

RESOLUTION NO. 20-38**Resolution Of The City Council Of The City Of Emeryville Authorizing The City Manager To Execute The First Amendment To The Agreement Between The City Of Emeryville And The Alameda County Fire Department Regarding Fire And Emergency Services For The Term July 1, 2020 Through June 30, 2022**

WHEREAS, the City of Emeryville and the Alameda County Fire Department (ACFD) previously entered into an agreement for fire and emergency response services in June 2012 which was extended through June 2018; and

WHEREAS, a new agreement between the City of Emeryville and ACFD for the period July 1, 2018 through June 30, 2020 was approved by the City Council on June 19, 2018 and said agreement allows the parties to extend for two, two-year periods upon mutual agreement; and

WHEREAS, the County Board of Supervisors, on February 25, 2020, authorized the ACFD Fire Chief to execute a first amendment to the Agreement with the City of Emeryville to extend the term to June 30, 2022; now, therefore, be it

RESOLVED, by the City Council of the City of Emeryville that the City Council of the City of Emeryville authorizes the City Manager to execute the first amendment to the agreement with the Alameda County Fire Department, in substantially the form attached hereto, for the provision of fire and emergency services for the term of July 1, 2020 to June 30, 2022.

ADOPTED, by the City Council of the City of Emeryville at a regular meeting held Tuesday, April 21, 2020, by the following vote:

AYES:	5	Mayor Patz, Vice Mayor Martinez, and Council Members Bauters, Donahue, and Medina
NOES:	0	
ABSTAIN:	0	
ABSENT:	0	

DocuSigned by:

Christian R. Patz

MAYOR

ATTEST:

DocuSigned by:

Sheri Hartz

CITY CLERK

APPROVED AS TO FORM:

Michael Guiraud

CITY ATTORNEY

**FIRST AMENDMENT TO THE AGREEMENT BETWEEN THE CITY OF EMERYVILLE AND THE ALAMEDA
COUNTY FIRE DEPARTMENT REGARDING FIRE AND EMERGENCY SERVICES**

This is the First Amendment to that certain agreement effective June 30, 2018 between the ALAMEDA COUNTY FIRE DEPARTMENT, a dependent fire district formed under the Fire Protection District Law of 1987 (Health and Safety Code Sections 13800 et. seq.) and governed by the Board of Supervisors of the County of Alameda as its Board of Directors (ACFD) and the CITY OF EMERYVILLE (City), a municipal corporation (the Parties).

RECITALS

WHEREAS ACFD and the City previously entered into a contract for fire and emergency response services on or about July 1, 2012 and extended that contract through June 30, 2018; and

WHEREAS on or about June 30, 2018 ACFD and the City entered into a new two-year contract for fire and emergency response services (the 2018 Agreement); and

WHEREAS Section 9(a) of the 2018 Agreement provides that it may be extended for up to two successive two-year terms by mutual written agreement of the parties, provided the extension is executed at least nine months before the then-effective expiration date unless the parties agree otherwise; and

WHEREAS the parties desire to and herein agree to extend the contract for two years at this time, even though it is within 9 months of the current expiration; and

WHEREAS ACFD and the City both wish to extend the 2018 Agreement through June 30, 2022 on the same terms and conditions as set forth therein.

AMENDMENTS TO 2018 AGREEMENT

In consideration of the mutual promises contained in the 2018 Agreement and herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Section 9 (a) Term, is hereby amended to read, in its entirety, as follows:

This agreement is for a term of four (four) years, from 12:00a.m. on July 1, 2018 until 11:59p.m. on June 30, 2022. The term may be extended for up to one two-year term by mutual written agreement of the parties executed by the Fire Chief for ACFD and the City Manager for the City. Unless otherwise agreed to by the parties, the extension agreement must be fully executed at least nine (9) months prior to the then-effective termination date.

2. Exhibit 5, Five Year Cost Projection Provided by ACFD is deleted and replaced with the version of Exhibit 5, amended as attached to this Amendment.
3. Exhibit 6, GASB 45 Actuarial Valuation is deleted and replaced with the version of Exhibit 6, amended as attached to this Amendment.

In witness hereof, the City by Resolution duly adopted by its City Council has approved the execution of this First Amendment and the Board of Directors of the Alameda County Fire District has approved execution of this First Amendment a of this day of this __ day of _____ 2020.

ALAMEDA COUNTY FIRE DEPARTMENT, a dependent fire protection district

By: _____

Fire Chief

CITY OF EMERYVILLE

By: _____

City Manager



Alameda County Fire Department

6363 Clark Avenue · Dublin, CA 94568

Tel (925) 833-3473 · (510) 632-3473 · Fax (925) 875-9387

www.acgov.org/fire

DAVID A. ROCHA
Fire Chief

SERVING:

March 6, 2020

City of Dublin

City of Emeryville

City of Newark

City of San Leandro

City of Union City

Lawrence Berkeley
National Laboratory

Lawrence Livermore
National Laboratory

Unincorporated Areas
of Alameda County

Alameda County
Regional Emergency
Communications Center
"Accredited Center
of Excellence"

Christine Daniel, City Manager
City of Emeryville
1333 Park Avenue
Emeryville, CA 94608

Dear Christine:

Subject: Revision on ACFD Recommended Fire Service Contract for the City of Dublin for Fiscal Year 2020-21 and Five Year Projection

On January 28, 2020, ACFD submitted the FY 2020-21 proposed budget and a five year projection to your office to meet the City's budget submission deadline. The proposed budget was developed based on the estimated County Internal Service Fund (ISF) allocations. On February 29, 2020, County Administrator's Office released preliminary County allocations figures for FY 2020-21, and we are now re-submitting a revised budget proposal based on the preliminary numbers. The revised operating budget for FY 2020-21 is \$7,679,586, which is \$96,549 lower than the one submitted on January 28, 2020. The reduction is mainly attributed to lower workers compensation allocation.

Should you or your staff have any questions or need clarification with respect to the revised budget, please contact me or Shu-Mei Chen at 510-618-3419.

Sincerely,

A handwritten signature in blue ink, appearing to read "David A. Rocha".

David A. Rocha
Fire Chief

Attachments

ALAMEDA COUNTY FIRE DEPARTMENT
CITY OF EMERYVILLE FIRE SERVICE CONTRACR PROPOSED BUDGET FOR FY 2020-21

			VARIANCE FROM 2019-20 ADOPTED BUDGET		
	2019-20 ADOPTED BUDGET	2020-21 PROPOSED BUDGET	\$	%	COMMENTS
Allocated %	5.71%	5.88%		0.17%	Due to City of Union City Station 30 closure
PROGRAM SERVICES & SUPPLIES	\$506,230	\$536,569	\$30,339	5.99%	
APPARATUS & EQUIPMENT	\$72,577	\$80,526	\$7,949	10.95%	Due to increasing repair needs on apparatus and equipment maintenance
BUILDINGS & GROUNDS	\$1,626	\$1,626	\$0	0.00%	
PPE & UNIFORMS	\$35,924	\$33,621	(\$2,303)	-6.41%	Due to hiring less firefighter recruits in 2021
BLDG RENTS & LEASES	\$29,557	\$31,081	\$1,524	5.16%	Training facility lease increasing 3.5% every July. Admin Office lease increasing 3% every February. ACFD is in the process of identifying new training facility location. No collection for training facility improvement project since FY 18-19.
EQUIP RENTS & LEASES	\$2,191	\$1,975	(\$216)	-9.86%	
RADIOS	\$16,228	\$14,311	(\$1,917)	-11.81%	Due to one time project in FY 19-20.
INFORMATION TECHNOLOGY	\$92,912	\$101,049	\$8,137	8.76%	Due to increasing cost from new IT services contract with DNI
PROFESSIONAL SERVICES	\$14,571	\$14,697	\$126	0.86%	
DISPATCH CONTRACT	\$101,444	\$111,289	\$9,845	9.70%	City's call volume increased from 2,363 to 2,502. Estimated cost per call is \$44.48, increasing by \$1.55 from \$42.93.
DISASTER PREPAREDNESS	\$475	\$443	(\$32)	-6.74%	Due to grant funding from Sherriff's Office
EMS	\$35,107	\$33,577	(\$1,530)	-4.36%	Due to one time project (Quality Improvement Management System) in FY 19-20.
FIRE PREVENTION	\$4,554	\$4,923	\$369	8.10%	Due to Automation project
FUEL/TRANSP	\$21,878	\$23,428	\$1,550	7.08%	Due to increasing fuel prices
HAZARDOUS MATERIALS	\$7,843	\$7,502	(\$341)	-4.35%	
HOUSEHOLD SUPPLIES	\$8,259	\$9,579	\$1,320	15.98%	Due to increasing cost on cleaning and office supplies
OPERATIONS	\$618	\$895	\$277	44.82%	New program due to transferring Honor Guard and Chaplaincy program from PUB ED & COMM RELATIONS program here.
LAUNDRY	\$6,509	\$6,609	\$100	1.54%	
MAPPING	\$1,462	\$1,265	(\$197)	-13.47%	Due to eliminating an online mapping program

