



LINDEN – PETERS FIRE DISTRICT

17725 E. Hwy 26, Linden, CA 95236
Phone: 209.887.3710 Fax: 209.887.2821
info@lindenfire.org
Kirk Noffsinger, Fire Chief

Board Members

President: John E. Plotz
Vice-President: Thomas G. Watkins
Secretary: David Frison
Member: Paul Castellou Jr.
Member: Kenneth Watkins III

AGENDA

BOARD OF DIRECTORS MEETING

7:00 P.M. Thursday, November 2, 2023

The Agenda for this regular meeting was posted in the lobby window of the Fire Station at least 72 hours prior to the meeting. Kirk Noffsinger – Fire Chief

- (I.) CALL TO ORDER
- (II.) ROLL CALL OF BOARD MEMBERS
 - John E. Plotz, Board President
 - Thomas G. Watkins Board Vice President
 - David Frison, Board Secretary
 - Paul Castellou Jr., Board Member
 - Kenneth Watkins III, Board Member
- (III.) PUBLIC COMMENT –
(Public comment/input is welcome. All comments/input are limited to three minutes per individual)
- (IV.) ELECTION OF OFFICERS
- (V.) MINUTES
 - A. Discussion & Possible Action re: Regular Board Meeting Minutes – October 2023
- (VI.) BOARD COMMITTEE REPORTS
 - A. Training Facility Committee Report – Board Member Kenny Watkins III
- (VII.) FINANCIAL SUMMARY AND REPORT
 - A. Monthly Financial Current Events Summary for October 2023 – Fire Chief Kirk Noffsinger
- (VIII.) CONSENT AGENDA
 - A. Discussion & Possible Action re: Approval of the October 2023 Financial Report and Expenditures
- (IX.) CURRENT EVENT SUMMARIES, REPORTS, AND/OR CORRESPONDENCE (Current Event Summaries are regarding activities of the Fire District and the status and progress relating thereto)
 - A. Departmental Report – (Fire Chief Kirk Noffsinger)
 - B. Union Report – (Union Representative)
- (X.) UNFINISHED BUSINESS
(Public comment/input is welcome before each agenda item of Unfinished and New Business. Individual

comments are limited to three minutes per individual and must pertain to the specific agenda item.)

- A. Discussion & Possible Action re: Resolution to Approve the Linden-Peters Rural Fire Protection District from Odd-Numbered Years to Even-Numbered Years to Coincide and Consolidate with the General Elections
- (X.) NEW BUSINESS
 - A. Discussion & Possible Action re: Accept the MacLeod Watts Other Post-Employment Benefits (OPEB) Actuarial Valuation and GASB 75 for FYE June 30, 2023
- (XI.) BOARD QUESTIONS AND COMMENTS
- (XII.) CLOSED SESSION
 - A. Section 54957: Labor Negotiations
 - a) Unrepresented Employee – Administrative Assistant
 - B. Report of actions taken in closed session.
- (XIII.) ADJOURNMENT

CURRENTLY THE NEXT SCHEDULED REGULAR BOARD MEETING

December 7 @ 7:00PM

Agenda Posted: October 30 @ or before 4:00 PM

SIGNED ORIGINAL ON FILE

DAVID FRISON, BOARD SECRETARY



LINDEN – PETERS FIRE DISTRICT

17725 E. Hwy 26, Linden, CA 95236
Phone: 209.887.3710 Fax: 209.887.2821
info@lindenfire.org
Kirk Noffsinger, Fire Chief

Board Members

President: John E. Plotz
Vice-President: Thomas G. Watkins
Secretary: David Frison
Member: Paul Castellou Jr.
Member: Kenneth “Kenny” Watkins III

Minutes of Board Meeting

Thursday, October 5, 2023

The meeting of the Linden–Peters Rural County Fire Protection District Board of Directors was called to order by President Jack Plotz at 7:00 PM, Members Present: Vice President Thomas G. Watkins, Board Secretary David Frison, Board Member Paul Castellou, Jr. and Board Member Kenny Watkins III. Members Absent: None; L.P.F.D. on duty staff present: Fire Chief Kirk Noffsinger, Captain Jacob Reed, and Administrative Assistant Lorena Coose.

(I.) Call to Order – 7:00 PM

(II.) Roll Taken

Meeting minutes were taken by Administrative Assistant Lorena Coose.

(III.) Public Comment

Community Member Pat Fish asked the Board to consider abandoning the Training Tower project and that Mr. Fish would volunteer his time to develop other options. Board Member Kenny Watkins III noted that the Board would be open to discussion. Chief Noffsinger recommended that Mr. Fish attend the next Training Facility Committee meeting where there would be further opportunity for discussion.

(IV.) Minutes:

- A. Discussion & Possible Action re: Regular Board Meeting Minutes – August 2023.
A motion to approve the August 2023 Board meeting minutes was made by P. Castellou Jr and seconded by D. Frison. Motion passed with a vote of 5-0
- B. Discussion & Possible Action re: Regular Board Meeting Minutes – September 2023.
A motion to approve the September 2023 Board meeting minutes was made by P. Castellou Jr and seconded by D. Frison. Motion passed with a vote of 5-0

(V.) Board Committee Reports

- A. Training Facility Committee Report – K. Watkins III informed the Board that there was no update at this time.
- B. Finance Committee Report – Vice President Thomas G. Watkins noted that the Finance Committee reviewed the financials including invoices, credit card statements, and that all was in order.

(VI.) Financial Summary and Report

- A. Monthly Financial, Current events summary for September 2023 - Presented by Fire Chief Kirk Noffsinger. Fire Chief Kirk Noffsinger provided an overview of the financials for the month. Chief Noffsinger noted that the CalPERS Unfunded Liability Payment would be processed after the December income was received from the County.

(VII.) Consent Agenda:

- A. Discussion & Possible Action re: Approval of the September 2023 Monthly Financial Reports and expenditures. A motion to approve the financial reports was made by K. Watkins III and seconded by P. Castillou Jr. Motion passed with a vote of 5-0.

(VIII.) Current Events Summaries, Reports, and/or Correspondence:

Current Events for the Linden-Peters Fire District months of September 2023 was presented by Fire Chief Kirk Noffsinger.

A. Departmental Report-Fire Chief Kirk Noffsinger:

Fire Chief Kirk Noffsinger provided an update on the events and meetings held for the month of September 2023, along with providing an overview of the calls and FIU report. Chief Noffsinger noted that there would be additional equipment purchased through the FEMA Regional grant.

Captain Reed provided the Shift, Training, Prevention, and Volunteer reports.

B. Union Report - None

(IX.) Unfinished Business:

- A. Discussion & Possible Action Re: Resolution to approve the Linden-Peters Rural Fire Protection District change from Odd-Numbered Years to Even-Numbered Years to Coincide and Consolidate with the General Elections

The Board agreed to keep this item on the Agenda for next month's Board meeting noting that there may be a cost increase associated with moving the election to even years.

(X.) New Business: None

(XI.) Board Questions and Comments –

Vice President Thomas G. Watkins asked Chief Noffsinger to provide an overview on the process for filling the Board positions that will become vacant in December 2023. After some discussion, the Board directed Chief Noffsinger to prepare an application for interested applicants.

(XII.) Closed Session –

At 7:35 pm, Board President Jack Plotz announced that the Board would enter into closed session to discuss the following items:

- A. Section 54957.6: Labor Negotiators
Unrepresented Employee = Administrative Assistant
- B. Report of actions taken in closed session.

The Board Returned to open session at 9:00 pm.

A motion was made by D. Frison to approve the contract for Administrative Assistant Lorena Coose. The motion was seconded by T. Watkins. The motion passed unanimously 5 – 0.

(XIII.) Adjournment: Motion made by D. Frison to adjourn the meeting. The motion was seconded by T. Watkins. Being there was no further discussion the motion passed with a vote of 5-0. Motion carried and so ordered at 9:04 pm.

John E. Plotz, President

Thomas G. Watkins, Vice President

David Frison, Secretary

Paul Castillou, Jr., Member

Kenneth "Kenny" Watkins III

Linden-Peters Rural County Fire Protection District

11/01/23

Balance Sheet

Accrual Basis

As of October 31, 2023

	<u>Oct 31, 23</u>
ASSETS	
Current Assets	
Checking/Savings	
101 · F&M Checking- General	58,656.55
102 · F&M Zone 1 Fund	134,290.43
104 · F&M- Capital Outlay	808,253.83
106 · F&M- Benefits Reserve Fund	30,077.52
123 · F&M Equipment Replacement F...	456,831.22
124 · F&M CD	102,106.88
	<hr/>
Total Checking/Savings	1590216.43
	<hr/>
Total Current Assets	1590216.43
	<hr/>
TOTAL ASSETS	1590216.43
	<hr/> <hr/>
LIABILITIES & EQUITY	0.00

11/01/23

Linden-Peters Rural County Fire Protection District
Income by Customer Summary
October 2023

	<u>Oct 23</u>
Fire Recovery USA, LLC Trust Acco...	509.40
Linden County W.D.	759.96
Metropolitan Reporting Bureau	<u>5.00</u>
TOTAL	<u><u>1,274.36</u></u>

11/01/23

Linden-Peters Rural County Fire Protection District

Expenses by Vendor Summary

October 2023

	<u>Oct 23</u>
BG Agri	92.49
Blue Cross of California	88.05
California Waste Recovery Systems	352.35
Card Services	1,990.48
Certified Backflow Services	75.00
Cintas	252.11
Clutch & Brake Xchange, Inc.	34.76
Comcast	379.01
E.F. Kludt & Sons	2,744.93
Engineered Fire Systems, Inc.	687.50
FRMS	32,446.75
Frontier Communications	43.04
Jim Avansino	1,049.12
Ken Snyder Jr.	269.02
Kirk Noffsinger	75.00
Lee Owning Jr.	1,049.12
Life Assist	424.58
Linden County Water District	431.47
Linden Herald	42.00
NFPA	495.59
Pacific Gas & Electric	1,940.15
PERS Health Benefits Division	27,530.78
Plus IT, Inc.	1,600.00
Public Employees' Retirement System	33,816.22
Shift Calendars Inc.	19.22
Small Business Benefit Plan Trust	247.20
State Board Of Equalization	540.00
Trace Analytics	130.00
Vic Solari	269.02
Zylstra Auto & Hardware	146.23
TOTAL	<u>109,261.19</u>

Linden-Peters Rural County Fire Protection District
Profit & Loss Budget vs. Actual
July 2023 through June 2024

