

**MINUTES OF THE AUGUST 13, 2020 REGULAR MEETING OF
THE BORREGO SPRINGS FIRE PROTECTION DISTRICT.**

Zoom Webinar Meeting.

1. Director Bradley Tidwell called the meeting to order at 4:00 p.m.
Directors present were: Bradley Tidwell, Paul Reisman, Fred Jee and AnnMarie Tidwell.
2. (m: P. Reisman s; F. Jee) approve the Agenda for the August 13, 2020 board meeting. Motion carried unanimously.
3. (m: P. Reisman s; F. Jee) approve the May 14, 2020 board meeting minutes. Motion carried unanimously.
4. (m: F. Jee s; A. Tidwell) approve the May, June and July 2020 district financial reports. Motion carried unanimously.
5. (m: A. Tidwell s; F. Jee) approve the expense vouchers for the period of May 15, 2020 through August 13, 2020. Motion carried unanimously.
6. Board member Linda Haddock resigned on 07/24/2020.
7. (m: F. Jee s; A. Tidwell) approve Resolution 2020-05, adopting the appropriations limitation for Fiscal Year 20/21. Motion carried unanimously.
8. (m: F. Jee s; A. Tidwell) approve Resolution 2020-06, A resolution of preliminary intention to proceed with the refinancing of part or all of the District's outstanding unfunded accrued liability to the California Public Employees' Retirement System, and appointing the necessary consultants in connection therewith. Motion carried unanimously.
9. (m: F. Jee s; P. Reisman) Approve and adopt the Fiscal Year 20/21 annual budget. Motion carried unanimously.
10. There was 1 staff monthly reimbursement from the period of 05/14/2020 through August 13, 2020.
11. Incident reports for the months of May, June and July 2020.
12. Regular meeting adjourned at 5:02 p.m. into closed session.

Sincerely,

P. Bye

Pattie Bye, Administrative Officer
Borrego Springs Fire Protection District

**BORRERO SPRINGS FIRE PROTECTION DISTRICT
SELECTED FINANCIAL INFORMATION**

	08/31/2020	07/31/2020	06/30/2020
CASH IN BANKS	28,904	74,948	20,816
CASH IN SD COUNTY TREASURY			
GENERAL FUND	758,896	** 894,127	1,098,877
CAPITAL RESERVE FUND	410,546	409,639	408,838
FIRE MITIGATION FUND	120,862	120,598	118,966
TOTAL CASH	<u>1,319,208</u>	<u>1,499,312</u>	<u>1,647,497</u>
FIRE MITIGATION FUND RESTRICTED	120,862	120,598	118,966
CAPITAL RESERVE FUND	410,546	409,639	408,838
CASH AVAILABLE FOR OPERATIONS	<u>787,800</u>	<u>969,075</u>	<u>1,119,693</u>

** \$81,553 was deposited to the General Fund by County of San Diego corrected by COSD 8-20-2020.

Borrego Springs Fire Protection District Accounts Payable Report

Type	Date	Name	Amount
Accounts Payable			
Bill	09/03/20	ALSCO / American Linen	66.00
Bill	09/03/20	At&T - Maintenance Contract	664.80
Bill	09/03/20	Ameritas Life Ins. Co.	1,477.96
Bill	09/03/20	Borrego Pest Control	55.00
Bill	09/03/20	Borrego Springs Water Co. LLC	69.21
Bill	09/03/20	Borrego Water District	161.41
Bill	09/04/20	LN Curtis & Sons	1,956.76
Bill	09/04/20	County of SD DGS - Fiscal -Fuel	1,298.81
Bill	09/04/20	CAPF	383.50
Bill	09/04/20	Life Assist	1,811.11
Bill	09/04/20	Image Source	75.38
Bill	09/04/20	Office Depot	145.31
Bill	09/04/20	Occu-Med	67.05
Bill	09/04/20	Diane P. Strong	1,500.00
Bill	09/04/20	Brad Tidwell	50.00
Bill	09/04/20	Annmarie Tidwell	50.00
Bill	09/04/20	Paul Reisman	50.00
Bill	09/04/20	Fred Jee.	50.00
Bill	09/04/20	San Diego County Fire Authority	22,092.00
Bill	09/04/20	Standard Insurance Company	323.60
Bill	09/04/20	Stericycle, Inc.	69.00
Bill	09/04/20	SDG&E	4,118.87
Bill	09/04/20	Verizon Wireless	238.80
Bill	09/04/20	VSP	394.96
Bill	09/04/20	Wittman Enterprises	1,992.66
Bill	09/08/20	Napa Auto Parts	21.10
Bill	09/08/20	ZITO	175.57
Bill	09/08/20	Bank of America-4241	576.59
Bill	09/08/20	Bank of America 6939	189.21
Bill	09/08/20	Professional Medical Supplies	78.12
Bill	09/08/20	Republic Services	121.31
Bill	09/08/20	Borrego Springs Firefighters Association	1,920.00
Bill	09/08/20	CalNet 3	568.29
Total Accounts Payable			42,812.38
TOTAL			42,812.38