			VARIANCE FROM 2019-20 ADOPTED BUDGET		
	2019-20 ADOPTED BUDGET	2020-21 PROPOSED BUDGET	\$	%	COMMENTS
Allocated %	5.71%	5.88%		0.17%	Due to City of Union City Station 30 closure
ADMINISTRATION	\$3,049	\$3,425	\$376	12.33%	Due to Cal Chiefs membership cost increases
PUB ED & COMM RELATIONS	\$5,559	\$3,829	(\$1,730)	-31.12%	Due to transferring Honor Guard and Chaplaincy program to Operations program and cost reduction measures
SCBA	\$6,455	\$6,131	(\$324)	-5.02%	
STAFF VEHICLES	\$13,761	\$17,064	\$3,303	24.00%	Due to replacing 3 aging shared Division Chief vehicles with leases and cost increases in maintaining the leased vehicles
TRG & STAFF DEV.	\$14,312	\$18,026	\$3,714	25.95%	Due to increasing cost on state mandated trainings
RESCUE	\$3,329	\$3,536	\$207	6.22%	Due to increasing needs on rescue trainings
WILDLAND	\$457	\$462	\$5	1.09%	
HUMAN RESOURCES	\$4,654	\$4,780	\$126	2.71%	
RESERVE	\$919	\$920	\$1	0.11%	
NONDISCRETIONARY SERVICES & SUPPLIES (COUNTY RISK MGMT, COUNSEL)	\$102,306	\$109,989	\$7,683	7.51%	Based on County preliminary allocation
COUNTY INDIRECTS	\$76,189	\$53,256	(\$22,933)	-30.10%	Based on County preliminary allocation
FIXED ASSETS	\$17,713	\$20,731	\$3,018	17.04%	Based on new services contract with Definitive Network Inc.
ALL PROGRAMS AND OVERHEAD TOTAL	\$702,438	\$720,545	\$18,107	2.58%	
SALARIES AND EMPLOYEE BENEFITS	\$6,514,878	\$6,748,356	\$233,478	3.58%	
BASE SALARY	\$3,397,060	\$3,517,576	\$120,516	3.55%	Assumed 3.39% pay increase, effective January 2020 and 3% pay increase, effective January 2021 for IAFF Local 55 group; averaged 3.125% pay increase for Unrepresented classifications in 2020. Proposed budget includes 24 recruits.
OVERTIME	\$743,119	\$777,669	\$34,550	4.65%	Due to pay increase assumption and increasing needs for state mandated trainings to improve operation proficiency
HOLIDAY PAY	\$158,598	\$162,921	\$4,323	2.73%	Pay increase impact
PERS RETIREMENT	\$1,124,130	\$1,232,154	\$108,024	9.61%	PERS rate for Safety Plan increases from 34.215% for FY 19-20 to 36.293% for FY 20-21, PERS rate for Classic Misc. Plan increases from 13.714% for FY 19-20 to 15.655%.

			VARIANCE FROM 2019-20 ADOPTED BUDGET		
	2019-20 ADOPTED BUDGET	2020-21 PROPOSED BUDGET	\$	%	COMMENTS
Allocated %	5.71%	5.88%		0.17%	Due to City of Union City Station 30 closure
EMPLOYEE CONTRIBUTION TO EMPLOYER RETIREMENT COSTS	(\$67,506)	(\$69,716)	(\$2,210)	3.27%	Due to pay rate increase. Classic Safety Plan member contributes 3% of ER cost and PERPA Safety Plan member contributes 0.5% of ER cost. Total EE contribution toward pension is 12% of pensionable salary.
PAYROLL TAXES	\$62,949	\$65,168	\$2,219	3.53%	Pay increase impact
HEALTH INSURANCE - ACTIVE	\$522,012	\$521,942	(\$70)	-0.01%	Assumed 4.5% increase from 2020. The health premium for Kaiser Region 1 family plan increased by 0.03% in 2020.
HEALTH INSURANCE - RETIREE	\$253,738	\$263,818	\$10,080	3.97%	Estimate based on actuarial report
EMPLOYEE CONTRIBUTION TO HEALTH INSURANCE	(\$52,855)	(\$52,900)	(\$45)	0.09%	IAFF Local 55 and Misc. non-management employees contribute at least 10% of health insurance cost depending on the plan they choose, Misc. management employees contribute at least 12.5% of health insurance cost depending on the plan they choose.
DENTAL	\$35,698	\$35,144	(\$554)	-1.55%	Cost reduction due to IAFF Local 55 joining County plan effective 7/1/2020
401A CONTRIBUTION	\$49,767	\$51,265	\$1,498	3.01%	Pay increase impact
OTHER BENEFITS	\$49,570	\$50,153	\$583	1.18%	
WORKERS COMP	\$238,598	\$193,162	(\$45,436)	-19.04%	Based on County preliminary allocation
CONTRACT WITH OAKLAND FIRE DEPARTMENT FOR ADDITIONAL COVERAGE	\$196,901	\$210,685	\$13,784	7.00%	Based on final adopted Service Agreement with City of Oakland (\$200,652) with 5% increase
OPERATING BUDGET TOTAL	\$7,414,217	\$7,679,586	\$265,369	3.58%	
GRANT & CAPITAL IMPROVEMENT PROJECTS	\$33,609	\$116,312	\$82,703		
EQUIPMENT REPLACEMENT	\$14,509	\$116,312	\$101,803		Heart monitors and Lucas devices replacement project.
RADIOS REPLACEMENT	\$19,100	\$0	(\$19,100)		
PROPOSED CONTRACT TOTAL	\$7,447,826	\$7,795,898	\$348,072		

			VARIANCE FROM 2019-20 ADOPTED BUDGET		
	2019-20 ADOPTED BUDGET	2020-21 PROPOSED BUDGET	\$	%	COMMENTS
Allocated %	5.71%	5.88%		0.17%	Due to City of Union City Station 30 closure
UNFUNDED ADC FOR OPEB	\$60,419	\$52,883			(Net of PAY-GO and EMPLOYEE CONTRIBUTION)
NORMAL COST	\$259,158	\$267,580			Per Actuarial Report, Normal Cost grow 3.25% with payroll increase
UAAL AMORT	\$205,468	\$212,145			Per Actuarial Report, UAAL grow 3.25% with payroll increase
PAY-GO	(\$253,738)	(\$263,818)			
CERBT	(\$150,469)	(\$163,024)			
RECOMMENDED CONTRACT TOTAL WITH FULL ADC	\$7,508,245	\$7,848,781			

Assumptions:

COLA - IAFF Local 55	3.00%	3.00%
COLA - Unrepresented Non-Management	3.50%	3.00%
COLA - Unrepresented Management	3.50%	3.25%
Health Premium Cost Increase	6.00%	4.50%
Dental Premium	2.00%	0.00%
PERS Rate - Safety Plan	31.839%	36.293%
PERS Rate - Classic Misc. Plan	12.041%	15.655%
Workers Comp		
Program Services & Supplies		
County Overhead Allocation		
EE Contribution to ER PERS - Classic Safety	3.00%	3.00%
EE Contribution to ER PERS - PEPRA Safety	0.50%	0.50%

ALAMEDA COUNTY FIRE DEPARTMENT
CITY OF EMERYVILLE FIRE SERVICE CONTRACR PROPOSED

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	ADOPTED BUDGET	PROPOSED BUDGET	PROJECTION	PROJECTION	PROJECTION	PROJECTION
Allocated %	5.71%	5.88%	5.88%	5.88%	5.88%	5.88%
PROGRAM SERVICES & SUPPLIES	\$506,230	\$536,569	\$549,849	\$563,643	\$577,993	\$592,931
APPARATUS & EQUIPMENT	\$72,577	\$80,526	\$82,137	\$83,780	\$85,456	\$87,165
BUILDINGS & GROUNDS	\$1,626	\$1,626	\$1,659	\$1,692	\$1,726	\$1,761
PPE & UNIFORMS	\$35,924	\$33,621	\$34,293	\$34,979	\$35,679	\$36,393
BLDG RENTS & LEASES	\$29,557	\$31,081	\$34,189	\$37,608	\$41,369	\$45,506
EQUIP RENTS & LEASES	\$2,191	\$1,975	\$2,074	\$2,178	\$2,287	\$2,401
RADIOS	\$16,228	\$14,311	\$14,597	\$14,889	\$15,187	\$15,491
INFORMATION TECHNOLOGY	\$92,912	\$101,049	\$103,070	\$105,131	\$107,234	\$109,379
PROFESSIONAL SEVICES	\$14,571	\$14,697	\$14,991	\$15,291	\$15,597	\$15,909
DISPATCH CONTRACT	\$101,444	\$111,289	\$113,515	\$115,785	\$118,101	\$120,463
DISASTER PREPAREDNESS	\$475	\$443	\$452	\$461	\$470	\$479
EMS	\$35,107	\$33,577	\$34,249	\$34,934	\$35,633	\$36,346
FIRE PREVENTION	\$4,554	\$4,923	\$5,021	\$5,121	\$5,223	\$5,327
FUEL/TRANSP	\$21,878	\$23,428	\$23,897	\$24,375	\$24,863	\$25,360
HAZARDOUS MATERIALS	\$7,843	\$7,502	\$7,652	\$7,805	\$7,961	\$8,120
HOUSEHOLD SUPPLIES	\$8,259	\$9,579	\$9,771	\$9,966	\$10,165	\$10,368
OPERATIONS	\$684	\$895	\$913	\$931	\$950	\$969
LAUNDRY	\$6,509	\$6,609	\$6,741	\$6,876	\$7,014	\$7,154
MAPPING	\$1,462	\$1,265	\$1,290	\$1,316	\$1,342	\$1,369

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	ADOPTED BUDGET	PROPOSED BUDGET	PROJECTION	PROJECTION	PROJECTION	PROJECTION
Allocated %	5.71%	5.88%	5.88%	5.88%	5.88%	5.88%
ADMINISTRATION	\$3,049	\$3,425	\$3,494	\$3,564	\$3,635	\$3,708
PUB ED & COMM RELATIONS	\$5,493	\$3,829	\$3,906	\$3,984	\$4,064	\$4,145
SCBA	\$6,455	\$6,131	\$6,254	\$6,379	\$6,507	\$6,637
STAFF VEHICLES	\$13,761	\$17,064	\$17,405	\$17,753	\$18,108	\$18,470
TRG & STAFF DEV.	\$14,312	\$18,026	\$18,387	\$18,755	\$19,130	\$19,513
RESCUE	\$3,329	\$3,536	\$3,607	\$3,679	\$3,753	\$3,828
WILDLAND	\$457	\$462	\$471	\$480	\$490	\$500
HUMAN RESOURCES	\$4,654	\$4,780	\$4,876	\$4,974	\$5,073	\$5,174
RESERVE	\$919	\$920	\$938	\$957	\$976	\$996
NONDISCRETIONARY SERVICES & SUPPLIES (COUNTY RISK MAGMT,	\$102,306	\$109,989	\$115,488	\$121,262	\$127,325	\$133,691
COUNTY INDIRECTS	\$76,189	\$53,256	\$55,919	\$58,715	\$61,651	\$64,734
FIXED ASSETS	\$17,713	\$20,731	\$19,529	\$20,505	\$21,530	\$22,607
ALL PROGRAMS AND OVERHEAD TOTAL	\$702,438	\$720,545	\$740,785	\$764,125	\$788,499	\$813,963
SALARIES AND EMPLOYEE BENEFITS	\$6,514,878	\$6,748,356	\$7,046,657	\$7,346,487	\$7,616,314	\$7,891,718
BASE SALARY	\$3,397,060	\$3,517,576	\$3,623,031	\$3,730,910	\$3,842,044	\$3,956,514
OVERTIME	\$743,119	\$777,669	\$800,999	\$825,029	\$849,780	\$875,273
HOLIDAY PAY	\$158,598	\$162,921	\$167,802	\$172,838	\$178,026	\$183,368

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	ADOPTED BUDGET	PROPOSED BUDGET	PROJECTION	PROJECTION	PROJECTION	PROJECTION
Allocated %	5.71%	5.88%	5.88%	5.88%	5.88%	5.88%
PERS RETIREMENT	\$1,124,130	\$1,232,154	\$1,337,938	\$1,433,017	\$1,497,405	\$1,566,769
EMPLOYEE CONTRIBUTION TO EMPLOYER RETIREMENT COSTS	(\$67,506)	(\$69,716)	(\$71,802)	(\$73,939)	(\$76,144)	(\$78,414)
PAYROLL TAXES	\$62,949	\$65,168	\$67,088	\$69,051	\$71,082	\$73,183
HEALTH INSURANCE - ACTIVE	\$522,012	\$521,942	\$552,263	\$590,196	\$629,253	\$669,327
HEALTH INSURANCE - RETIREE	\$253,738	\$263,818	\$284,742	\$306,922	\$323,858	\$335,866
EMPLOYEE CONTRIBUTION TO HEALTH INSURANCE	(\$52,855)	(\$52,900)	(\$56,540)	(\$60,995)	(\$65,035)	(\$69,175)
DENTAL	\$35,698	\$35,144	\$35,144	\$35,509	\$35,856	\$35,856
401A CONTRIBUTION	\$49,767	\$51,265	\$52,775	\$54,350	\$55,870	\$57,596
OTHER BENEFITS	\$49,570	\$50,153	\$50,397	\$50,639	\$50,711	\$50,767
WORKERS COMP	\$238,598	\$193,162	\$202,820	\$212,960	\$223,608	\$234,788
CONTRACT WITH OAKLAND FIRE DEPARTMENT FOR ADDITIONAL	\$196,901	\$210,685	\$221,219	\$232,280	\$243,894	\$256,089
OPERATING BUDGET TOTAL	\$7,414,217	\$7,679,586	\$8,008,661	\$8,342,892	\$8,648,707	\$8,961,770
\$ Increase		\$265,369	\$329,075	\$334,231	\$305,815	\$313,063
% Increase		3.58%	4.29%	4.17%	3.67%	3.62%
GRANT & CAPITAL IMPROVEMENT PROJECTS	\$33,609	\$116,312	\$0	\$0	\$0	\$0
EQUIPMENT REPLACEMENT	\$14,509	\$116,312	\$0	\$0	\$0	\$0
RADIOS REPLACEMENT	\$19,100	\$0	\$0	\$0	\$0	\$0

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	ADOPTED BUDGET	PROPOSED BUDGET	PROJECTION	PROJECTION	PROJECTION	PROJECTION
Allocated %	5.71%	5.88%	5.88%	5.88%	5.88%	5.88%