	<u>Jul '23 - Jun 24</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Ordinary Income/Expense			
Income			
410-1 · Property Tax See- Z1	51.80	15,950.00	-15,898.20
410 · Property Tax Current Secured	9,041.27	2,786,000.00	-2,776,958.73
415-1 · Property Tax Unsecured - Z1	-8.26	825.00	-833.26
415 · Property Tax Curr Unsecured	-1,445.22	144,200.00	-145,645.22
420-1 · SB813 - Z1	182.99	569.00	-386.01
420 · SB813 Supplemental	31,927.83	99,000.00	-67,072.17
425-1 · Prior Tax - ZZ1	11.79	16.00	-4.21
425 · Prior Years	2,052.14	1,600.00	452.14
440-1 · Interest Income-48901 SJC Acct	3,026.00	6,900.00	-3,874.00
440-2 · Interest Income-48931 SJC Acct	16.01	12.00	4.01
450-1 · Interest - Z1	23.42	60.00	-36.58
450-2 · Interest - Benefits Reserve	5.06	13.00	-7.94
450-4 · Interest - General Fund	5,731.36	5,000.00	731.36
450-5 · Interest -Equipment Replace F...	1,515.52	1,140.00	375.52
450-6 · Interest - CD	0.00	125.00	-125.00
450 · Interest - Checking	4.19	4.00	0.19
460-1 · State - Hmownrs Prop Tax	0.00	50.00	-50.00
460 · State - Hmownrs Prop Tax Relief	0.00	8,880.00	-8,880.00
462 · Grant Income	87,565.11	15,000.00	72,565.11
465 · Fire Prevention Service	3,556.75	13,000.00	-9,443.25
475 · Strike Team Reimbursement	29,379.89	0.00	29,379.89
480 · LCWD Fuel Reimbursement	2,244.41	7,800.00	-5,555.59
482 · Federal Grant			
482-2 · Grant-AFG Regional Radios	92,456.67		
Total 482 · Federal Grant	92,456.67		
492-3 · Service Fees	1,288.60	398.00	890.60
495 · Miscellaneous	20.00	100.00	-80.00

Linden-Peters Rural County Fire Protection District
Profit & Loss Budget vs. Actual
July 2023 through June 2024

	<u>Jul '23 - Jun 24</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Total Income	268,647.33	3,106,642.00	-2,837,994.67
Expense			
500 · Personnel			
510 · Salaries - Regular	427,984.27	1,302,000.00	-874,015.73
512 · Salaries - Overtime	64,836.72	175,000.00	-110,163.28
513 · Salaries - FLSA	9,833.58	29,000.00	-19,166.42
514 · Salaries - Strike Team Overtime	72,521.45		
515 · Salaries - Extra Help	0.00	22,000.00	-22,000.00
517 · Salaries - Holiday	36,318.81	115,000.00	-78,681.19
518 · Salaries - Volunteers	2,135.00	9,000.00	-6,865.00
519 · Educational Incentive	3,011.76	15,600.00	-12,588.24
521 · Retirement	366,329.90	585,946.62	-219,616.72
525 · Social Security	704.17	3,000.00	-2,295.83
527 · Social Security - Medicare	7,964.50	22,000.00	-14,035.50
530 · Insurance- Medical	112,735.43	270,000.00	-157,264.57
531 · Insurance- Medical (retirees)	17,783.85	60,000.00	-42,216.15
532 · Insurance- Dental	5,976.86	15,500.00	-9,523.14
533 · Insurance - Vision	668.32	2,500.00	-1,831.68
534 · Insurance -Life	352.20	1,400.00	-1,047.80
535 · Insurance- Worker's comp	64,893.50	150,000.00	-85,106.50
536 · Director's Fees	2,075.00	6,500.00	-4,425.00
Total 500 · Personnel	1,196,125.32	2,784,446.62	-1,588,321.30
540 · Vehicle & Equipment			
542 · Fuel, Lube, & Oil	10,692.83	34,000.00	-23,307.17
543 · Tires	0.00	3,000.00	-3,000.00
544 · Parts/Supplies	2,377.57	9,000.00	-6,622.43
545 · Maintenance & Repair	9,904.61	46,000.00	-36,095.39
547 · Radios	930.97	15,000.00	-14,069.03
549 · SCBA	130.00	17,000.00	-16,870.00

Linden-Peters Rural County Fire Protection District
Profit & Loss Budget vs. Actual
July 2023 through June 2024

	<u>Jul '23 - Jun 24</u>	<u>Budget</u>	<u>\$ Over Budget</u>
550-4 · Small Tools & Equipment	832.93	2,500.00	-1,667.07
551 · Medical equip, supplies, oxygen	1,340.76	5,000.00	-3,659.24
552 · Ladder Purchase/ Maintenance	0.00	1,000.00	-1,000.00
600-2 · Grant-AFG Regional Expense	106,721.41		
Total 540 · Vehicle & Equipment	<u>132,931.08</u>	<u>132,500.00</u>	<u>431.08</u>
560 · Buildings & Grounds			
564 · Furniture	323.16	2,000.00	-1,676.84
580 · Maintenance & Repair	706.84	14,500.00	-13,793.16
Total 560 · Buildings & Grounds	<u>1,030.00</u>	<u>16,500.00</u>	<u>-15,470.00</u>
600 · Supplies			
600-1 · Grant Expense-Supplies	0.00	15,000.00	-15,000.00
602 · Computer Hardware & Software	19,516.63	26,700.00	-7,183.37
606 · Office supplies	852.33	4,000.00	-3,147.67
607 · Postage	274.14	500.00	-225.86
608 · Station Supplies	3,022.92	10,000.00	-6,977.08
613 · Clothing-uniforms	0.00	2,000.00	-2,000.00
616 · Clothing- Safety	205.15	15,000.00	-14,794.85
625 · Utilities- Electric/ Gas	8,508.05	25,000.00	-16,491.95
626 · Utilities- Water	1,349.11	4,200.00	-2,850.89
627 · Utilities- Cable TV	832.42	2,500.00	-1,667.58
630 · Utilities - Telephone/Cell/CAD	1,837.99	6,500.00	-4,662.01
631 · Utilities - Garbage	1,375.36	4,300.00	-2,924.64
635 · Fire Fighting Foam	0.00	3,300.00	-3,300.00
Total 600 · Supplies	<u>37,774.10</u>	<u>119,000.00</u>	<u>-81,225.90</u>
650 · Services			
652 · Insurance/ Casul/ Eq/Bond	1,553.00	40,000.00	-38,447.00

Linden-Peters Rural County Fire Protection District
Profit & Loss Budget vs. Actual
July 2023 through June 2024

	<u>Jul '23 - Jun 24</u>	<u>Budget</u>	<u>\$ Over Budget</u>
655 · Annual Audit	0.00	17,000.00	-17,000.00
656 · S.J. Co. Tax Admin Chg	0.00	50,000.00	-50,000.00
657 · Dispatching	5,854.91	16,500.00	-10,645.09
658 · Computer Support	1,770.00	5,000.00	-3,230.00
665 · Physical Exams	0.00	3,300.00	-3,300.00
667 · Fire Prevention Bureau	1,445.76	3,500.00	-2,054.24
670 · Assoc. Memberships	935.00	4,000.00	-3,065.00
675 · Training	1,187.76	46,900.00	-45,712.24
677 · Consultant Services	16,400.00	3,000.00	13,400.00
678 · Attorney Fee's	302.50	5,000.00	-4,697.50
690 · Services Contingencies	293.89	5,000.00	-4,706.11
691 · Bank Fees	226.75	1,000.00	-773.25
Total 650 · Services	<u>29,969.57</u>	<u>200,200.00</u>	<u>-170,230.43</u>
695 · Zone 1			
696 · Hydrant Rental	380.00	1,200.00	-820.00
697 · Fire Hose and Appliances	3,593.53	7,000.00	-3,406.47
698 · S.J. Co. Tax Admin Chg	0.00	300.00	-300.00
699 · Fire Hydrant Purchase	0.00	7,000.00	-7,000.00
Total 695 · Zone 1	<u>3,973.53</u>	<u>15,500.00</u>	<u>-11,526.47</u>
Total Expense	<u>1,401,803.60</u>	<u>3,268,146.62</u>	<u>-1,866,343.02</u>
Net Ordinary Income	<u>-1,133,156.27</u>	<u>-161,504.62</u>	<u>-971,651.65</u>
Net Income	<u><u>-1,133,156.27</u></u>	<u><u>-161,504.62</u></u>	<u><u>-971,651.65</u></u>

2:00 PM

11/01/23

Cash Basis

Linden-Peters Rural County Fire Protection District
FY 23-24 vs FY 22-23 Profit & Loss Prev Year Comparison
July through October 2023

	<u>Jul - Oct 23</u>	<u>Jul - Oct 22</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
410-1 · Property Tax See- Z1	51.80	-19.28	71.08	368.7%
410 · Property Tax Current Secured	9,041.27	-2,125.22	11,166.49	525.4%
415-1 · Property Tax Unsecured - Z1	-8.26	16.84	-25.10	-149.1%
415 · Property Tax Curr Unsecured	-1,445.22	2,928.03	-4,373.25	-149.4%
420-1 · SB813 - Z1	182.99	77.95	105.04	134.8%
420 · SB813 Supplemental	31,927.83	13,450.37	18,477.46	137.4%
425-1 · Prior Tax - ZZ1	11.79	15.40	-3.61	-23.4%
425 · Prior Years	2,052.14	1,595.77	456.37	28.6%
440-1 · Interest Income-48901 SJC Acct	3,026.00	419.00	2,607.00	622.2%
440-2 · Interest Income-48931 SJC Acct	16.01	0.00	16.01	100.0%
450-1 · Interest - Z1	23.42	23.62	-0.20	-0.9%
450-2 · Interest - Benefits Reserve	5.06	5.07	-0.01	-0.2%
450-4 · Interest - General Fund	5,731.36	243.43	5,487.93	2,254.4%
450-5 · Interest -Equipment Replace F...	1,515.52	69.59	1,445.93	2,077.8%
450 · Interest - Checking	4.19	1.50	2.69	179.3%
462 · Grant Income	87,565.11	9,358.25	78,206.86	835.7%
465 · Fire Prevention Service	3,556.75	3,862.00	-305.25	-7.9%
475 · Strike Team Reimbursement	29,379.89	18,062.44	11,317.45	62.7%
480 · LCWD Fuel Reimbursement	2,244.41	2,158.75	85.66	4.0%
482 · Federal Grant				
482-2 · Grant-AFG Regional Radios	92,456.67	0.00	92,456.67	100.0%
Total 482 · Federal Grant	92,456.67	0.00	92,456.67	100.0%
492-3 · Service Fees	1,288.60	389.60	899.00	230.8%
495 · Miscellaneous	20.00	15.00	5.00	33.3%
Total Income	268,647.33	50,548.11	218,099.22	431.5%
Expense				

Linden-Peters Rural County Fire Protection District
FY 23-24 vs FY 22-23 Profit & Loss Prev Year Comparison
July through October 2023

	<u>Jul - Oct 23</u>	<u>Jul - Oct 22</u>	<u>\$ Change</u>	<u>% Change</u>
500 · Personnel				
510 · Salaries - Regular	427,984.27	409,214.25	18,770.02	4.6%
512 · Salaries - Overtime	64,836.72	41,160.37	23,676.35	57.5%
513 · Salaries - FLSA	9,833.58	9,491.58	342.00	3.6%
514 · Salaries - Strike Team Overtime	72,521.45	144,734.86	-72,213.41	-49.9%
517 · Salaries - Holiday	36,318.81	5,635.80	30,683.01	544.4%
518 · Salaries - Volunteers	2,135.00	3,560.00	-1,425.00	-40.0%
519 · Educational Incentive	3,011.76	3,011.76	0.00	0.0%
521 · Retirement	366,329.90	359,242.39	7,087.51	2.0%
525 · Social Security	704.17	220.72	483.45	219.0%
527 · Social Security - Medicare	7,964.50	7,982.77	-18.27	-0.2%
530 · Insurance- Medical	86,125.05	76,111.75	10,013.30	13.2%
531 · Insurance- Medical (retirees)	14,227.17	12,753.50	1,473.67	11.6%
532 · Insurance- Dental	4,130.21	3,969.45	160.76	4.1%
533 · Insurance - Vision	668.32	651.22	17.10	2.6%
534 · Insurance -Life	352.20	352.20	0.00	0.0%
535 · Insurance- Worker's comp	64,893.50	107,866.00	-42,972.50	-39.8%
536 · Director's Fees	1,600.00	1,125.00	475.00	42.2%
Total 500 · Personnel	1,163,636.61	1,187,083.62	-23,447.01	-2.0%
540 · Vehicle & Equipment				
542 · Fuel, Lube, & Oil	9,095.01	12,988.54	-3,893.53	-30.0%
543 · Tires	0.00	1,845.21	-1,845.21	-100.0%
544 · Parts/Supplies	2,201.81	426.21	1,775.60	416.6%
545 · Maintenance & Repair	9,904.61	15,036.34	-5,131.73	-34.1%
547 · Radios	930.97	191.47	739.50	386.2%
549 · SCBA	130.00	0.00	130.00	100.0%
550-4 · Small Tools & Equipment	832.93	1,377.30	-544.37	-39.5%
551 · Medical equip, supplies, oxygen	1,340.76	304.85	1,035.91	339.8%
600-2 · Grant-AFG Regional Expense	106,721.41	0.00	106,721.41	100.0%