Staff Report

DATE: September 10, 2020
TO: Board of Directors
FROM: John Hardcastle, Fire Chief
SUBJECT: Discussion/Direction Regarding the Refinancing of the District's Outstanding CalPERS Unfunded Accrued Liability

RECOMMENDED ACTION

Provide direction to the Fire Chief regarding Refinancing Part or All of the District's Outstanding CalPERS Unfunded Accrued Liability.

BACKGROUND

The District currently has a contract with the California Public Employees Retirement System (CalPERS) to provide retirement benefits for all fulltime employees. As part of the contract, the District is obligated to pay any unfunded accrued liability (UAL). This is the amount by which CalPERS is short of the amount that will be necessary, without further payments from the District, to pay benefits already earned by current and former employees covered by CalPERS. As of the most recent CalPERS Actuarial Valuation Report (dated June 30, 2019), the UAL balance for all employees covered is approximately \$1.8 million (the "UAL Obligation").

On August 13, 2020, the Board adopted Resolution No. 2020-06, a "Resolution of Preliminary Intention to proceed with the Refinancing of Part or All of the District's Outstanding CalPERS Unfunded Accrued Liability and Appointing Financial Consultants in Connection therewith." By adopting the Resolution, the Board expressed its desire to refinance part or all of the existing UAL, the effect of which will be to:

- (i) Enhance budget predictability by "smoothing" out the steadily increasing UAL payment structure over the next 20 to 25 years, and
- (ii) Realize cash flow savings by restructuring into a new financing instrument with a lower interest rate than the 7% rate currently charged by CalPERS.

The Board also appointed financial consultants to assist in the refinancing, which are:

- California Municipal Advisors, LLC – Financial Advisor
- HilltopSecurities Inc. – Underwriter/Placement Agent
- The Weist Law Firm – Bond Counsel

As of June 30, 2020, the District's estimated UAL balance was approximately \$1.8 million. After discussions with the District, it was decided to refinance 100% of the UAL and determine which type and length of financing would provide the District is the best cash flow savings. The financing team prepared a plan to obtain and compare quotes for an approximate \$1.9 million financing (including cost of issuance) from both the public and private markets. HilltopSecurities prepared an analysis for a twenty (20) and twenty-five (25) year public offering, and distributed a "Request for Terms" to banks to solicit bids for the 15 and 20-year loan

under the private placement option. The team received one bank bid for a 20-year private placement financing. The following is a comparison of the savings associated with the three financing options:

- Option A – 20 year term, private placement
- Option B – 20 year term, public offering
- Option C – 25 year term, public offering

Option	Term	UAL Refunded		Annual UAL Cost Years 1-15		Cash Flow Savings	Estimated True Interest Cost
		Percent	Amount	Min	Max		
Current CalPERS Schedule			\$1,798,733	\$119,268	\$208,117		
A	20 years	100%	\$1,798,733	\$137,439	\$137,439	\$536,984	4.50%
B	20 years	100%	\$1,798,733	\$134,288	\$139,251	\$550,959	3.85%
C	25 years	100%	\$1,798,733	\$120,542	\$124,600	\$218,515	4.17%

Option	Term	% of UAL Refunded	Total Financing Costs	Cash Flow Savings			
				Years 1-10	Years 11-15	Years 16-25	Total
Current CalPERS Schedule			\$3,285,755				
A	20 years	100%	\$2,748,771	\$391,528	\$115,207	\$30,248	\$536,984
B	20 years	100%	\$2,734,796	\$398,006	\$116,569	\$36,385	\$550,959
C	25 years	100%	\$3,067,240	\$542,488	\$189,454	(\$513,427)	\$218,515

The estimated cash flow savings for years 1 to 15 of the three options are:

- Option A – \$506,736
- Option B – \$514,574
- Option C – \$731,942

Based on the preliminary analysis, staff recommends the Board move forward with Option A (20-year private placement) as it offers significant cash flow savings, both overall and during the first 15 years, and provides budget predictability. Furthermore, a fixed private placement rate now avoids future potential market risk and rising interest rates. Staff also recommends that the Board direct it to work with the financing team to structure the transaction and bring the matter back to Board for consideration and approval at a future date.