PROPOSED CONTRACT TOTAL	\$7,447,826	\$7,795,898	\$8,008,661	\$8,342,892	\$8,648,707	\$8,961,770
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UNFUNDED ADC FOR OPEB	\$60,419	\$52,883	\$42,706	\$31,591	\$26,088	\$25,890
NORMAL COST	\$259,158	\$267,580	\$276,276	\$285,255	\$294,526	\$304,098
UAAL AMORT	\$205,468	\$212,145	\$219,040	\$226,159	\$233,509	\$241,098
PAY-GO	(\$253,738)	(\$263,818)	(\$284,742)	(\$306,922)	(\$323,858)	(\$335,866)
EMPLOYEE CONTRIBUTION TO CERBT	(\$150,469)	(\$163,024)	(\$167,868)	(\$172,901)	(\$178,089)	(\$183,440)

RECOMMENDED CONTRACT TOTAL WITH FULL ADC	\$7,508,245	\$7,848,781	\$8,051,367	\$8,374,483	\$8,674,795	\$8,987,660
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Assumptions:

COLA - IAFF Local 55	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
COLA - Unrepresented Non-Management	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%
COLA - Unrepresented Management	3.50%	3.25%	3.25%	3.00%	3.00%	3.00%
Health Premium Cost Increase	6.00%	4.50%	7.00%	6.75%	6.50%	6.25%
Dental Premium	2.00%	0.00%	0.00%	2.00%	0.00%	0.00%
PERS Rate - Safety Plan	31.839%	36.293%	38.276%	39.817%	40.404%	41.056%
PERS Rate - Classic Misc. Plan	12.041%	15.655%	16.412%	17.034%	17.279%	17.521%
Workers Comp	5.00%		5.00%	5.00%	5.00%	5.00%
Program Services & Supplies	2.00%		2.00%	2.00%	2.00%	2.00%
County Overhead Allocation	3.00%		5.00%	5.00%	5.00%	5.00%

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	ADOPTED BUDGET	PROPOSED BUDGET	PROJECTION	PROJECTION	PROJECTION	PROJECTION
Allocated %	5.71%	5.88%	5.88%	5.88%	5.88%	5.88%
EE Contribution to ER PERS - Classic Safety	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
EE Contribution to ER PERS - PEPRA Safety	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

**AGREEMENT BETWEEN
THE CITY OF EMERYVILLE AND
THE ALAMEDA COUNTY FIRE DEPARTMENT
REGARDING FIRE AND EMERGENCY
RESPONSE SERVICES**

THIS AGREEMENT is made and entered into by and between the ALAMEDA COUNTY FIRE DEPARTMENT, a dependent fire district formed under the Fire Protection District Law of 1987 (Health and Safety Code Sections 13800, et seq.) and governed by the Board of Supervisors of the County of Alameda as its Board of Directors ("ACFD"), and the CITY OF EMERYVILLE ("City"), a municipal corporation, referred to herein collectively as the "Parties".

RECITALS

- A. WHEREAS, ACFD and the City previously entered into a contract for fire and emergency response services on or about July 1, 2012; and,
- B. WHEREAS, pursuant to the original contract, ACFD has been providing fire and emergency response services to City for approximately six years; and,
- C. WHEREAS, the termination date of the original contract was June 30, 2017; and,
- D. Whereas, ACFD and the City have extended the termination date of the original contract to June 30, 2018; and
- E. WHEREAS, the Parties wish to continue the relationship and to clarify or amend certain aspects of their prior contract; and,
- F. WHEREAS, the City desires to enter into this Agreement for the stated services at the identified costs (See 5-Year Cost Projection provided by ACFD, attached as Exhibit 5); and,
- G. WHEREAS, the term of this Agreement shall be as set forth in Section 9 of this Agreement.

AGREEMENT

In consideration of the mutual promises contained herein, the Parties hereto agree as follows:

Section 1. Recitals.

The foregoing recitals are true and correct.

Section 2. Definitions.

As used in this Agreement:

- a. "ACFD" means the Alameda County Fire Department, or any successor organization or successor governmental entity.
- b. "Board of Directors" means the Alameda County Board of Supervisors acting as the Board of Directors of the Alameda County Fire Department and governing body of ACFD.
- c. "Board of Supervisors" means the Alameda County Board of Supervisors acting as the governing body of the County of Alameda.
- d. "City" means the City of Emeryville.
- e. "City Council" means the City Council of the City of Emeryville.
- f. "City Manager" means the City Manager of the City of Emeryville.
- g. "County" means the County of Alameda.
- h. "Fire Chief" means the chief executive officer of ACFD.
- i. "Fiscal Year" means the annual period commencing on July 1 and ending June 30.
- j. Fire specific terminology used in this Agreement (e.g. Shift, Company, Quint, Engine, etc.) shall be used in a manner consistent with the definitions published by the National Fire Protection Agency (NFPA), as revised from time to time.

Section 3. Scope of Services.

Within the boundaries of the City, ACFD shall provide and be fully responsible for the following services.

a. Incident Response.

1. General Service Criteria.

A. Response Area.

ACFD shall provide all services identified below to all areas within the incorporated limits of the City.

Currently, the City is divided into two (2) major response areas for fire and medical incident response. (See Service Area Map attached as Exhibit 1.)

The Parties acknowledge that ACFD entered into a sub-contract with the City of Oakland, attached hereto as Exhibit 9, to meet the response time requirements outlined in this Agreement. In the event that the City of Oakland Agreement is cancelled by the contracting parties, the ACFD shall immediately notify the City.

B. Station Location/Staffing.

There is a fire station located in both of the response districts within the City of Emeryville. Each of these stations is strategically located to provide for minimal response times into first-in areas. The response configuration to the City is based upon two (2) stations with two (2) engines:

Response Configuration

Emeryville Station No. 1 (ACFD #34) (2333 Powell Street)	1 Engine Company	3 Personnel
Emeryville Station No. 2 (ACFD #35) (6303 Hollis Street)	1 Engine Company	3 Personnel

Within the City boundaries, ACFD will maintain a minimum staffing level of six (6) personnel, consisting of two (2) three-person (3-person) companies per shift. Each company shall consist of one (1) Captain, one (1) Engineer, and one (1) Firefighter. In the

absence of ranked positions, personnel working "out-of-class" (acting) will be used.

At least one (1) member of each company on each shift shall be a licensed paramedic in good standing.

In the event that engine companies stationed in the City leave the City for any reason, ACFD will arrange for appropriate back-up coverage to ensure that the City has adequate response capability, with a minimum of one (1) Advanced Life Support ("ALS") company, in the event of an incident.

The response configuration above shall only be changed upon mutual agreement between the Fire Chief and City Manager.

C. Response Levels.

ACFD shall respond to incidents as shown in ACFD Emeryville Response Plan attached as Exhibit 2.

ACFD will maintain, at a minimum, the current level of ALS response, including both a 12-Lead EKG device and a mechanical CPR assist device on all two frontline companies, provided such devices remain available for ACFD's use. If 12-Lead EKG devices, mechanical CPR assist device, or both become unavailable for ACFD's use, they may be replaced pursuant to Section 5(a) herein.

D. Response Time.

On a single unit incident, ACFD shall arrive at the scene of an emergency incident within seven (7) minutes or less from the time that the Company is first dispatched for 90% of all emergency incidents. In multiple unit incidents, the first due company shall arrive at the scene of an emergency incident within seven (7) minutes or less from the time that the company is first dispatched for 90% of all such incidents. The remaining 1st Alarm units from within the City shall arrive at the scene of the incident within eleven (11) minutes or less from the time that the first due company is dispatched for 90% of all such incidents.

In the event that ACFD is unable to meet the established response time standards, the Fire Chief and the City Manager shall confer regarding ACFD's ability to meet the above stated performance

standards. The Fire Chief and the City Manager shall, at their regularly scheduled meeting, discuss strategies to ensure such performance standards are met in the future.