Linden-Peters Rural County Fire Protection District
FY 23-24 vs FY 22-23 Profit & Loss Prev Year Comparison
July through October 2023

	<u>Jul - Oct 23</u>	<u>Jul - Oct 22</u>	<u>\$ Change</u>	<u>% Change</u>
Total 540 · Vehicle & Equipment	131,157.50	32,169.92	98,987.58	307.7%
560 · Buildings & Grounds				
564 · Furniture	323.16	0.00	323.16	100.0%
580 · Maintenance & Repair	616.84	9,966.39	-9,349.55	-93.8%
Total 560 · Buildings & Grounds	940.00	9,966.39	-9,026.39	-90.6%
600 · Supplies				
600-1 · Grant Expense-Supplies	0.00	191.47	-191.47	-100.0%
602 · Computer Hardware & Software	19,516.63	6,243.26	13,273.37	212.6%
606 · Office supplies	852.33	384.28	468.05	121.8%
607 · Postage	274.14	8.50	265.64	3,125.2%
608 · Station Supplies	2,885.05	2,638.19	246.86	9.4%
613 · Clothing-uniforms	0.00	97.46	-97.46	-100.0%
616 · Clothing- Safety	205.15	417.13	-211.98	-50.8%
625 · Utilities- Electric/ Gas	8,508.05	8,991.31	-483.26	-5.4%
626 · Utilities- Water	1,349.11	1,315.49	33.62	2.6%
627 · Utilities- Cable TV	832.42	749.67	82.75	11.0%
630 · Utilities - Telephone/Cell/CAD	1,610.95	1,852.14	-241.19	-13.0%
631 · Utilities - Garbage	1,375.36	1,399.76	-24.40	-1.7%
Total 600 · Supplies	37,409.19	24,288.66	13,120.53	54.0%
650 · Services				
652 · Insurance/ Casul/ Eq/Bond	1,553.00	0.00	1,553.00	100.0%
655 · Annual Audit	0.00	1,350.00	-1,350.00	-100.0%
657 · Dispatching	4,521.28	4,768.46	-247.18	-5.2%
658 · Computer Support	1,770.00	1,770.00	0.00	0.0%
665 · Physical Exams	0.00	1,480.00	-1,480.00	-100.0%
667 · Fire Prevention Bureau	1,445.76	2,122.78	-677.02	-31.9%
670 · Assoc. Memberships	935.00	695.00	240.00	34.5%

Linden-Peters Rural County Fire Protection District
FY 23-24 vs FY 22-23 Profit & Loss Prev Year Comparison
July through October 2023

	<u>Jul - Oct 23</u>	<u>Jul - Oct 22</u>	<u>\$ Change</u>	<u>% Change</u>
675 · Training	984.76	186.00	798.76	429.4%
677 · Consultant Services	16,400.00	525.00	15,875.00	3,023.8%
678 · Attorney Fee's	302.50	0.00	302.50	100.0%
690 · Services Contingencies	293.89	3,569.26	-3,275.37	-91.8%
691 · Bank Fees	226.75	300.45	-73.70	-24.5%
Total 650 · Services	28,432.94	16,766.95	11,665.99	69.6%
695 · Zone 1				
696 · Hydrant Rental	380.00	380.00	0.00	0.0%
697 · Fire Hose and Appliances	3,593.53	0.00	3,593.53	100.0%
Total 695 · Zone 1	3,973.53	380.00	3,593.53	945.7%
Total Expense	1,365,549.77	1,270,655.54	94,894.23	7.5%
Net Ordinary Income	-1,096,902.44	-1,220,107.43	123,204.99	10.1%
Net Income	<u><u>-1,096,902.44</u></u>	<u><u>-1,220,107.43</u></u>	<u><u>123,204.99</u></u>	<u><u>10.1%</u></u>



LINDEN – PETERS FIRE DISTRICT

17725 E. Hwy 26, Linden, CA 95236
Phone: 209.887.3710 Fax: 209.887.2821
lpfd@sjgov.org
Kirk Noffsinger, Fire Chief

Board Members

President: John E. Plotz
Vice-President: Thomas G. Watkins
Secretary: Duane R. Brown
Member: David Frison
Member: Paul Castillou Jr.

LINDEN – PETERS FIRE DEPARTMENT

MONTHLY BOARD REPORT

NOVEMBER 2, 2023

FINANCIAL SUMMARY AND REPORT:

For the month ending October 31, 2023

- All accounts balanced as of October 31, 2023

CURRENT EVENT SUMMARIES, REPORTS, AND/OR CORRESPONDENCE:

- **Meetings for the month**
 - 10/04 LPFD Finance Committee Meeting
 - 10/05 LPFD Board Meeting
 - 10/11 First Due Meeting
 - 10/11 SJCFCFA-EMS Committee Meeting
 - 10/12 AFLAC Meeting
 - 10/13 STEAC Meeting
 - 10/18 JRUG Meeting
 - 10/23 Safety and Risk Control Program Review
 - 10/26 FDAC Education Committee Meeting
- **Correspondence/Events:**
- **Current Projects/Updates:** None

A SHIFT PERSONNEL: Captain J. Reed / Lieutenant K. Dahlenburg / Firefighter Engineer D. Dennis/
Firefighter Engineer J. Davis

Activities for the Month

- Responded to 24 calls for service
- Conducted a pre-incident survey at Northern Interior Wine
- Ordered two 55-gallon drums of firefighting foam
- Delivered new Engine to Hi-Tech for repairs

B SHIFT PERSONNEL: Captain B. Ruegsegger / Lieutenant J. Goins / Firefighter Engineer T.
Watson/Firefighter Engineer M. Garcia

Activities for the Month

- Responded to 22 calls for service
-

- Reported that Les Schwab installed new front tires and performed alignment on E-51
- Placed new Engine in service as E5-2. Reported that the old Engine is out of service.

C SHIFT PERSONNEL: Captain M. Mojalli / Lieutenant R. Ruegsegger/ Firefighter Engineer M. Verdon/ Firefighter Engineer B. Wright

Activities for the Month

- Responded to 28 calls for service
- Made and installed foam tube mounting hardware on New Engine
- Submitted CERS report to San Joaquin County Environmental Health Department
- Attended First Due meeting
- Ordered SIM Card for E52
- Reported that old E52 is at Hi-Tech for repairs (pump test, Kussmaul auto eject, pump leak, booster reel leak, and change of ID to E54).
- Participated in Linden Elementary Walk-a-Thon

DEPARTMENT FIRE PREVENTION REPORT:

- Projects: Bellota Sub Station Power Storage Project, Morada Produce- New Project, and LUSD Solar Project
- Fire Prevention Week: Presentation and materials distributed to 406 Linden Elementary students and 31 staff members

ON DUTY TRAINING:

Fire Scene Ops: Preconnected Live Lines/Ladder Gin
EMS: EMS Pharmacology Basic
LPE Policy: Lexipol Policy Review
Safety: NFPA 1500 Respiratory Protection

Division “C” Training

- 10/9, 10/11, & 10/13 Auto Extrication and Stabilization hosted by Woodbridge Fire District

FIRE VOLUNTEERS, FIRE CADETS, AND VOLUNTEER FIREFIGHTERS ASSOCIATION

ACTIVITIES: No activity to report.

MEMORIAL DONATIONS:

- We have received \$1,700.00 in memorial donations for Jeanette Plotz. Year to date the Association has received a total of \$8,175.00 in memorial donations.
-

Department Report – 11/2023

LINDEN - PETERS FIRE DISTRICT				MONTH - YEAR: Oct-23	
INCIDENT TYPE	NO.	POSTED	CANCELED	PAID STAFF	
STRUCTURE FIRE	5		1	102 B. RUEGSEGGER	2
VEGETATION FIRE	6			106 M. MOJALLI	4
VEHICLE FIRE	3		2	108 J. REED	
FIRE OTHER				105 J. GOINS	1
EMS CALL	32		3	107 K. DAHLENBURG	1
MVA	9		1	110 R. RUEGSEGGER	3
RESCUE CALL				111 T. WATSON	2
HAZARDOUS CONDITION	5			118 M. GARCIA	2
SERVICE CALL (NON EMERGENCY)				119 M. VERDON	
GOOD INTENT CALLS				120 B. WRIGHT	
FALSE ALARMS	12		4	122 D. DENNIS	
WEATHER / DISASTER				123 J. DAVIS	
SPECIAL INCIDENTS/OTHER	2				
TOTAL FOR THE MONTH:	74			TOTAL:	15
TOTAL FOR THE YEAR:	647			VOLUNTEER STAFF	STA COV.
PREVIOUS YEAR COMPARISON					
		Diff	%	117 G. SCHAEDE (VFF)	1
MONTH:	60	14	19%	152 P. WHITAKER (VFF)	
YEAR:	600	47	7%	166 A. RUEGSEGGER (VPF)	23
CALLS PER SHIFT					
DAY CALLS (8AM - 5PM):	40			TOTAL:	24
NIGHT CALLS (5PM - 8AM):	33				
Unknown Start Time:	1				
AUTOMATIC AID					
	GIVEN	POSTED	CANCELED	RECEIVED	
WATERLOO MORADA (WMR)	9		5	8	
MOKELUMNE (MKE)	1			3	
CLEMENTS (CLE)				2	
FARMINGTON (FAR)				1	
FRENCH CAMP FIRE (FRC)					
COLLEGEVILLE (CVG)					
STOCKTON (STO)					
MONTEZUMA (ZUM)					
LODI (LOD)					
WOODBIDGE (WOO)					
LIBERTY (LIB)					
MOUNTAIN HOUSE (MHU)					
ESCALON (ESL)					
RIPON (RIP)					
CALAVERAS CONSOLIDATED				1	
LATHROP MANTECA (LMD)					
CalFire (TCU)					
OES, XSJ, EOC, SQF, VNC, BEU, MMU					
TOTAL:	10	0	5	15	

LEGEND

- FIU callout - conducted by LPFD investigator
- FIU callout - NOT conducted by LPFD investigator
- In District investigation, not a county FIU callout

San Joaquin County Joint Fire Investigation Unit

Agency	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Escalon												
Ripon												
Lathrop-Manteca												
Farmington												
Linden-Peters									2			
Clements	1				1	1						
Woodbridge								1				
South County Fire Authority												
French Camp/Mountain House		1										
Liberty												
Mokelumne												
Collegeville												
Waterloo-Morada							1			1		
Thornton												
Montezuma												
Lodi												
Stockton				1								
Manteca												
Total FIU Callouts	1	1	0	1	1	1	1	1	2	1		

January

Clements – Vehicle fire with fatality. Covered by Brandon Wright on-duty.

