

MARINWOOD COMMUNITY SERVICES DISTRICT
Emergency Services Succession Committee
Meeting Agenda

Tuesday November 7, 2017- 5:30PM

Marinwood Community Center, 775 Miller Creek Road, San Rafael, CA 94903

Item	Time	Description	Action
A.	5:30 PM	Call to Order	
B.	5:35 PM	Review Agenda	Adopt
C.	5:40 PM	Minutes of October 3, 2017 ESS Committee Meeting	Approve
D.	5:45 PM	Committee Membership Update	Appoint
E.	5:50 PM	Committee Reports	Discuss
		1. Financial Trends and Drivers	Discuss
		2. Operational Considerations	Discuss
		3. Template of Services/Costs	Discuss
		4. Administrative and Legal Planning	Discuss
F.	6:40 PM	Additional Items for Discussion and Evaluation	Discuss
G.	6:45 PM	Public Comment on Non-Agenda Items* <i>Speakers are asked to limit comments to three minutes. Speakers may comment only on non-agenda items within the subject matter of the Committee. The Committee may not take action on, consider or debate items not on the agenda except under narrow circumstances meeting statutory tests. Response to comments on non-agenda items will be limited to factual information or clarifying questions from Committee members. The Chairperson(s) may refer the matter to a future meeting agenda.</i>	
H.	6:50 PM	Requests for Future Agenda Items	Discuss
I.	6:55 PM	Adjournment	

*Time for public comment will be provided at the end of each agenda item. The presiding chair may limit the time for individual comments.

Requests for disability-related modifications or accommodations, aids or services may be made to the district office no later than 72 hours prior to the meeting by contacting (415) 479-0775

MARINWOOD COMMUNITY SERVICES DISTRICT
Emergency Services Succession Committee
Meeting Minutes

Tuesday October 3, 2017- 5:30PM

Marinwood Community Center, 775 Miller Creek Road, San Rafael, CA 94903

Attendees: Leah Green, Eric Dreikosen, Tom Roach, Brandon Selvitella, Greg Stilson, Jeff Naylor
 Others: Ryan Brackett, Sean Day, John Papanikolaou, Linda Barnello

Description
Meeting called to Order at 5:33PM
Review Agenda-Adopted as presented
Introduce/Appoint New Committee Members Greg Stilson and Dan Curran appointed as recommended by the fire commission. Dan was unable to attend.
Mission and By-Laws Overview Concern brought by Brandon about language in Section E preventing a committee member from voting if he or she has a proprietary interest in the outcome. This issue will be presented to the board to determine if bylaws should be amended.
Rosenberg's Rules and Communication with Committee Eric to set up an ess@marinwood.org email for communication with committee and act as the distributor of emails to various investigation teams or the co-chairs as necessary. Reports/Status for future meetings to Eric by Wednesday before the meeting or no later than Thursday at noon to make it into the meeting packet.
Committee Focus
Who are Stakeholders in this Succession Plan? <ul style="list-style-type: none"> • Marinwood taxpayers, citizens and businesses • Communities/entities who pay us fees for emergency services • Neighboring communities covered under Mutual Aid/JPA's • Employees • Retirees • Emergency Service Volunteers • LAFCO <p>Additional stakeholders such as County Supervisors may be consulted and would likely be stakeholders when the Board votes on a direction. Eric reported that Marin LAFCO's Executive officer Keene Simonds has recently resigned his position.</p>
Define Financial trends and drivers Supply 5 years past and 5 forecast years showing trends, what is driving the trends and defining a baseline of the impact of maintaining the status quo.
Consider all Potential Outcomes/ Identify Investigation Topics/Assignments Discussion of potential outcomes identified the following efforts and team assignments Financial Trends and Drivers – Eric, Jeff and Greg Evaluate Operational Considerations- Tom, Jeff and Greg Define Template of services/costs to use in discussions with potential service providers- Tom, Eric and Brandon Discussions with other departments can include San Rafael, Novato and County Fire and could include mergers, outsourcing and leveraging shared services. – Leah and Tom Administrative and Legal Planning for alternative solutions- Leah, Tom and Eric

Public Comment on Non-Agenda Items*

Recommendation to keep an open mind about mergers

Comment that the Marinwood Fire Station is listed as a "must have" station.

There was a question about the open public committee members.

The committee discussed getting the word out for public volunteers but work will proceed with the seven current members.

A question arose as to why there is not a second firefighter on the committee. The committee composition was approved by the board and any change must be approved by that body.

Requests for Future Agenda Items

The request was to be ready for status or steps/timelines on the various assignments for the next meeting.

Meeting adjourned at 7:04PM

Emergency Service Succession

Financial Trends and Drivers

Financial Trends and Drivers

- Status
 - One team meeting
 - Initiated financial trends document
 - 5 years of history, 5 years of forecasts
 - Objective: Educate our community about
 - the sources of and limits to District revenues
 - the financial risks to our community's services
 - focus on Emergency Service affordability