Data on response times will be provided to the City Manager within thirty (30) days of the calendar quarter in which the responses occur. Data on response times shall be reviewed on a quarterly basis as part of the regular business of the Fire Advisory Commission and Executive Management Oversight Committee.

E. Chief Officer Coverage.

ACFD will provide a Battalion Chief response for all first alarm fire and multiple apparatus incidents. For extended attack incidents of two (2) alarms or greater, ACFD will also provide a second chief officer response and sufficient management staff to ensure appropriate management of the emergency.

F. Utilization of Contract Services outside of the City of Emeryville.

Automatic Aid Plans, Mutual Aid Plans, Borderless Response Plans, Daily Operational Plans, and any other plans utilizing contract fire services assigned to the City of Emeryville outside of the City, will be conveyed in writing to the City Manager prior to implementation.

G. Mutual Aid.

ACFD shall provide necessary services to meet the City's obligations with respect to mutual aid in accordance with but not limited to the Alameda County Fire Mutual Aid Plan, and all appropriate state of California interagency service agreements. ACFD shall develop expanded mutual aid, automatic aid and mutual response areas with other fire departments adjacent to the City of Emeryville. ACFD may enter into such agreements on behalf of the City only with the prior written consent of the City.

2. Fire Suppression.

Fire Suppression services shall be provided in accordance with Section 3(a)(1)(A)-(G) above.

3. Emergency Medical Response.

Emergency Medical Response Service shall be provided in accordance with Section 3(a)(1)(A)-(G) above. In responding to Emergency Medical incidents, each engine company will be staffed with one (1) State licensed and County accredited paramedic and two (2) EMT-I trained personnel.

ACFD shall fulfill and does hereby assume City's obligations under the City's First Responder agreements with the Alameda County Emergency Medical Services (EMS) District which are hereby assigned to ACFD. ACFD's duty to fulfill the City's obligations under the First Responder agreements with the EMS District shall not affect the City's right to receive all revenue from the EMS District due to the City under the above agreements.

4. Hazardous Materials Response.

Response to Hazardous Material incidents shall be in accordance with the provisions of Section 3(a)(1) (A)-(G) above.

ACFD will provide a Type I (as defined by FIREScope) Hazardous Materials team level of service to the City.

ACFD will provide trained personnel to perform hazardous materials operations when required in the City. These personnel are staffed and equipped each day; response to the City will be the time necessary for notification and travel of the closest available ACFD resource that meets the needs of the emergency incident.

5. Rescue Services.

ACFD shall provide the City with rescue services in accordance with the provisions of Section 3(a)(1)(A)-(G) above.

ACFD will provide Type I (as defined by FIREScope) Heavy Rescue team level of service to the City.

ACFD will provide trained Urban Search and Rescue Team (USAR) personnel to perform confined space and trench rescue operation when required in the City. These personnel are staffed and equipped each day; response to the City will be the time necessary for notification and travel of the closest available ACFD resource that meets the needs of the emergency.

incident.

6. Response to Mass Casualty Incidents.

ACFD shall respond to mass casualty incidents in the City with the same level of response provided to other areas served by ACFD.

7. Other Calls for Service.

ACFD shall respond to all other calls for services in accordance with the provisions of Section 3(a)(1)(A)-(G) above.

8. Homeland Security.

ACFD will represent the City, and proactively participate on its behalf, in the planning, coordination and development of programs to address homeland security threats. ACFD will maintain a state of awareness and readiness to respond to incidents impacting homeland security within the City.

9. Major Disaster Response.

In the event of a major disaster, ACFD will supplement the fire personnel assigned to the City by either providing additional resources for direct response to an incident or by moving coverage from ACFD Stations outside of the City, provided that supplemental resources are available.

Upon activation of the City's Emergency Operations Center (EOC), ACFD shall provide sufficient staff to operate assigned functions in the EOC. Release of personnel and resources may occur after evaluation of local conditions and upon mutual agreement by the City Manager and the Fire Chief.

ACFD shall provide adequately trained command level officers in the event that such personnel are required during a major disaster.

Upon City's request, ACFD shall work cooperatively with the City to consult on City's Comprehensive Emergency Response Plan. ACFD will conduct, in coordination with the City, at least one annual exercise per year. The exercise may be a table top, a functional or full-scale exercise that will build upon the skills of the EOC staff. Prior to conducting drills, ACFD will assist with the training of key City staff to ensure that all City personnel are prepared to fill their designated EOC assignments.

City shall be responsible for maintenance of all supplies provided by City and for ensuring that all procedures are kept up-to-date at the Full-Activation EOC (located at Emeryville Fire Station 35).

ACFD will continue to participate in local or regional organizations necessary to ensure the City is represented in disaster preparedness and response.

10. Basic Fire Investigation Service.

ACFD fire personnel shall be assigned to determine the cause and origin of every major fire (3rd Alarm), or fire fatality within the City and shall conduct an investigation on every incident in which there is knowledge or suspicion that the crime of arson may have been committed. Fire investigators shall work with the Emeryville Police Department and any other appropriate law enforcement agencies involved in the fire and/or criminal investigation.

b. Dispatch Service.

ACFD manages the Alameda County Regional Emergency Communication Center (ACRECC) which supplies fire and ambulance dispatch services from a dispatch center located at the Lawrence Livermore National Laboratory. ACFD may arrange for dispatch service to City through a different provider with the prior written approval of the City Manager (said approval shall not be unreasonably withheld by the City Manager), in which case the cost for such dispatch service shall not exceed the amount charged by the then-current provider at the time of the change.

c. Community Education.

1. Fire Prevention and Safety Programs.

ACFD will coordinate the planning and development of fire prevention and safety education training programs for schools, businesses, community associations, child care providers, and other members of the community. Programs to be provided by ACFD shall be as mutually agreed to by the Fire Chief and the City Manager. The ACFD shall provide quarterly reporting on community outreach activities that benefit the City. Current examples of education programs are as follows:

Burn Prevention
Smoke Detectors
Stop, Drop & Roll
Partners in Fire Safety
Emergency Preparedness
Fireworks

Fire Safety in the Workplace
Extinguisher Use
Exit Drills in the Home

Safely Surrender Baby Program
Fire in Health Care Facilities

2. CPR Training.

ACFD shall provide CPR training to members of the Emeryville Community at no charge to the participant, not including certification cost. This training shall be provided within the boundaries of the City.

3. Community Emergency Response Team (CERT) and Personal Emergency Preparedness (PEP).

ACFD shall offer Community Emergency Response Team and Personal Emergency Preparedness training to members of the Emeryville Community. This training shall be coordinated with and compliment the City's current disaster preparedness programs. Any significant changes to the CERT or PEP programs shall be mutually agreed upon between the City Manager and Fire Chief prior to implementation.

4. Miscellaneous.

ACFD shall respond to specific requests from the community including but not limited to Fire Station Tours and Ride-alongs.

ACFD will develop specific bulletins and programs targeted to meet identified needs or hazards within the City. Fire Prevention and Life Safety Programs will be tailored to educate City residents and business community in order to help preserve life and property.

d. Fire Prevention.

1. Office Space.

ACFD shall maintain an office in the Emeryville City Hall, or such other location as may be designated by the City, to provide fire prevention services. ACFD will be provided use of these facilities at no cost to ACFD. In the provision of those services, ACFD recognizes the need for business

retention and attraction in the City and will make every effort to facilitate this goal while at the same time assuring community safety.

2. Fire Prevention Division Staffing.

ACFD shall provide one (1) Fire Marshal, as needed in accordance with the established shared allocation, one (1) full-time Deputy Fire Marshal and one (1) Code Compliance Officer. The Deputy Fire Marshal and Code Compliance Officer assigned to Emeryville shall work out of the office space provided by the City pursuant to Section 3.d.1 above and shall support the Community Development's and/or Building Division administrative process and procedures. All duties of the Deputy Fire Marshal assigned to Emeryville shall be performed at this office, except for duties that must take place away from the office, such as off-site meetings and field inspections. Changes in the level of staffing will be mutually agreed upon by City Manager and the Fire Chief. Factors that may impact fire inspection staffing levels include, but are not limited to, the level of construction and development in the City, regulatory changes, and fiscal constraints of the City.