February

French Camp – Vehicle fire with fatality. Covered by R. Smart (Stockton Fire), P. Gonzales (Stockton Fire), and Bill Fisk (French Camp Fire).

March – None

April

Stockton – Structure fire with fatality. Covered by Bill Fisk (French Camp Fire).

May

Clements – Structure fire. Covered by Martin Garcia On Duty, Reserve Abby Ruegsegger, Tim Enright (Clements Fire), and George Wells (Waterloo Morada Fire).

June

Clements – Vegetation fire. Covered by Brandon Wright On Duty.

July

Waterloo Morada – Structure fire. Covered by Martin Garcia, Brandon Wright Off Duty, George Wells (Waterloo Morada Fire) and Josh Burke (Lathrop Manteca).

August

Woodbridge – Structure fire. Covered by Brandon Wright On Duty.

September

Linden-Peters Fire– Structure fire. Covered by Martin Garcia and Brandon Wright Off Duty.

Linden-Peters Fire– Vegetation fire. Covered by Martin Garcia On Duty and Brandon Wright Off Duty.

October

Waterloo Morada – Structure fire with fatality. Covered by B. Wright On Duty.



September 19, 2023

RE: Senate Bill 415 (2015-2016), *California Voters Participation Rights Act*

To Mr. Noffsinger ,

This letter is intended as a courtesy reminder and to provide general information about Senate Bill 415 (SB 415), also known as the California Voters Participation Rights Act, codified under Elections Code §§ 14050-14057. This letter does not have the force and effect of law, regulation or rule and is distributed with the understanding that the San Joaquin County Registrar of Voters is not rendering legal advice. Your district is urged to review all aspects of Elections Code §§ 14050-14057 with your counsel.

Existing law generally requires all state, county, municipal, district, and school district elections be held on an established election date. Existing law also establishes certain even year dates for statewide elections and requires any state, county, municipal, district and school district election held on a statewide election date to be consolidated with that statewide election.

SB 415 was signed by Governor Brown in September 2015. SB 415 commenced on January 1, 2018. It requires districts to meet a threshold of voter participation in order to continue holding odd year elections without penalty. Your district could be impacted by this new legislation, since your district regularly schedules and holds elections during UDEL (Uniform District Election Law) elections held in November of each odd year.

SB 415 would prohibit a political subdivision from holding an election other than on a statewide election date if holding an election on a non-statewide election date has previously resulted in a significant decrease in voter turnout. A “significant decrease in voter turnout” is defined as 25% less than the average voter turnout within that political subdivision for the previous four statewide general elections. The new law (Elections Code § 14056) does not affect your ability to schedule and hold a special election during any established election date pursuant to Elections Code § 1000 or Elections Code § 1500.

When the San Joaquin County Registrar of Voters’ Office conducts an election for a jurisdiction such as your District, the election is almost always consolidated with other elections occurring on that same date. The costs for such elections are allocated proportionally among participating jurisdictions based on two key factors:



1. The number of registered voters within each jurisdiction, and
2. The number of entities participating in the given election

Typically, general district elections in odd-numbered years have higher proportional costs than statewide general elections in even-numbered years for cities, school districts, special districts, and other jurisdictions because the number of entities with elections during odd-numbered years is fewer, resulting in less cost-sharing.

If your district decides to eventually move from the odd-year UDEL elections to the even-year statewide general elections after completing an independent review, please read Elections Code § 10404 (special districts) and Elections Code § 10404.5 (school districts). These codes specify a resolution by your governing board which moves your election to the same day as the statewide general election, and must be submitted, scheduled, and heard by the San Joaquin County Board of Supervisors no later than 240 days prior to the date of the currently scheduled district election.

If it is determined after review that your district is included with those that must change to even year elections, Elections Code § 14052 allows “political subdivisions” to continue to hold UDEL odd-year elections after 2018 if they had adopted a plan to consolidate with the statewide general election schedule prior to the November 8, 2022, statewide general election.

Please feel free to contact our office at (209) 468-8945 or via email at: candidates@sjgov.org if you have any questions or concerns.

Sincerely,

Olivia Hale
San Joaquin County Registrar of Voters



LINDEN – PETERS FIRE DISTRICT

17725 E. Hwy 26, Linden, CA 95236
Phone: 209.887.3710 Fax: 209.887.2821
lpfd@sjgov.org
Kirk Noffsinger, Fire Chief

Board Members
President: John E. Plotz
Vice-President: Thomas G. Watkins
Secretary: David Frison
Member: Paul Castillou Jr.
Member: Kenneth Watkins III

Resolution No. 23-03

RESOLUTION OF THE BOARD OF DIRECTORS OF THE LINDEN-PETERS FIRE PROTECTION DISTRICT ESTABLISHING EVEN YEARS FOR DISTRICT GENERAL ELECTIONS TO COINCIDE WITH STATEWIDE GENERAL ELECTIONS

WHEREAS, California Elections Code Section 10404, establishes a procedure whereby a special district may change the election date for its legislative body by adopting a resolution seeking approval of the change by the Board of Supervisors in the County of San Joaquin; and

WHEREAS, if this change in election date is approved, it is requested that the new election date for the Linden-Peters Fire Protection District Board of Directors be moved from the first Tuesday after the first Monday in November 2025 to the first Tuesday after the first Monday in November 2026 to coincide with the statewide general election; and

WHEREAS, if this change in election date is approved, it is further requested that the new election date for the Linden-Peters Fire Protection District Board of Directors be moved from the first Tuesday after the first Monday in November 2027 to the first Tuesday after the first Monday in November 2028 to coincide with the statewide general election; and

WHEREAS, Exhibit A to this resolution provides the names of the Directors and current terms which will be up for election in the Years 2025 and 2027 and the proposed new election dates; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LINDEN-PETERS FIRE PROTECTION DISTRICT, a public agency located in the county of San Joaquin, California, as follows:

1. The foregoing recitals are true and correct and the Board of Directors hereby declares its intent to adopt this resolution to consolidate the election date for the Directors of the Board with the date for the California General Election in November in even-numbered years pursuant to Elections Code 10404; and
2. The District will forward this resolution to the San Joaquin County Board of Supervisors explaining the rationale for the resolution and requesting formal approval of the change by the Board of Supervisors at a public meeting held within 60-days after submission and after the resolution has been posted in accordance with the law; and
3. That all dates and other procedures pertaining to such elections shall be consistent with the primary or general election with respect to nominations, notices, canvass of votes, certification of election, and all other procedural requirements of the Elections Code pertaining to the primary or general election, in compliance with Elections Code section 10404(b)(1); and

4. If consolidation of election is approved by the Board of Supervisors, the date of District elections will be moved from the first Tuesday after the first Monday in November 2025 to the first Tuesday after the first Monday in November 2026 and from the first Tuesday after the first Monday in November 2027 to the first Tuesday after the first Monday in November 2028 to coincide with the statewide general election; and
5. That this resolution shall take effect and be effective immediately, and shall be submitted to the San Joaquin County Board of Supervisors no later than 240 days prior to the date of the currently scheduled 2025 District election; and
6. The District Board also makes the following requests:
 - a. That the San Joaquin County Board of Supervisors notify all districts located in their county of the District's resolution to consolidate and request input from each district on the effect of consolidation.
 - b. That the san Joaquin County Board of Supervisors authorize and direct their elections officials to prepare and transmit to them impact analyses of the proposed consolidation, including reports on the cost-effectiveness of the proposed action.
 - c. That the San Joaquin County Board of Supervisors adopt a resolution to approve this Resolution within 60 days from the date of its submission and specify that henceforth, the District's Board elections shall occur regularly on the same date as statewide general elections occurring in even-numbered years, with the first such election occurring on November 3, 2026, unless they find that their ballot styles, voting equipment, or computer capacities are such that additional elections or materials cannot be handled.
 - d. That San Joaquin County issue public notices of the proceedings in which their resolution is to be considered for adoption, pursuant to Section 25151 of the Government Code.
 - e. That if they approve the Resolution, the San Joaquin County Board of Supervisors authorize and direct their election officials to deliver by mail at the District's expense, the payment of which is hereby authorized, notice to all voters of the District within their jurisdiction of said approval.

PASSED AND ADOPTED at a meeting of the Board of Directors on this 2nd Day of November, 2023, by the following vote:

AYES: ()

NOES: ()

ABSENT: ()

ABSTAIN: ()

John E. Plotz
President, Board of Directors

ATTEST:

David Frison
Secretary, Board of Directors

(OFFICIAL SEAL)

Exhibit A
 Current and Proposed Election
 Dates

Director Name	Term	Current Term	Proposed Revised Term	Full Term
Paul Castellou Jr.	4 Years	Ends 2025	Ends 2026	Ends 2026
Kenneth Watkins III	4 Years	Ends 2025	Ends 2026	Ends 2026
David Frison	4 Years	Ends 2027	Ends 2028	Ends 2028
Vacant Position	4 Years	Ends 2027	Ends 2028	Ends 2028
Vacant Position	4 Years	Ends 2027	Ends 2028	Ends 2028

MacLeod Watts

October 31, 2023

Kirk Noffsinger
Fire Chief
Linden-Peters Fire Protection District
17725 East Highway 26
Linden, CA 95236

DRAFT

Re: Linden-Peters Fire Protection District Other Post-Employment Benefits
June 30, 2022, Actuarial Valuation and GASB 75 Report for Fiscal Year Ending June 30, 2023

Dear Chief Noffsinger:

We are pleased to enclose our actuarial report providing information needed for the June 30, 2023, accounting of other post-employment benefit (OPEB) liabilities for the Linden-Peters Fire Protection District (the District). The primary purposes of this report are to:

1. Recalculate plan liabilities as of June 30, 2022, in accordance with GASB 75's biennial valuation requirement.
2. 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 exhibits presented in this report reflect that the District is 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 valuation results are based on the employee data and details on plan benefits provided to us by the District, including retiree benefits paid and covered employee payroll for the current fiscal year. As with any analysis, the soundness of the report is dependent on the inputs. We encourage you to 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 staff 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 and Consulting Actuary

Enclosure

Table of Contents

A.	Executive Summary.....	1
	OPEB Obligations of the District	1
	OPEB Funding Policy	2
	Actuarial Assumptions	2
	Important Dates Used in the Valuation	2
	Updates Since the Prior Report	3
	Impact on Statement of Net Position and OPEB Expense for Fiscal Year Ending 2023.....	3
	Important Notices.....	3
B.	Valuation Process.....	4
C.	Valuation Results as of June 30, 2022	6
D.	Accounting Information (GASB 75)	9
	Components of Net Position and Expense	9
	Change in Net Position During the Fiscal Year.....	10
	Recognition Period for Deferred Resources	11
	Deferred Resources as of Fiscal Year End and Expected Future Recognition	11
	Sensitivity of Liabilities to Changes in the Discount Rate and Healthcare Cost Trend Rate.....	12
	Schedule of Changes in the District’s Net OPEB Liability and Related Ratios.....	13
	Schedule of Contributions	14
	Detail of Changes to Net Position	15
	Schedule of Deferred Outflows and Inflows of Resources	16
	District Contributions to the Plan	17
	Projected Benefit Payments (15-year projection)	18
	Sample Journal Entries.....	19
E.	Funding Information	20
F.	Certification.....	21
G.	Supporting Information.....	22
	Section 1 - Summary of Employee Data	22
	Section 2 - Summary of Retiree Benefit Provisions	24
	Section 3 - Actuarial Methods and Assumptions	25
	Appendix 1: Important Background Information.....	32
	Appendix 2: MacLeod Watts Age Rating Methodology.....	37
	Appendix 3: MacLeod Watts Mortality Projection Methodology	38
	Glossary	39



A. Executive Summary

This report presents the results of the June 30, 2022, actuarial valuation and the accounting information for financial reporting of the other post-employment benefit (OPEB) program of the Linden-Peters 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 Appendix 1. 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 exhibits and other information relevant for disclosures under GASB 75.