Uncontrolled Pension Costs

		Forecast Annual Pension Cash Outlay District Wide									
		2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25			
Projected Misc Grand Totals Based on 2014 CalPERS Actuarial Valuation		\$100,234.28	\$110,034.28	\$82,955.28	\$87,216.28	\$0.00	\$0.00	\$0.00			
Projected Safety Grand Totals Based on 2014 CalPERS Actuarial Valuation		\$384,818.70	\$416,059.70	\$431,309.70	\$447,410.70	\$0.00	\$0.00	\$0.00			
District Total Based on 2014 Actuarial Valuation		\$485,052.97	\$526,093.97	\$514,264.97	\$534,626.97						
Projected Misc Grand Totals Based on 2015 CalPERS Actuarial Valuation		\$128,878.99	\$143,149.99	\$108,276.48	\$130,049.99	\$123,583.99	\$0.00	\$0.00			
Projected Safety Grand Totals Based on 2015 CalPERS Actuarial Valuation		\$419,743.06	\$461,594.06	\$464,768.58	\$516,075.06	\$537,304.06	\$0.00	\$0.00			
District Total Based on 2015 Actuarial Valuation		\$548,622.05	\$604,744.05	\$573,045.06	\$646,125.05	\$660,888.05					
Projected Misc Grand Totals Based on 2016 CalPERS Actuarial Valuation		\$131,202.37	\$148,023.76	\$134,186.53	\$148,426.53	\$147,676.53	\$155,836.53	\$162,936.53			
Projected Safety Grand Totals Based on 2016 CalPERS Actuarial Valuation		\$426,340.88	\$492,868.38	\$529,675.75	\$574,185.75	\$612,735.75	\$639,115.75	\$568,385.75			
District Total Based on 2016 Actuarial Valuation		\$557,543.26	\$640,892.13	\$663,862.28	\$722,612.28	\$760,412.28	\$794,952.28	\$731,322.28			

	UAL 6/30/13	FTE	UAL 6/30/14	FTE	UAL 6/30/15	FTE	UAL 6/30/16	FTE
Misc Classic 2 @60	Funded Ratio	80.10%	84.90%	80.90%	7	75.10%	7	
	UAL \$	\$610,283	\$524,849	\$730,873		\$989,463		
Misc PEPR 2 @62	Funded Ratio	0.00%	100.00%	99.30%	2	91.70%	2	
	UAL \$	\$0	\$0	\$146		\$3,452		
Safety PEPR 2.7 @57	Funded Ratio	0.00%	0.00%	94.80%	1	91.20%	3	
	UAL \$	\$0	\$0	\$388		\$2,239		
Safety Tier 2 3 @55	Funded Ratio	80.60%	99.30%	99.80%	1	91.00%	0	
	UAL \$	\$5,606	\$326	\$147		\$4,908		
Safety Tier 1 3 @50	Funded Ratio	72.50%	77.30%	73.60%	9	69.40%	8	
	UAL \$	\$2,566,825	\$2,400,363	\$2,845,386		\$3,559,390		
Total	UAL \$	\$3,182,714	\$2,925,538	\$3,576,940	20	\$4,559,452	20	
Year over Year Change			-\$257,176	\$651,402		\$982,512		

Pension Cost Slide Comments

- The top chart on slide 3 shows that estimated future cash payments to reduce our pension debt inflate with each valuation.
 - These cash outlays for future liabilities will consume funds which would otherwise be available for the services we provide.
- The bottom chart shows that even with Annual Required Contributions (ARC) of cash, and with less staff, our pension unfunded accrued liability (UAL) continues to trend higher.
 - Pensions are supposed to be low contribution and high investment return vehicles. Both these premises are proving wrong.
 - The taxpayers will receive the bill for the unfunded liability.

The Public Pension Crisis is Widespread

6. California

Total liabilities: \$279.75 billion Total assets: \$249.44 billion Debt ratio: 112.2 percent

The biggest source of California's deficit is unfunded employee-related liabilities, such as **pensions**, post-employment benefits and compensated absences.

5. Kentucky total net position is almost negative \$15 billion.

Total liabilities: \$49.63 billion Total assets: \$35.04 billion Debt ratio: 141.6 percent

According to calculations from the state's retirement systems board, Kentucky's state **pension** is \$13 billion short of what it needs to pay workers over the next 30 years.

4. Connecticut total liabilities surpass assets by almost \$38 billion.

Total liabilities: \$67.61 billion Total assets: \$29.75 billion Debt ratio: 227.2 percent

According to Reuters, the state's finances have been disrupted by **unfunded pension debt**, high taxes, emigration out of the state and falling revenues. The state's debt jeopardizes major cities like Hartford, which is nearing bankruptcy.

3. Massachusetts primary government liabilities exceed assets by nearly \$53 billion.

Total liabilities: \$89.2 billion Total assets: \$36.29 billion Debt ratio: 245.8 percent

The biggest sources of state debt are **pensions**, school construction and transportation-related construction. At the state level, pensions are typically the largest source of debt.

2. Illinois

Total liabilities: \$188.93 billion Total assets: \$62.20 billion Debt ratio: 303.7 percent

Illinois has a **pension** problem. According to Moody's, the state owes more than \$250 billion in pension debt. When the Illinois General Assembly failed to pass a budget for fiscal year 2018, Moody's downgraded Illinois' credit rating so that it's just above the "junk" rating level. The state's total net position is actually \$6.4 billion worse than New Jersey; New Jersey simply has a higher debt ratio.

1. New Jersey total liabilities surpassed its assets by \$120.3 billion.

Total liabilities: \$176.51 billion Total assets: \$56.20 billion Debt ratio: 314.1 percent

Taking the No. 1 spot of states with the most debt is New Jersey. And its state debt is hard to fathom. While New Jersey ran up more expenses than revenues in the last two fiscal years, that's not the principal cause of its dire financial straits. The main cause is, not surprisingly, **long-term pension liabilities** and related post-employment benefits.

<https://www.aol.com/article/finance/2017/09/18/states-with-the-most-and-least-amount-of-debt/23213536/>

<http://www.sco.ca.gov/Files-ARD/CAFR/CAFR16web.pdf>

Source GOBankingRates September 2017