In the event that ACFD is unable to provide a full-time Deputy Fire Marshal and/or Code Compliance Officer to work out of the City office space and/or ACFD fails to meet performance standards, the City Manager in consultation with the Fire Chief, may elect to contract for a qualified third party to provide such services. The City's cost of such contract services shall be deducted from the City's monthly payments to ACFD pursuant to Section 5.c.3 below.

3. Pre-development/Preliminary Planning.

A member of the Fire Prevention Staff shall participate in pre-development planning. Pre-development planning will include but not be limited to the following activities:

- A. Preparation of written comments based upon development/construction submittals made to the City;
- B. Attendance at scheduled meetings with applicants when requested;
- C. Active participation in the development and implementation of the City's One Stop Permit Center process;

D. Participation in the development or modification of the City's permitting process; and

E. Attendance at development review meetings as required.

4. Plan Submittal Review.

ACFD Fire Prevention staff will review proposed construction plans and fire protection system plans in compliance with the City's adopted codes and applicable standards. Written comments, in format agreed upon by ACFD and City, will be attached to approved plans to inform applicants of fire code requirements. All plans submitted for ACFD review will be reviewed by the Deputy Fire Marshal assigned to Emeryville or other qualified personnel and such review shall be completed within the timelines established by the City, provided such work can be performed with the staffing levels provided by this Agreement.

5. Fire Inspections.

ACFD shall provide inspection and permit issuance service. All inspections shall be conducted by the Deputy Fire Marshal or Code Compliance Officer assigned to Emeryville or other qualified personnel.

A. General Inspections. In accordance with the California Fire Code, ACFD shall provide qualified personnel to perform fire inspections relating to structures, processes, premises, and safeguards regarding:

- i) The hazard of fire and explosion arising from the storage, handling or use of structures, materials, or devices;
- ii) Conditions hazardous to life, property, or public welfare in the occupancy of structures or premises;
- iii) Fire hazards in the structure or on the premises from occupancy or operation; and
- iv) Matters related to the construction, extension, repair, alteration, or removal of fire suppression or alarm systems.

B. Fire Protection System Inspections. As part of the City's permitting process, qualified ACFD personnel shall inspect all fire protection

systems subject to ACFD approval to verify compliance with the approved plans and applicable codes and standards.

- C. Mandated Inspections. ACFD shall provide qualified personnel to conduct inspections of all occupancies mandated by the California Office of the State Fire Marshal.
- D. Construction Permit Inspections. ACFD shall provide qualified personnel to perform fire inspections for any required construction permit issued in accordance with the City's adopted Fire Code.
- E. Operational Permits. ACFD shall issue operational permits at the end of the building permit process. These permits are valid until revoked.
- F. Company Inspections. ACFD shall administer the company inspection program for non-residential occupancies.

6. Pre-fire Plan Inspections.

ACFD will perform pre-fire planning services. The information shall be shared with City departments as requested.

7. Fire Code Administration.

- A. Under the direction of the City Manager, ACFD will administer and enforce all City adopted fire codes and other applicable State and Federal Codes and regulations, including, but not limited to, the Emeryville Fire Code (Chapter 5 of Title 4 of the Emeryville Municipal Code).
- B. ACFD will be responsible for monitoring changes to Fire Codes and providing the City with recommendations regarding proposed changes. ACFD will work with City Staff to complete the code adoption process.

e. Administration.

1. Contract Administration.

ACFD designates the Fire Chief of ACFD, or his or her designated representative, to represent ACFD in all matters pertaining to the administration of this Agreement.

The City designates the City Manager, or his or her designated representative, to represent the City in all matters pertaining to the administration of this Agreement.

The Parties desire to work cooperatively to ensure that the City receives the highest level of service possible at the least-cost to both Parties. Accordingly, the Parties desire to set forth a process for reaching Agreement on mutually acceptable alterations to this Agreement with regard to service delivery standards and material changes to the budget.

The City and ACFD will formally notify one another prior to a service delivery change and/or material budget modification. Said notification shall provide adequate time for the other Party to provide comment, express concerns, and to allow for agreement on the aforementioned changes and modifications. ACFD and City shall obtain written approval from the other Party prior to making any material changes or modifications to service delivery or the adopted budget.

2. Fire Chief Designation.

The Fire Chief is hereby designated by City as the City of Emeryville Fire Chief and shall have and possess such authority as the Emeryville Municipal Code and general laws provide for the Fire Chief.

3. Liaison to City.

A. ACFD designates the Fire Chief or designee (at no time below the rank of Chief Officer) as the direct liaison to the City Manager. Liaison responsibilities shall include but are not limited to:

- i) Attendance by the Fire Chief or his designee at Staff, City Council or similar meetings/retreats when requested by the City Manager; and
- ii) Meetings with the City Manager as requested by either the Fire Chief or City Manager to discuss budget, operational, or other issues which may arise.

- B. ACFD will promptly notify the City Manager of the following events occurring within the City.
 - i) Any fire in excess of two alarms;
 - ii) Any fire fatality;
 - iii) Major hazardous materials response (Level III);
 - iv) Serious response-related injury to any firefighter responding to service within the City; and,
 - v) Any incident resulting in the closure of a business, evacuation of large numbers of citizens, or the displacement of any persons from their home for more than 24 hours.
- C. The ACFD Fire Marshal shall be responsible for operation of the Fire Prevention Division in the City. The Fire Marshal shall be responsible for ensuring attendance by the Deputy Fire Marshal assigned to the City at all meetings necessary to meet the City's Fire Prevention needs. In the absence of the Deputy Fire Marshal, ACFD will designate a replacement to assume the responsibilities in Fire Prevention.
- D. The City's Chief Building Official shall serve as the City's Fire Code Official, and shall have final authority over the interpretation and administration of the Fire Code.

4. Community Events.

ACFD will participate in the planning and implementation of community activities and events as reasonably requested by the City Manager.

5. Reports and Records.

- A. Records related to providing services to the City under the terms of this Agreement shall be the property of the City.
- B. ACFD will maintain sufficient records to enable the City to meet its reporting obligations and needs as they relate to the provision of services as provided for in this Agreement and as such services relate to performance obligations which are provided for in other Agreements which the City has or may enter into (e.g., EMS First

Responder Agreement). ACFD will submit, on the City's behalf, all information required by requesting authorities such as NFIRS, OSHA Industrial Injuries, etc.

- C. ACFD will maintain sufficient financial records related to the performance of services under this contract to enable the City to seek financial reimbursement for disaster response, hazardous material and other incident response for which the City may be eligible for reimbursement.
- D. ACFD will provide to City Manager all financial and other reports reasonably requested by the City Manager.
- E. Upon request by the City Manager, ACFD will make available its records for audit and inspection by the City Manager, or his or her designated representative.
- F. ACFD shall continue the current practice of a yearly independent audit of ACFD's financial performance. ACFD shall provide such audit reports to the City Manager within thirty (30) days of publication. ACFD will provide any financial information required by GASB for the City's financial reporting that is in ACFD's possession or control in a timely manner.

6. Fire Complaints and Requests for Service.

- A. ACFD shall inform the City Manager of any and all complaints regarding the provision of services to the City by ACFD. ACFD shall continue the practice of the Fire Advisory Commission reviewing all community complaints including resolution.
- B. ACFD shall reasonably accommodate requests for service from the community. Requests for service which are not included within the scope of this Agreement shall be provided by ACFD subject to mutual agreement by the Fire Chief and the City Manager.
- C. ACFD will provide a high level of customer service to the City in accordance with the City's customer service philosophies.