Results of the June 30, 2022, valuation may be applied to prepare the District's GASB 75 report for the fiscal year ending June 30, 2024. If there are any significant changes in plan members, plan benefits or eligibility and/or OPEB funding policy, an earlier valuation might be required or appropriate.

OPEB Obligations of the District

The District offers 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. An actuarial practice note indicated these subsidies should be included in plan liabilities to the extent they are paid by the employer.² We 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) estimated retiree medical claim costs by age and (b) premiums charged for retiree coverage. For more information on this process, see Appendix 2.

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: these plans are treated as if their premiums are age-based due to the nature of the Federal subsidies paid to these plans. 2) Plans with low explicit subsidies to Medicare-covered retirees: in these plans 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 that is 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 General Obligation Municipal Bond 20 Year High Grade Bond. As of the beginning and end of the Measurement Period, use of this index results in discount rates of 2.18% on June 30, 2021, and 4.09% on 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, 2022



Executive Summary

(Concluded)

Updates Since the Prior Report

No benefit changes were reported to MacLeod Watts since the June 2020 valuation was prepared. New employee census and premium data were provided and with this new information, we determined differences between actual and expected results since the prior valuation (referred to as “plan experience”). We also updated certain assumptions used to project the OPEB liability.

The Total OPEB Liability on the current measurement date is lower than that reported one year ago. Section C presents the new valuation results and the impact of the new assumptions and plan experience on the Total OPEB Liability. See *Recognition Period for Deferred Resources* on page 11 for details on how these changes are recognized.

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 is summarized here.

Items	For Reporting At Fiscal Year Ending June 30, 2023
Total OPEB Liability	\$ 2,604,127
Fiduciary Net Position	-
Net OPEB Liability	\$ 2,604,127
<i>Adjustment for Deferred Resources:</i>	
Deferred (Outflows)	(851,984)
Deferred Inflows	1,283,487
Impact on Statement of Net Position	\$ 3,035,630
OPEB Expense, FYE 6/30/2023	\$ 220,082

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.

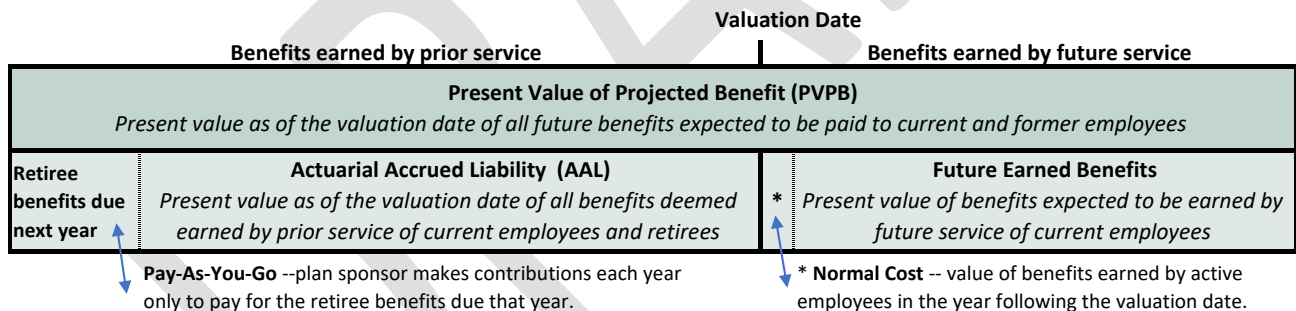


B. Valuation Process

This valuation is based on employee census data and benefits initially submitted to us by the District and clarified in various related communications. A summary of the employee data is provided in Section 1 and a summary of the benefits provided under the Plan is provided in Section 2. While individual employee records have been 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 prepared in accordance with the process described below using the actuarial methods and assumptions described in Section 3 and is consistent with our understanding of Actuarial Standards of Practice.

In projecting benefit values and liabilities, we first determine an expected premium or benefit stream over each current retiree's or active employee's future retirement. Benefits may include both direct employer payments (explicit subsidies) and any implicit subsidies arising when retiree premiums are expected to be partially subsidized by premiums paid for active employees. The projected benefit streams reflect assumed trends in the cost of those benefits and assumptions as to the expected dates when benefits will end. Assumptions regarding the probability that each employee will remain in service to receive benefits and the likelihood that employees will elect coverage for themselves and their dependents are also applied.

We then calculate a present value of these future benefit streams by discounting the value of each future expected employer payment back to the valuation date using the valuation discount rate. This present value is called the **Present Value of Projected Benefits (PVPB)** and represents the current value of all expected future plan payments to current retirees and current active employees. Note that this long-term projection does not anticipate entry of future employees.



The next step in the valuation process splits the Present Value of Projected Benefits into 1) the value of benefits already earned by prior service of current employees and retirees and 2) the value of benefits expected to be earned by future service of current employees. Actuaries employ an "attribution method" to divide the PVPB into prior service liabilities and future service liabilities. For this valuation we used the **Entry Age Normal** attribution method. This method is the most commonly used for government funding purposes and the only attribution method allowed for financial reporting under GASB 75.

We call the value of benefits deemed earned by prior service the **Actuarial Accrued Liability (AAL)**. Benefits deemed earned by service of active employees in a single year is called the **Normal Cost** of benefits. The present value of all future normal costs (PVFNC) plus the Actuarial Accrued Liability will equal the Present Value of Projected Benefits (i.e., $PVPB = AAL + PVFNC$).



Valuation Process

(Concluded)

The District is financing the plan on a pay-as-you-go basis. This policy does not establish a trust to prefund benefits and pays retirees benefits each year as required. Therefore, the **Unfunded Actuarial Accrued Liability (UAAL)** is equal to the Actuarial Accrued Liability. The UAAL represents, as of the valuation date, the present value of benefits already earned by past service that remain unfunded. Future contributions by the District will equal each year’s retiree benefit payments.

Please note that projections of future benefits over such long periods (frequently 70 or more years) which are dependent on numerous assumptions regarding future economic and demographic variables are subject to substantial revision as future events unfold. While we believe that the assumptions and methods used in this valuation are reasonable for the purposes of this report, the costs to the District reflected in this report are subject to future revision, perhaps materially. Demonstrating the range of potential future plan costs was beyond the scope of our assignment except to the limited extent of providing liability information at various discount rates.

Finally, certain actuarial terms and GASB 75 terms may be used interchangeably. We note a few in the table below.

Actuarial Terminology	GASB 75 Terminology
Present Value of Projected Benefits (PVPB)	<i>No equivalent term</i>
Actuarial Accrued Liability (AAL)	Total OPEB Liability (TOL)
Market Value of Assets (MVA)	Fiduciary Net Position
Actuarial Value of Assets (AVA)	<i>No equivalent term</i>
Unfunded Actuarial Accrued Liability (UAAL)	Net OPEB Liability
Normal Cost	Service Cost

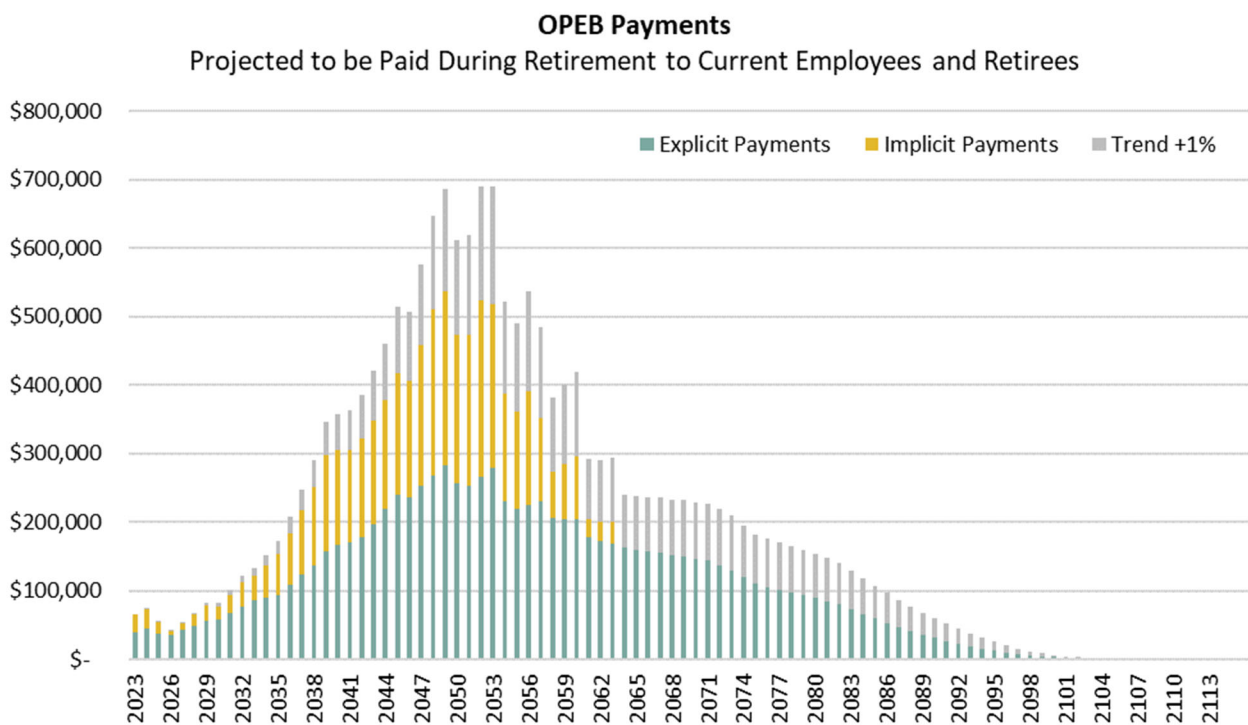


C. Valuation Results as of June 30, 2022

This Section presents the basic results of our recalculation of the OPEB liability using the updated employee data, plan provisions and asset information provided to us for the June 30, 2022, valuation. We described the general process for projecting all future benefits to be paid to retirees and current employees in the preceding Section. Expected annual benefits have been projected using the actuarial assumptions outlined in Supporting Information, Section 3.

Medical coverage is offered and benefits paid for qualifying, enrolled District retirees. Please see Supporting Information, Section 2 for details.

The following graph illustrates the annual other post-employment benefits projected to be paid on behalf of current retirees and current employees expected to retire from the District.



- Amounts shown in green reflect explicit subsidy benefits, i.e., expected payments by the District toward retiree medical premiums.
- Those shown in yellow reflect the implicit subsidy benefits provided for pre-Medicare retirees (i.e., the excess of estimated retiree medical and prescription drug claims over the premiums expected to be charged during the year for retirees' coverage).
- The projections in gray reflect increases in benefit levels if healthcare trend were 1% higher.

The first 15 years of benefit payments from the graph above are shown in tabular form on page 18. Liabilities relating to these projected benefits are shown beginning on the following page.