FINANCIAL CONSIDERATIONS

None at this time. However, because the consultants have agreed to work on a fully contingent basis, if the Refinancing occurs, there would be minimal cost implications to the District, including staff time on administrative tasks and the cost of issuance. However, the anticipated interest cost savings to the District and its taxpayers associated with the Refinancing will exceed the cost of issuance.



QUOTE

ATEL Representative
Steven Handelman

Account# 18978

Reference# 14221

Customer Representative
John Hardcastle

Borrego Springs Fire Protection District
2324 Stirrup Road, Borrego Springs, CA 92004
Tel: (760) 767-5436

NEC SV9100 Communications System

QTY DESCRIPTION

PORT CONFIGURATION	WORKING	EQUIPPED
CO TRUNKS	8	8
DIGITAL STATIONS	10	16
ANALOG STATIONS	1	4
VPS PORTS	16	16
VPS HOURS	120	120

SYSTEM APPLICATIONS

- 1 NEC CHS2UG-US 19" 6-Blade
- 1 NEC GCD-CP20
- 1 NEC SD-B2 US
- 1 NEC GPZ-IPLE
- 24 NEC Resource Lic-01
- 6 NEC SIP Trunk Lic-01
- 12 NEC SV91 PRODUCTIVITY USER-LIC 01
- 1 NEC GCD-4COTB-A
- 1 NEC GPZ-4COTF-A
- 1 NEC GCD-16DLCA
- 1 NEC GCD-4LCF
- 1 NEC CHS2U RACK MOUNT KIT
- 1 NEC Front Edge Tail Installation Cable 15'
- 1 66 Block For Voice Cable Termination
- 1 89B Mounting Bracket For 66 Block Termination
- 1 APC Surge Protector 8 Outlet

STATION EQUIPMENT

- 11 NEC DT530 Digital Backlit Display Full Duplex Speaker Phone, 12-Button, (8) Fixed Feature Keys, (4) Interactive Soft Keys

VOICE PROCESSING SYSTEM

(10) NEC UC voicemail boxes (with voicemail to email feature)

Automated Attendant/Voice Messaging Feature

Day and Time Stamp

Emergency Notification

External Transfer

Caller Queuing/Hold Feature

Live Record Feature

Live Monitoring Feature

Message Rewind, Pause and Fast Forward

Multiple Message Delivery (Home, Cell, Etc.)

Multiple Personal Greetings

Multi-Tenant Auto Attendant

Paging Notification Feature

NEC SOFTWARE SUPPORT

132 NEC SWA PSA SV9100 Unit

STRUCTURED WIRING SYSTEM

NOTE: ATEL will reuse existing cabling. Additional cabling or repair (if any) will be billed separately.

INSTALLATION

Labor - Voice - Standard

1 NEC Manufacture Five Year Extended Parts Warranty

This system purchase includes INSTALLATION, PROGRAMMING, TRAINING and FIVE-YEAR PARTS AND SOFTWARE WARRANTY.
5-Year Manufacturer Warranty on NEC Phones.

Price quoted reflects all work performed during regular business hours (M-F 8:00 am to 5:00 pm).
Customer to provide parking during installation process or reimbursement of same.

initials

List Price	\$10,676.03	
<u>Special Discount</u>	<u>\$2,669.01</u>	
Net Sale Price	\$8,007.02	Good Through
7.75% Sales Tax	\$380.39	Wednesday, September 30, 2020
Freight	\$150.00	
<u>Total Sale</u>	<u>\$8,537.41</u>	

ATEL Standard Terms and Conditions apply. Customer is aware of those Terms and Conditions and agrees to them.

Date: _____

ATEL Communications, Inc.

Borrego Springs Fire Protection District

By _____

By _____

Signature _____

Signature _____

BORREGO SPRINGS FIRE PROTECTION DISTRICT

Government Code Section 53065.5 Disclosure Report

Payments or reimbursements for individual charges of \$100.00 or more for Services or Product Received

For period of 08-13-2020 through 09-10-2020

<u>Name</u>	<u>Title</u>	<u>Pmt. Date</u>	<u>Event Dates</u>	<u>Amt.</u>	<u>Purpose</u>
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None	0				
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Borrego Springs Fire Protection District

Incidents for the month of August, 2020

	This Month	Last Month	Previous 12 Months
Medical Aid	19	28	444
Fire Related	3	9	37
Vehicle Accidents	0	0	22
Mutual Aid	0	0	28
Public Service	3	3	67
Call Cancelled	1	0	49
Total	26	40	647

Medical Aid Disposition	This Month	Last Month	Previous 12 Months
Transport	6	9	149
Flown Out	4	3	85
Walk-in(AMA)	2	3	29
Walk-in (Transport)	2	1	35
Against Medical Advice	2	10	168
Coroners Case	2	1	7

Ocotillo Wells Medical Aids	1	0
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Snake Removals 4