7. Fire System Planning.

- A. The Fire Chief will support the City in planning the extension of fire services and facilities as the City grows.
- B. If the City requires additional contract services to provide fire and emergency services to areas not currently served by the City through its contract with ACFD, the Fire Chief and the City Manager will negotiate a mutually acceptable amendment to this Agreement to provide such services which shall become effective upon approval by the governing bodies of ACFD and City.
- C. This paragraph shall not apply to those services provided under mutual aid, automatic and/or other interagency response agreements.

8. Fees and Miscellaneous Revenue Collection.

- A. ACFD will assist the City in the development of an appropriate fee schedule for fire services rendered in the City by ACFD. ACFD will provide all documentation necessary to support the imposition of fees by the City.
- B. All fees and other revenues attributable to the provision of services rendered by resources funded by this Agreement shall be the property of the City.
- C. All fees and other revenues described in paragraph B above shall be collected by the City with the assistance of ACFD when necessary.
- D. The parties acknowledge that Hazardous Materials, Urban Search and Rescue and Heavy Rescue responses will be provided by ACFD to City pursuant to Section 3(a)(4), (5) above but are services that are not funded by this Agreement. Instead, ACFD pursues cost recovery for such services directly from the responsible party. Accordingly, any funds recovered by ACFD for these services are not the property of City and shall not be collected by or remitted to City.

9. Local Identity.

It is important that the Emeryville community closely identify with the provision of fire services as a municipally provided service. ACFD shall

identify fire facilities and apparatus with the name of Emeryville so that such facilities and apparatus are clearly visible to the Emeryville community. Such identification shall be as mutually agreed to by the City Manager and the Fire Chief.

11. ACFD Advisory Commission.

The City shall be entitled to have one City representative (City Council member or designee) on the Alameda County Fire Department Fire Advisory Commission. The City shall designate one alternate representative to serve in the absence of the primary Commission member.

12. Executive Management Oversight Committee (EMOC).

The purpose of the EMOC shall be to provide a formal setting for the discussion of issues pertaining to the management, maintenance, and organization of ACFD, and to provide a standard method for the communication of the opinions and recommendations of the EMOC members to ACFD Fire Chief and the Board of Directors.

The City shall be entitled to have one (1) City representative (City Manager or designee) on the EMOC which shall meet at least quarterly.

ACFD is governed by the Alameda County Board of Supervisors acting as the ACFD Board of Directors. Recognizing the legitimate interests of the EMOC members, however, ACFD and the Board of Directors have recognized and authorized the EMOC to meet routinely, to discuss pertinent issues, to receive reports from the ACFD Fire Chief, and to issue reports and other communications to the Board of Directors on subjects of mutual interest (e.g. collective bargaining agreements, budgets, public policy, and appointment/promotion of executive management).

The Fire Chief shall consult with the EMOC prior to Board of Directors or Board of Supervisors considering taking any action that would result in a substantial increase in costs to City, including without limitation: (1) adoption of a MOU, or any amendments thereto; and (2) approval of ACFD's budget. The Fire Chief shall provide sufficient notice to the EMOC of any proposed action, so as to allow time for EMOC to provide formal comments before any such matters are considered by the Board of Directors or Board of Supervisors. The Fire Chief shall relay those comments in writing to the Board of Directors or Board of Supervisors prior

to the Board of Directors or Board of Supervisors taking any proposed action that would result in a substantial increase in costs to City. For the purposes of this Section (e)(12), the term "substantial increase in costs" shall mean any amount that is estimated in good faith to be equal to or greater than one and one-half percent (1-1/2%) above the approved budget.

Section 4. Facilities.

a. Buildings and Real Property.

1. Use of Emeryville Fire Station No. 34 and 35.

City will provide ACFD use of the City-owned Emeryville Fire Station 34 located at 2333 Powell Street and Station 35 located at 6303 Hollis Street for performance of services to the City of Emeryville under the terms of this Agreement. ACFD will be provided use of these facilities at no cost to ACFD. Responsibility for maintenance of the building and grounds are as set forth below.

2. City Responsibility.

City shall be responsible for grounds maintenance, building repairs, painting, major carpet/floor cleaning, window cleaning, pest control, major landscaping, water softener, fuel tank maintenance, utilities, phone service, and fire alarm service if any of these services are deemed by the City to be necessary for operations. The scheduling of repairs shall be coordinated with ACFD's designated Facilities Coordinator. The City shall provide such reasonable maintenance so that the major systems and appliances of the facilities are in working order.

3. ACFD Responsibility.

ACFD shall be responsible for the routine day-to-day cleaning (e.g., vacuuming, taking out trash, mopping, etc.), minor landscaping, and light maintenance and repairs (e.g., light bulb replacement, leaky faucet repair, etc.) of the facilities and grounds utilized by ACFD in the execution of this Agreement at no additional cost to the City.

All work that exceeds the day-to-day repairs of the facilities and grounds as described above and that costs less than five hundred dollars (\$500) may be made by ACFD, provided that: (i) ACFD gives reasonable notice to City of the need for such work prior to commencing the work if possible; and (ii)

after such work is performed, ACFD notifies the City of its completion. Any such approved and completed work shall be identified separately by line-item on ACFD monthly billing statements.

All other facility and ground work shall be made by City in accordance with the City's normal work and maintenance policies.

Additionally, ACFD shall keep track of all maintenance and repairs that it performs and shall make this information available to the City upon request. Those costs incurred by ACFD in performing maintenance and repair responsibilities as provided for in this section shall be identified separately by facility on ACFD's bill for services to the City and on ACFD's annual budget submittal to the City.

ACFD shall have no responsibility for maintaining general liability and property insurance for City-owned Fire Stations. Damage caused solely by the negligent or intentional misconduct of ACFD or its employees shall be the responsibility of ACFD at no additional cost to the City.

4. General.

The City will incur all expenses associated with providing or utilizing office space related to providing services pursuant to this Agreement, including space provided directly by City and a proportion of space provided by ACFD as set forth in the annual budget. In the event ACFD utilizes City facilities to provide ACFD services unrelated to the City, ACFD shall reimburse the City for the cost of providing such facilities/equipment as mutually agreed upon by the City Manager and Fire Chief.

5. Return Upon Termination.

Upon termination of this Agreement, ACFD will vacate Fire Stations 34 (formerly Emeryville Station 1), 35 (formerly Emeryville Station 2), and fire prevention offices and shall remove any and all materials, equipment, and improvements not to remain as determined by the City Manager and Fire Chief. Damage caused by the use of the facilities by ACFD or the removal of materials, equipment, or improvements will be repaired by ACFD to the satisfaction of the City. Reasonable wear and tear and improvements previously approved by the City will be excluded from this requirement.

b. Apparatus/Equipment.

1. Use of Apparatus and Equipment.

The City will provide ACFD use of City-owned apparatus and equipment identified in Exhibit 3 ("City of Emeryville Fire Apparatus/Equipment Inventory") for performance of services to the City under the terms of this Agreement. The City may purchase new equipment and apparatus, as necessary in order to maintain adequate service levels and to ensure safe working conditions. The City will be responsible for maintaining registration and licensing of City-owned equipment.

2. Maintenance.

The City shall bear all cost of maintenance and repair on apparatus and equipment. The City may elect to have the maintenance and repair on apparatus and equipment performed by ACFD pursuant to a separate Services agreement for Apparatus Maintenance and Repair. The ACFD shall maintain complete maintenance and repair records on all major pieces of apparatus for maintenance or repair work performed by ACFD.

3. Reserve Apparatus.

A reserve apparatus will be provided by ACFD and will be placed in service as soon as possible if a frontline apparatus is to be out-of-service for an extended period of time. If a reserve apparatus is unavailable, the Parties acknowledge that the response provisions in this Agreement may not be met until the frontline (City-owned) apparatus is back in operating condition or a reserve apparatus becomes available. The Parties shall use reasonable, good faith efforts to minimize reliance on reserve apparatus.