Valuation Results as of June 30, 2022

(Continued)

This chart compares the results measured as of June 30, 2021, based on the prior valuation, with the results measured as of June 30, 2022, based on the current valuation.

Valuation Date	6/30/2020			6/30/2022		
Fiscal Year Ending	6/30/2022			6/30/2023		
Measurement Date	6/30/2021			6/30/2022		
Discount rate	2.18%			4.09%		
Number of Covered Employees						
Actives	13			13		
Retirees	6			6		
Total Participants	19			19		
OPEB Subsidy Type	Explicit	Implicit	Total	Explicit	Implicit	Total
Actuarial Present Value of Projected Benefits						
Actives	\$ 4,166,595	\$ 1,994,534	\$ 6,161,129	\$ 2,563,599	\$ 1,647,557	\$ 4,211,156
Retirees	531,774	76,399	608,173	401,409	57,870	459,279
Total APVPB	4,698,369	2,070,933	6,769,302	2,965,008	1,705,427	4,670,435
Total OPEB Liability (TOL)						
Actives	1,600,065	738,597	2,338,661	1,286,675	858,173	2,144,848
Retirees	531,774	76,399	608,173	401,409	57,870	459,279
TOL	2,131,838	814,996	2,946,834	1,688,084	916,043	2,604,127
Fiduciary Net Position	-			-		
Net OPEB Liability	2,946,834			2,604,127		
Service Cost						
For the period following the measurement date	140,686	70,857	211,543	88,406	57,778	146,184

The Total OPEB Liability (TOL) decreased by \$342,707 from that reported one year ago. Part of the change in the TOL was expected and some of this change was unexpected. Changes in the TOL are discussed on the following page.



Valuation Results as of June 30, 2022

(Concluded)

Expected changes: The TOL was expected to increase by \$196,908 from normal plan operation, i.e., from additional service and interest costs accruing for the period reduced by benefits paid to retirees.

Unexpected changes decreased the expected TOL by \$539,615 and fall into one of these categories.

- *Benefit provisions* includes any changes to the OPEB plan. The District reported no changes.
- *Plan experience* increased the TOL by \$375,447 and reflects results which are different than expected based on the prior valuation data and assumptions. Most of this change relates to premiums and expected claims higher than expected and employees moving to higher cost plans.
- *Changes in assumptions* collectively decreased the TOL by \$915,062. The chart below shows the impact of each change. For more details, please see “Changes in Assumptions recognized During the Current Measurement Period” at the end of Supporting Information, Section 3.

This chart reconciles the TOL measured on June 30, 2021, to the TOL measured on June 30, 2022.

Reconciliation of Changes During Measurement Period	Total OPEB Liability
Balance at Fiscal Year Ending 6/30/2022 <i>Measurement Date 6/30/2021</i>	\$ 2,946,834
Expected Changes During the Period:	
Service Cost	211,543
Interest Cost	67,952
Benefit Payments	(82,587)
Total Expected Changes During the Period	196,908
Expected at Fiscal Year Ending 6/30/2023 <i>Measurement Date 6/30/2022</i>	\$ 3,143,742
Unexpected Changes During the Period:	
<i>Plan Experience:</i>	
Premiums and Estimated Claims Other Than Expected	251,567
Active Employees Switching To Higher Cost Medical Plans	105,772
Retirements, Deaths and Turnover Other Than Expected	9,721
Other Plan Experience	8,387
<i>Assumption Changes:</i>	
Update To Discount Rate From 2.18% To 4.09%	(876,411)
Change in Healthcare Trend	(83,090)
Updated Demographic Assumptions	64,567
Added Pool Subsidy Liability For Medicare Retirees	(20,128)
Total Unexpected Changes During the Period	(539,615)
Balance at Fiscal Year Ending 6/30/2023 <i>Measurement Date 6/30/2022</i>	\$ 2,604,127



D. 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>	Linden-Peters Fire Protection District
Items Impacting Net Position:	
Total OPEB Liability	\$ 2,604,127
Fiduciary Net Position	-
Net OPEB Liability (Asset)	<u>2,604,127</u>
<i>Deferred (Outflows) Due to:</i>	
Assumption Changes	(446,533)
Plan Experience	(339,066)
Investment Experience	-
Deferred Contributions	(66,385)
<i>Deferred Inflows Due to:</i>	
Assumption Changes	906,412
Plan Experience	377,075
Investment Experience	-
Impact on Statement of Net Position, FYE 6/30/2023	<u>\$ 3,035,630</u>
Items Impacting OPEB Expense:	
Service Cost	\$ 211,543
Cost of Plan Changes	-
Interest Cost	67,952
Expected Earnings on Assets	-
<i>Recognition of Deferred Outflows:</i>	
Assumption Changes	53,077
Plan Experience	36,381
Investment Experience	-
<i>Recognition of Deferred (Inflows):</i>	
Assumption Changes	(103,767)
Plan Experience	(45,104)
Investment Experience	-
OPEB Expense, FYE 6/30/2023	<u>\$ 220,082</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	\$ 2,946,834	\$ 2,604,127	\$ (342,707)
Fiduciary Net Position	-	-	-
Net OPEB Liability (Asset)	2,946,834	2,604,127	(342,707)
<i>Deferred (Outflows) Due to:</i>			
Assumption Changes	(499,610)	(446,533)	53,077
Plan Experience	-	(339,066)	(339,066)
Investment Experience	-	-	-
Deferred Contributions	(82,587)	(66,385)	16,202
<i>Deferred Inflows Due to:</i>			
Assumption Changes	95,117	906,412	811,295
Plan Experience	422,179	377,075	(45,104)
Investment Experience	-	-	-
Impact on Statement of Net Position	<u>\$ 2,881,933</u>	<u>\$ 3,035,630</u>	<u>\$ 153,697</u>

Change in Net Position During the Fiscal Year

Impact on Statement of Net Position, FYE 6/30/2022	\$ 2,881,933
OPEB Expense (Income)	220,082
Linden-Peters FPD Contributions During Fiscal Year	<u>(66,385)</u>
Impact on Statement of Net Position, FYE 6/30/2023	<u>\$ 3,035,630</u>

OPEB Expense

Linden-Peters FPD Contributions During Fiscal Year	\$ 66,385
Deterioration (Improvement) in Net Position	<u>153,697</u>
OPEB Expense (Income), FYE 6/30/2023	<u>\$ 220,082</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 ("EARSLS"). The EARSLS of 10.32 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.

The liability changes attributable to the reported benefit change occurring during the period will be 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.

Linden-Peters Fire Protection District	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 446,533	\$ 906,412
Differences Between Expected and Actual Experience	339,066	377,075
Net Difference Between Projected and Actual Earnings on Investments	-	-
Deferred Contributions	66,385	-
Total	\$ 851,984	\$ 1,283,487

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	\$ (59,413)
2025	(59,413)
2026	(59,413)
2027	(59,413)
2028	(59,413)
Thereafter	(200,823)



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 6.5% (increase effective January 1, 2025) 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)	3,022,794	2,604,127	2,255,900
Increase (Decrease)	418,667		(348,227)
% Increase (Decrease)	16.1%		-13.4%
Change in Healthcare Cost Trend Rate	Current Trend - 1%	Current Trend	Current Trend + 1%
Net OPEB Liability (Asset)	2,156,642	2,604,127	3,179,495
Increase (Decrease)	(447,485)		575,368
% Increase (Decrease)	-17.2%		22.1%



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 in the table.

Fiscal Year Ending	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
<i>Measurement Date</i>	<i>6/30/2022</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>	4.09%	2.18%	2.66%	2.79%	2.98%	3.13%
Total OPEB liability						
Service Cost	\$ 211,543	\$ 182,202	\$ 164,524	\$ 151,962	\$ 142,430	\$ 154,348
Interest	67,952	71,772	77,617	75,574	73,146	63,363
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	375,447	-	(512,387)	-	-	-
Changes of assumptions	(915,062)	221,728	249,150	81,775	49,610	(170,607)
Benefit payments	(82,587)	(89,736)	(70,992)	(80,875)	(70,312)	(54,778)
Net change in total OPEB liability	(342,707)	385,966	(92,088)	228,436	194,874	(7,674)
Total OPEB liability - beginning	2,946,834	2,560,868	2,652,956	2,424,520	2,229,646	2,237,320
Total OPEB liability - ending (a)	\$ 2,604,127	\$ 2,946,834	\$ 2,560,868	\$ 2,652,956	\$ 2,424,520	\$ 2,229,646
Plan fiduciary net position - beginning	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability - ending (a) - (b)	\$ 2,604,127	\$ 2,946,834	\$ 2,560,868	\$ 2,652,956	\$ 2,424,520	\$ 2,229,646
Covered-employee payroll	\$ 1,601,154	\$ 1,513,475	\$ 1,283,459	\$ 1,079,132	\$ 1,187,584	\$ 1,097,419
Net OPEB liability as % of covered payroll	162.64%	194.71%	199.53%	245.84%	204.16%	203.17%



Accounting Information
(Continued)

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

Fiscal Year Ending	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
<i>Measurement Date</i>	<i>6/30/2022</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>	4.09%	2.18%	2.66%	2.79%	2.98%	3.13%

Summary of methods and assumptions used in the valuation:

<i>Valuation Date:</i>	6/30/2022	6/30/2020	6/30/2018
Actuarial cost method	Entry Age Normal Level % of Pay	Entry Age Normal Level % of Pay	Entry Age Normal Level % of Pay
Inflation	2.5% per year	2.5% per year	2.75% per year
Healthcare cost trend rates	6.5% grading to 3.9% by 2075	5.8% grading to 4.0% by 2076	7.50% grading to 5.0% by 2024
Salary increases	3.0% per year	3.0% per year	3.25% per year
Retirement age	Ages 50 - 75	Ages 50 - 75	Ages 50 - 75
Mortality	2021 CalPERS Experience Study	2017 CalPERS Experience Study	2014 CalPERS Experience Study
Mortality Improvement	MW Scale 2022	MW Scale 2020	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.

Linden-Peters Fire Protection District	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)	(d) Deferred Outflows:				(e) Deferred Inflows:			Impact on Statement of Net Position (f) = (c) - (d) + (e)
				Assumption Changes	Plan Experience	Investment Experience	Deferred Contributions	Assumption Changes	Plan Experience	Investment Experience	
Balance at Fiscal Year Ending 6/30/2022 <i>Measurement Date 6/30/2021</i>	\$ 2,946,834	\$ -	\$ 2,946,834	\$ 499,610	\$ -	\$ -	\$ 82,587	\$ 95,117	\$ 422,179	\$ -	\$ 2,881,933
Changes During the Period:											
Service Cost	211,543		211,543								211,543
Interest Cost	67,952		67,952								67,952
Expected Investment Income		-	-								-
Linden-Peters FPD Contributions		82,587	(82,587)								(82,587)
Changes of Benefit Terms	-		-								-
Benefit Payments	(82,587)	(82,587)	-								-
Assumption Changes	(915,062)		(915,062)					915,062			-
Plan Experience	375,447		375,447		375,447						-
Investment Experience		-	-								-
Recognized Deferred Resources				(53,077)	(36,381)	-	(82,587)	(103,767)	(45,104)		23,174
Contributions After Measurement Date							66,385				(66,385)
Net Changes in Fiscal Year 2022-2023	(342,707)	-	(342,707)	(53,077)	339,066	-	(16,202)	811,295	(45,104)	-	153,697
Balance at Fiscal Year Ending 6/30/2023 <i>Measurement Date 6/30/2022</i>	\$ 2,604,127	\$ -	\$ 2,604,127	\$ 446,533	\$ 339,066	\$ -	\$ 66,385	\$ 906,412	\$ 377,075	\$ -	\$ 3,035,630



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 OPEB Expense is shown below. Deferred Contributions are not shown.

