS: PUB ED

- Preschool aged summer camp Pub Ed - McKinleyville 8/9/23
- Cal Poly CCAT Fire extinguisher training

FPS: TRAINING COURSES

- Completed: Q0751 'Principles of Building Construction', & Q0368 'Intro to Fire Behavior'



PREVENTION

AUGUST 2023

FM = Fire Marshal (90 hours)
FI = Fire Inspector (153 hours)
FPS: Fire Prevention Specialist

PUBLIC INFORMATION OFFICER'S REPORT



Facebook followers ⓘ

4,376



**Facebook followers
in August: 4,359**



Instagram followers ⓘ

1,528



**IG followers in
August: 1,511**

Social Media Follower Growth

Social Posts in August

With the Most Engagement:

- Warning about imposter fire inspector (FB: 2.5k, IG: 461)
- Fickle Hill Structure Fire (FB: 1.2k, IG: 728)
- Welcoming back engine 8219 (FB: 1k, IG: 625)
- Photos taken by Evan Gibbs on Lone Pine Fire (FB: 687, IG: 383)



Region 9
Pacific Southwest

BROWNFIELDS TECHNICAL ASSISTANCE

City of Arcata, 1127 Old Arcata Road, Arcata, California

August 2023



PROJECT SUMMARY

Community

The City of Arcata is in northern California near the Pacific Ocean. Located in Humboldt County, the City of Arcata is home to California State Polytechnic University and has a population of less than 20,000 with the university student body equaling nearly 50 percent of the population. Almost 50 percent of the residents near the property are categorized as low income. The United States Environmental Protection Agency (EPA) places a high priority on providing Brownfields technical assistance to such communities.

Property Information

The property includes one building built before 1941 that is currently used for storage. Between 1961 and 1992, the property was owned by a landscaping company that may have used and stored herbicides on the property. A shed where minor vehicle repairs were done used to be on the property with two nearby aboveground storage tanks that held gasoline and diesel fuel. When the tanks were removed in 1990, an unknown amount of diesel fuel spilled onto the ground. Based on past use of the property and the known fuel spill, contamination may be present in soil, groundwater and building materials.

Technical Assistance

EPA provides technical assistance to research historical property uses, conduct environmental sampling and identify potential environmental concerns. The EPA-funded environmental assessment included soil and groundwater sampling and a hazardous building material survey. Testing revealed lead in soil and asbestos and lead-based paint in building materials.

Recommendations

Address contaminated soil by removing and disposing the materials off site or consolidating and covering the materials to prevent exposure or further release to the environment. If soils are removed, testing should occur before disposal. Address building materials containing asbestos and lead-based paint before renovating or demolishing the building.

Future Use

The Arcata Fire Protection District has plans to rezone and sell the property for residential use.

Property Information

Address 1127 Old Arcata Road
Arcata, California

County Humboldt

Size 0.8 acre

Technical Assistance Recipient

Arcata Fire Protection District
<https://www.arcatafire.org>

and

City of Arcata
<https://www.cityofarcata.org>

Contacts

Justin McDonald
Fire Chief
Arcata Fire Protection District
(707) 825-2000
jmcdonald@arcatafire.org

David Loya
Community Development Director
City of Arcata
(707) 825-2045
dloya@cityofarcata.org

Sarah Lee
U.S. Environmental Protection Agency
(415) 972-3843
lee.sarah@epa.gov

EPA's Targeted Brownfields Assessment Program is a technical service to conduct environmental assessments on brownfield sites:

www.epa.gov/brownfields