Measurement Date: June 30, 2022

Deferred Outflow or (Inflow)						Balance as of Jun 30, 2022	Recognition of Deferred Outflow or Deferred (Inflow) in Measurement Period:						
Date Created	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)	Thereafter
6/30/2017	Assumption Changes	Decreased NOL	\$ (170,607)	11.30	\$ (15,098)	\$ (80,019)	\$ (15,098)	\$ (15,098)	\$ (15,098)	\$ (15,098)	\$ (15,098)	\$ (15,098)	\$ (4,529)
6/30/2018	Assumption Changes	Increased NOL	49,610	11.30	4,390	27,660	4,390	4,390	4,390	4,390	4,390	4,390	5,710
6/30/2019	Assumption Changes	Increased NOL	81,775	11.30	7,237	52,827	7,237	7,237	7,237	7,237	7,237	7,237	16,642
6/30/2020	Plan Experience	Decreased NOL	(512,387)	11.36	(45,104)	(377,075)	(45,104)	(45,104)	(45,104)	(45,104)	(45,104)	(45,104)	(151,555)
6/30/2020	Assumption Changes	Increased NOL	249,150	11.36	21,932	183,354	21,932	21,932	21,932	21,932	21,932	21,932	73,694
6/30/2021	Assumption Changes	Increased NOL	221,728	11.36	19,518	182,692	19,518	19,518	19,518	19,518	19,518	19,518	85,102
6/30/2022	Plan Experience	Increased NOL	375,447	10.32	36,381	339,066	36,381	36,381	36,381	36,381	36,381	36,381	157,161
6/30/2022	Assumption Changes	Decreased NOL	(915,062)	10.32	(88,669)	(826,393)	(88,669)	(88,669)	(88,669)	(88,669)	(88,669)	(88,669)	(383,048)



Accounting Information

(Continued)

District Contributions to the Plan

District contributions to the Plan occur as benefits are paid to or on behalf of retirees. 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”). Note that the implicit subsidy contribution does not represent cash payments to retirees, but rather the reclassification of a portion of active healthcare expense to be recognized as a retiree healthcare cost. For details, see Appendix 1: Important Background Information.

All District OPEB contributions during the measurement period were in the form of retiree benefit payments, as shown below.

For the Measurement Period, Jul 1, 2021 thru Jun 30, 2022	Linden-Peters Fire Protection District	
Benefits Paid to Retirees	\$	49,278
Implicit Subsidy Payment		33,309
<i>Total Contributions During the Measurement Period</i>		82,587

Benefits payments made by the District in the year following the measurement date but prior to the end of the fiscal year are shown below.

For the Fiscal Year, Jul 1, 2022 thru Jun 30, 2023	Linden-Peters Fire Protection District	
Benefits Paid to Retirees	\$	40,475
Implicit Subsidy Payment		25,910
<i>Total Contributions During the Current Fiscal Year</i>		66,385



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. The 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	\$ 40,475	\$ -	\$ 40,475	\$ 25,910	\$ -	\$ 25,910	\$ 66,385
2024	42,082	2,984	45,066	27,577	1,328	28,905	73,971
2025	32,503	4,833	37,336	14,779	2,357	17,136	54,472
2026	22,884	12,157	35,041	-	5,908	5,908	40,949
2027	23,773	19,160	42,933	-	10,358	10,358	53,291
2028	24,614	24,882	49,496	-	15,806	15,806	65,302
2029	25,436	30,892	56,328	-	22,466	22,466	78,794
2030	26,236	31,173	57,409	-	19,501	19,501	76,910
2031	27,007	40,204	67,211	-	26,555	26,555	93,766
2032	27,735	48,620	76,355	-	35,243	35,243	111,598
2033	28,423	57,260	85,683	-	35,283	35,283	120,966
2034	23,608	67,182	90,790	-	46,534	46,534	137,324
2035	18,417	76,153	94,570	-	58,811	58,811	153,381
2036	18,591	89,765	108,356	-	74,503	74,503	182,859
2037	18,719	105,241	123,960	-	92,988	92,988	216,948

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 section reflect the estimated excess of retiree medical and prescription drug claims over the premiums expected to be charged during the year for retirees’ coverage for those currently retired and those expected to retire in the future. The District is expected to provide these pre-Medicare implicit subsidy benefits to retirees in the form of higher active employee premiums than would be charged if no retirees were pooled with the active members.



Accounting Information

(Concluded)

Sample Journal Entries

OPEB Accounts at Beginning of Fiscal Year	By Source		Sources Combined	
	Debit	Credit	Debit	Credit
Net OPEB Liability		2,946,834		2,946,834
<i>Deferred Outflow:</i>				
Assumption Changes	499,610			
Plan Experience	-			
Investment Experience	-			
Contribution Subsequent to MD	82,587			
Deferred Outflows			582,197	
<i>Deferred Inflow:</i>				
Assumption Changes		95,117		
Plan Experience		422,179		
Investment Experience		-		
Deferred Inflows				517,296
Record Benefits Paid to Retirees	Debit		Credit	
Net OPEB Liability	40,475			
Cash			40,475	
Record Implicit Subsidy Payment	Debit		Credit	
Net OPEB Liability	25,910			
Premium Expense			25,910	
Record End of Year Updates to OPEB Accounts	Debit	Credit	Debit	Credit
Net OPEB Liability	276,322		276,322	
<i>Deferred Outflow:</i>				
Assumption Changes		53,077		
Plan Experience	339,066			
Investment Experience				
Contribution Subsequent to MD		16,202		
Deferred Outflows			269,787	
<i>Deferred Inflow:</i>				
Assumption Changes		811,295		
Plan Experience	45,104			
Investment Experience	-			
Deferred Inflows				766,191
OPEB Expense	220,082		220,082	



E. 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.

DRAFT



F. 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 Linden-Peters 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 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: October 31, 2023

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

Michael J. Papendieck, EA, ACA, MAAA



G. Supporting Information

Section 1 - Summary of Employee Data

Active employees: The District reported 13 active members in the data provided to us for the June 2022 valuation. Of these, all 13 were enrolled in the medical program as of the valuation date.

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							0	0%
25 to 29		1					1	8%
30 to 34		1	1	2			4	31%
35 to 39			1		2		3	23%
40 to 44						1	1	8%
45 to 49			1		1	1	3	23%
50 to 54							0	0%
55 to 59			1				1	8%
60 to 64							0	0%
65 to 69							0	0%
70 & Up							0	0%
Total	0	2	4	2	3	2	13	100%
Percent	0%	15%	31%	15%	23%	15%	100%	

Valuation	June 2020	June 2022
Average Attained Age for Actives	37.3	39.3
Average Years of Service	10.8	12.8

Retirees: There were 6 retirees receiving benefits under this program on the valuation date. Their ages are summarized in this chart.

Retirees by Age		
Current Age	Number	Percent
Below 50	0	0%
50 to 54	0	0%
55 to 59	0	0%
60 to 64	2	33%
65 to 69	2	33%
70 to 74	1	17%
75 to 79	0	0%
80 & up	1	17%
Total	6	100%
Average Age:		
On 6/30/2022	69.03	
At retirement	52.56	



Supporting Information

(Continued)

Section 1 - Summary of Employee Data

(continued)

The chart below shows the number of actives and retirees included in the June 30, 2020, valuation with those included in the June 30, 2022, valuation. There were no material changes to the employee or retiree population between valuations.

Reconciliation of District Plan Members Between Valuation Dates					
Status	Covered Actives	Waiving Actives	Covered Retirees	Covered Surviving Spouses	Total
Number reported as of June 30, 2020	13	0	4	2	19
Number reported as of June 30, 2022	13	0	4	2	19

Summary of Plan Member Counts: GASB 75 requires the employer to report specific plan member counts. The chart below shows these counts as of the June 30, 2022, valuation date.

Summary of Plan Member Counts	
Number of active plan members	13
Number of inactive plan members currently receiving benefits	6
Number of inactive plan members entitled to but not receiving benefits	1



Supporting Information

(Continued)

Section 2 - Summary of Retiree Benefit Provisions

OPEB provided: The District reported that the only OPEB provided is retiree medical 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, for miscellaneous PEPRAs members) 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. It is the timing of initiating retirement benefits and not timing of enrollment in the medical program which determines whether a District retiree qualifies for lifetime medical coverage and any benefits defined in the PEMHCA resolution. 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. Dependents are also eligible for coverage.

PEMHCA Benefits provided: As a PEMHCA employer, the District is obligated to contribute toward the cost of retiree medical coverage for the retiree’s lifetime or until coverage is discontinued and for the lifetime of a surviving spouse, if the spouse also receives survivor pension benefits. The current PEMHCA resolution with CalPERS which provides for the District to contribute the statutory minimum employer contribution (MEC)³. The MEC is \$151 in 2023 and will increase to \$157 per month in 2024.

Additional Retiree Medical Benefits: Employees who retire with 5 or more years of District service receive a higher benefit for a fixed number of years, based on their years of District service. During this period, the District will pay 100% of the retiree only premium (no dependents) up to \$1,600 per month.

Years of LPFD Service	# Years for Higher Retiree Medical Benefits	Years of LPFD Service	# Years for Higher Retiree Medical Benefits
At least 5	2	25 but under 30	16
10 but under 15	4	30 but under 35	22
15 but under 20	7	35 but under 40	29
20 but under 25	11	40 or more	37

Current premium rates: The 2024 CalPERS monthly medical plan rates in the Region 1 rate group are shown in the table below. Rates for other plans selected were used but are not shown below.

Region 1 2024 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	\$ 1,339.70	\$ 2,679.40	\$ 3,483.22	\$ 405.83	\$ 811.66	\$ 1,217.49
Blue Shield Access+ HMO & EPO	1,076.84	2,153.68	2,799.78	392.68	785.36	1,178.04
Kaiser HMO*	1,021.41	2,042.82	2,655.67	386.55	773.10	1,159.65
PERS Platinum PPO	1,314.27	2,628.54	3,417.10	448.15	896.30	1,344.45
PERS Gold PPO	914.82	1,829.64	2,378.53	406.60	813.20	1,219.80

*Medicare rates shown are for Kaiser Medicare Advantage Summit

³ It is our understanding that there is a pre-tax flexible benefit plan in place for active employees, providing health benefits in excess of the MEC and that PEMHCA does not require these additional payments be provided to retirees.



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

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

Valuation Methods

Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	N/A; the plan is not being funded through a trust
Participants Valued	Only current active employees, retired participants and covered dependents are valued. No future entrants are included.

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 of this report.

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 for pre-Medicare retirees are shown in the chart on the following page.

Medicare-eligible retirees are covered by plans which are rated solely on the experience of Medicare retirees with no subsidy by active employee premiums. We applied actual premium rates for Medicare Advantage plans and age-based premiums for Medicare Supplement plans, as shown on the following page.



Supporting Information
 (Continued)

Section 3 - Actuarial Methods and Assumptions

Development of Age-related
 Medical Premiums (concluded)

Expected Monthly Claims by Medical Plan for Selected Ages - Male													
Region	Medical Plan	Non-Medicare Retirees					Medicare Retirees						
		50	53	56	59	62	65	70	75	80	85	90	95
Region 1	Anthem Traditional HMO	\$ 1,295	\$ 1,527	\$ 1,774	\$ 2,033	\$ 2,311	<i>Claims not developed for Medicare Advantage plans</i>						
	Blue Shield Access+ HMO & Blue Shield EPO	1,186	1,398	1,624	1,861	2,116	<i>Claims not developed for Medicare Advantage plans</i>						
	Kaiser HMO	934	1,102	1,280	1,467	1,667	<i>Claims not developed for Medicare Advantage plans</i>						
	PERS Gold PPO	886	1,045	1,213	1,391	1,581	349	391	425	445	439	420	416
	PERS Platinum PPO	1,299	1,531	1,779	2,039	2,318	381	427	464	486	480	458	454
Out of State	PERS Platinum	819	965	1,121	1,285	1,461	381	427	464	486	480	458	454
Expected Monthly Claims by Medical Plan for Selected Ages - Female													
Region	Medical Plan	Non-Medicare Retirees					Medicare Retirees						
		50	53	56	59	62	65	70	75	80	85	90	95
Region 1	Anthem Traditional HMO	\$ 1,605	\$ 1,763	\$ 1,897	\$ 2,049	\$ 2,259	<i>Claims not developed for Medicare Advantage plans</i>						
	Blue Shield Access+ HMO & Blue Shield EPO	1,469	1,614	1,736	1,876	2,068	<i>Claims not developed for Medicare Advantage plans</i>						
	Kaiser HMO	1,158	1,272	1,368	1,479	1,630	<i>Claims not developed for Medicare Advantage plans</i>						
	PERS Gold PPO	1,098	1,206	1,298	1,402	1,546	335	378	410	428	432	423	416
	PERS Platinum PPO	1,609	1,768	1,902	2,055	2,266	365	413	447	467	471	462	454
Out of State	PERS Platinum	1,014	1,114	1,199	1,295	1,428	365	413	447	467	471	462	454



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% for all plan liabilities as of June 30, 2022 2.18% for all plan liabilities 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.
Healthcare Trend	Medical plan premiums and estimated 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
2024	Actual	2040-2043	4.8%
2025	6.5%	2044-2049	4.7%
2026	6.0%	2050-2059	4.6%
2027	5.5%	2060-2065	4.5%
2028	5.4%	2066-2067	4.4%
2029	5.3%	2068-2069	4.3%
2030	5.2%	2070	4.2%
2031	5.1%	2071-2072	4.1%
2032-2037	5.0%	2073-2074	4.0%
2038-2039	4.9%	2075 & Later	3.9%

The healthcare trend shown above was developed using the Getzen Model 2023 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 2032 20%; Resistance Point 21%; Year after which medical growth is limited to growth in GDP 2075.

The required PEMHCA minimum employer contribution (MEC) is assumed to increase annually by 4.0%.

Limit on District Cost-Sharing	The maximum contribution paid by the District toward retiree medical coverage is assumed to increase at the same trend rates shown above.
--------------------------------	---

Medicare Eligibility	Absent contrary data, all individuals are assumed to be eligible for Medicare Parts A and B at age 65.
----------------------	--



Supporting Information

(Continued)

Section 3 - Actuarial Methods and Assumptions

Participant Election Assumptions

Participation Rate	<p><i>Active employees:</i> 100% of those currently enrolled and 50% of those not currently enrolled are assumed to elect medical coverage through the District in retirement.</p> <p><i>Retired participants:</i> Existing medical plan elections are assumed to be continued until retiree's death</p>
Spouse Coverage	<p><i>Active employees:</i> 70% of employees are assumed to be married and to elect coverage for their spouse in retirement. Surviving spouses are assumed to keep 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>

Demographic Assumptions

Demographic actuarial assumptions used in this valuation are based on the 2021 experience study of the California Public Employees Retirement System using data from 1997 to 2019, except for a different basis used to project future mortality improvements. Rates for selected age and service are shown below and on the following pages. The representative mortality rates were the published CalPERS rates, then projected as described below.

Mortality Improvement	MacLeod Watts Scale 2022 applied generationally from 2017 (see Appendices)
Mortality Before Retirement (before improvement applied)	

CalPERS Public Agency Police & Fire Combined Industrial & Non-Industrial		
Age	Male	Female
15	0.00018	0.00010
20	0.00042	0.00016
30	0.00047	0.00028
40	0.00061	0.00047
50	0.00102	0.00081
60	0.00246	0.00168
70	0.00673	0.00398
80	0.02247	0.01565



Supporting Information
(Continued)

Section 3 - Actuarial Methods and Assumptions

Mortality After Retirement
(before improvement applied)

Healthy Lives			Disabled Fire		
CalPERS Public Agency Miscellaneous, Police & Fire Post Retirement Mortality			CalPERS Public Agency Disabled Fire Post- Retirement Mortality		
Age	Male	Female	Age	Male	Female
40	0.00075	0.00039	20	0.00173	0.00071
50	0.00271	0.00199	30	0.00243	0.00144
60	0.00575	0.00455	40	0.00331	0.00267
70	0.01340	0.00996	50	0.00602	0.00456
80	0.04380	0.03403	60	0.01117	0.00982
90	0.14539	0.11086	70	0.02352	0.01950
100	0.36198	0.31582	80	0.06090	0.05252
110	1.00000	1.00000	90	0.16745	0.12819

Termination Rates

These rates reflect the assumed probability that an employee will leave the District in the next 12 months for reasons other than a service or disability retirement or death.

Male Fire Safety Employees: Sum of Vested Terminated & Refund Rates From CalPERS Experience Study Report Issued November 2021						
Attained Age	Years of Service					
	0	3	5	10	15	20
15	0.1022	0.0000	0.0000	0.0000	0.0000	0.0000
20	0.1022	0.0272	0.0181	0.0000	0.0000	0.0000
25	0.1022	0.0272	0.0181	0.0081	0.0000	0.0000
30	0.1022	0.0272	0.0181	0.0081	0.0048	0.0000
35	0.1022	0.0272	0.0181	0.0081	0.0048	0.0035
40	0.1022	0.0272	0.0181	0.0081	0.0048	0.0035
45	0.1022	0.0272	0.0181	0.0081	0.0048	0.0035

Female Fire Safety Employees: Sum of Vested Terminated & Refund Rates From CalPERS Experience Study Report Issued November 2021						
Attained Age	Years of Service					
	0	3	5	10	15	20
15	0.1317	0.0000	0.0000	0.0000	0.0000	0.0000
20	0.1317	0.0524	0.0438	0.0000	0.0000	0.0000
25	0.1317	0.0524	0.0438	0.0164	0.0000	0.0000
30	0.1317	0.0524	0.0438	0.0164	0.0120	0.0000
35	0.1317	0.0524	0.0438	0.0164	0.0120	0.0088
40	0.1317	0.0524	0.0438	0.0164	0.0120	0.0088
45	0.1317	0.0524	0.0438	0.0164	0.0120	0.0088



Supporting Information
(Continued)

Section 3 - Actuarial Methods and Assumptions

Service Retirement Rates

The following **fire** retirement formulas apply:

Classic, hired prior to 7/1/2011:	3% @ 50
Classic, hired on/after 7/1/2011:	3% @ 55
PEPRA:	2.7% @ 57

Sample rates of assumed future retirements applicable to each of these retirement benefit formulas are shown in tables below. Each rate reflects the probability that an employee with that age and service will take a service retirement in the next 12 months.

Fire Safety Employees: 3.0% at 50 formula						
From CalPERS Experience Study Report Issued November 2021						
Current Age	Years of Service					
	5	10	15	20	25	30
50	0.0950	0.0480	0.0530	0.0930	0.1340	0.1750
53	0.0850	0.0440	0.0490	0.0890	0.1290	0.1700
56	0.1330	0.1030	0.0750	0.1130	0.1510	0.2090
59	0.0920	0.0710	0.0780	0.1440	0.1920	0.2330
62	0.2920	0.2270	0.1640	0.2050	0.2410	0.2690
65 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Fire Safety Employees: 3.0% at 55 formula						
From CalPERS Experience Study Report Issued November 2021						
Current Age	Years of Service					
	5	10	15	20	25	30
50	0.0030	0.0060	0.0130	0.0190	0.0250	0.0280
53	0.0050	0.0340	0.0240	0.0380	0.0690	0.1380
56	0.0100	0.0630	0.0440	0.0690	0.1270	0.2530
59	0.1370	0.0530	0.0840	0.1460	0.1770	0.1770
62	0.6210	0.2400	0.2400	0.2400	0.2400	0.2400
65 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Fire Safety Employees: 2.7% at 57 formula						
From CalPERS Experience Study Report Issued November 2021						
Current Age	Years of Service					
	5	10	15	20	25	30
50	0.0070	0.0070	0.0070	0.0070	0.0100	0.0150
53	0.0440	0.0440	0.0440	0.0440	0.0680	0.1020
56	0.0740	0.0740	0.0740	0.0740	0.1140	0.1710
59	0.0730	0.0730	0.0730	0.0730	0.1120	0.1680
62	0.1140	0.1140	0.1140	0.1140	0.1750	0.2620
65 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000



Supporting Information
 (Concluded)

Section 3 - Actuarial Methods and Assumptions

Disability Retirement Rates

CalPERS Public Agency Fire Combined Disability From Nov 2021 Experience Study Report	
Age	Unisex
20	0.00013
25	0.00027
30	0.00064
35	0.00127
40	0.00233
45	0.00414
50	0.02118
55	0.03120
60	0.04429

Software and Models Used in the Valuation

ProVal - MacLeod Watts utilizes ProVal, a licensed actuarial valuation software product from Winklevoss Technologies (WinTech) to project future retiree benefit payments and develop the OPEB liabilities presented in this report. ProVal is widely used by the actuarial community. We review results at the plan level and for individual sample lives and find them to be reasonable and consistent with the results we expect. We are not aware of any material inconsistencies or limitations in the software that would affect this actuarial valuation.

Age-based premiums model – developed internally and reviewed by an external consultant at the time it was developed. See discussion on Development of Age-Related Medical Premiums and Appendix 3.

Getzen model – published by the Society of Actuaries; used to derive medical trend assumptions described earlier in this section.

Changes recognized during the current Measurement Date

Discount Rate Changed from 2.18% as of June 30, 2021, to 4.09% as of June 30, 2022, based on the published change in return for the applicable municipal bond index.

Demographic Assumptions Updated demographic assumptions from those in the 2019 CalPERS experience study to those recommended in the CalPERS 2021 Experience Study report issued November 2021.

The mortality improvement scale was updated from MacLeod Watts Scale 2020 to MacLeod Watts Scale 2022 (see Appendix 3), reflecting continued updates in available information.

Medical Trend Updated from Getzen 2022_b to Getzen 2023 healthcare trend model sponsored by the Society of Actuaries.

Pool Subsidy for Medicare Retirees We applied age-based premiums and developed a liability for the projected pool subsidy for retirees enrolled in Medicare plans, under guidance provided by a new actuarial practice note.



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		Covered by higher active premiums
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 Section 1 and a summary of the benefits provided under the Plan is provided in Section 2. While individual employee records have been 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 also 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 estimated 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 estimated 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.



(Concluded)

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.

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 used in generating 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 in 2045 which is reflected in the MacLeod Watts scale for years 2045 and thereafter. Over the ages 95 to 117, the age 95 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

Deferred Contributions – When an employer makes contributions after the measurement date and prior to the fiscal year end, recognition of these contributions is deferred to a subsequent accounting period by creating a deferred resource. We refer to these contributions as Deferred Contributions.

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.



(Continued)

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.

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