4. Apparatus Replacement.

ACFD shall submit a proposed apparatus replacement schedule to City indicating the anticipated dates for replacement of major pieces of apparatus. ACFD shall provide the City with sufficient advanced notice regarding the need to replace apparatus and equipment. The timing of equipment replacement shall be determined by the City and the specifications for replacement equipment shall be reviewed by ACFD prior to purchase.

City shall bear all expenditures to replace apparatus and major equipment and may create such reserves for depreciation as may be necessary and

prudent for replacement of apparatus and major equipment. ACFD shall use reasonable, good faith efforts to submit applications on behalf of City for grants to defray the replacement cost for City apparatus and major equipment.

5. Annual Inventory.

ACFD shall assist the City in maintaining an annual inventory of City apparatus and equipment.

6. Deletion or Addition of Apparatus and Equipment.

Upon agreement between the Fire Chief and the City Manager, individual pieces of apparatus and equipment specified in Exhibit 3 may be deleted from the inventory available to ACFD for performance of services under this Agreement or new apparatus and equipment may be added to such inventory. Notwithstanding anything to the contrary in this Agreement, such modifications to this inventory shall not be considered an amendment to this Agreement.

7. Return Upon Termination.

Upon termination of this Agreement, ACFD will deliver to the City all City-owned equipment and apparatus forthwith in good and serviceable condition, the timing of which shall be pursuant to the transition plan to be established by the parties pursuant to Section 9 herein.

Section 5. Cost of Services.

a. Fire Budget.

1. Operating Budget.

For purposes of budgeting for the cost of services to be provided hereunder, the Fire Chief shall prepare and submit a budget for the succeeding one (1) or two (2) fiscal years to the City Manager. To the extent possible, the budget will be submitted in accordance with the City's budget instructions and required deadlines. ACFD shall prepare a draft budget by the third Thursday in February of each year. The Fire Chief and City Manager shall use their best efforts to agree on a final budget that will be recommended for approval by their respective governing bodies by March of the same year. The City utilizes a biennial budget system and ACFD budget

information will be submitted in accordance with the two-year budget cycle. The final budget shall be comprised of line items that are consistent with previously authorized line items unless otherwise approved by City.

If the City does not approve the budget agreed upon by the Fire Chief and the City Manager, then the Parties acknowledge that services provided hereunder may be reduced accordingly.

For the term of this contract, the City has relied upon cost projections provided by ACFD in Exhibit 5 ("5-Year Cost Projection Provided by ACFD"). City acknowledges that Exhibit 5 contains projections and not actuals. ACFD will make good faith efforts to provide budgets in accordance with these projections and the budgetary process outlined above.

2. Monitor Indirect Charges.

ACFD will evaluate the appropriateness of the County's indirect charges and, where necessary, consult, on behalf of all entities contracting with ACFD, with the County regarding indirect charges.

3. Consultation Regarding Changes to MOU.

ACFD will consult with the City in accordance with paragraph (e)(12) of Section 3 for any changes to its existing Memorandum of Understanding (MOU) with Alameda County Firefighters Local 55A and 55B or any new MOU which applies to ACFD employees prior to agreeing to such changes or new MOU.

4. Capital Requirements.

The Fire Chief will also recommend any capital needs or modifications to the resources or services provided by City that directly support the provision of ACFD contractual service. These recommendations shall be submitted along with the contract fire budget. The City shall have the final authority to approve capital expenses.

5. City Adoption of Budget.

The fire budget, as modified by the City Manager as necessary, shall be included in the City Manager's proposed Biennial Budget and Capital Improvement Program.

The fire budget shall be reviewed, modified (if necessary) and approved by the City Council at the same time and place as the City's Biennial Budget.

6. Management of Budget.

In accordance with the expenditures authorized by the fire budget, the Fire Chief shall be responsible for managing the fire budget to keep fire expenditures within the amount budgeted. If during the year, the Fire Chief believes in good faith that the approved fire budget is insufficient in any respect to ensure the provision of service at the service levels required by this Agreement, (s)he shall immediately notify the City Manager in writing specifying the budgetary deficiency, along with a request for a budget amendment that identifies all reasons for the proposed amendment. If the budget amendment is not approved by City, then the Parties acknowledge that there may be a decrease in service levels commensurate with the deficiency identified in the budget amendment request.

7. Form of Budget.

The budget shall be submitted to the City Manager in a form identified by the City Manager or his/her designee.

b. Retiree Medical Benefits/ Funding OPEB Liability.

1. Methodology For Calculation of OPEB Liability.

The City acknowledges that ACFD has incurred an obligation to fund retiree medical benefits, also called Other Post-Employment Benefits (OPEB), for ACFD's employees. The City further acknowledges that ACFD has provided services to the City since 2012 and that the City is responsible for a portion of ACFD's long-term OPEB obligation as specified below. OPEB liability incurred by the ACFD and other agencies in the pool prior to July 1, 2012 should not be allocated to the City as the liability was related to services not provided to the City.

The Parties agree that the City has liability for OPEB with respect to nineteen (19) of the employees beginning when the City contracted for fire services with ACFD, as well as the City's allocated portion of the ACFD service costs (including, for example, costs of shared overhead positions like the Fire Chief and the costs of staff stationed at City's fire stations which may change in the future but currently includes 19 employees). The

City's liability shall be calculated in accordance with the methodology and illustrations in Exhibit 6 entitled "June 30, 2015 GASB 45 Actuarial Valuation for Fiscal Year 2016/17 and 2017/18" and any successors thereto. The Parties further agree that the methodology for calculating the City's liability will be consistent with, but not necessarily identical to, the illustration in said Exhibit. The parties acknowledge that the specific methodology may be altered by changes in assumptions, standards of practice, and other conditions outside the Parties' control.

The Parties agree that the minimum required annual payment from the City to ACFD related to OPEB is the City's Allocated Percentage of the Pay-As-You-Go amount. The City's Allocated Percentage is calculated in the Side Fund Calculation in Exhibit 7. The City shall in its own and complete discretion, determine the funding level above the Pay-As-You-Go, if any. Any employee contributions towards the unfunded liability shall be credited to the City's CERBT subaccount based on the Allocated Percentage.

2. City's OPEB Liability Upon Separation.

The City shall be responsible for its share of the OPEB liability, as determined using the methodology consistent with Exhibit 8 ("Illustration of Methodology and Potential Calculation for Withdrawal Liability for Cities of Emeryville"); if its contract for fire services with ACFD is terminated, expires, or otherwise becomes inoperative ("Separation").

The City, in its sole discretion, may, in accordance with Exhibit 8, either elect to fund its share of said liability by either: (i) continuing to participate in the gains and losses with ACFD's OPEB plan; or (ii) using the "walk-away" liability method.

If the City elects to continue to participate in the gains and losses with ACFD's OPEB plan under option (i) above, then the Net Withdrawal Liability shall be calculated in accordance with actuarial assumptions for an obligation funded at the level of City's funding as calculated in ACFD's actuarial valuations for each year the City participates in gains and losses.

If the City elects to use the "walk-away" method under option (ii), above, City, in its sole discretion, may elect to either: (a) fully fund its OPEB liability on the Separation date, or (b) fully fund its OPEB liability within five (5) years of the Separation date. If the City elects to fully fund its OPEB liability on the Separation date under option (a), then a "walk away" discount rate, as that term is defined in Exhibit 8 shall be used to calculate

City's withdrawal liability. ACFD and City may establish a reasonable "walk away" discount rate by mutual agreement. If the City elects to fund its liability within a five (5) year period under option (b), then City shall pay interest at the "walk-away" discount rate, which interest shall accrue from date of Separation until payment is made in full. The "walk away" discount rate shall be a weighted average of the 10-year and 30-year U.S. Treasury yields where the weights are based on matching asset and liability durations as of the termination date, or such other reasonable rate as may be mutually agreed upon by the ACFD and the City. (The "weighted average" rate described above is the same rate identified by CalPERS as the discount rate assumption used for termination valuations in the most recent Annual Valuation Report for the Safety Plan of the Alameda County Fire Department preceding the Separation date.).

3. Funding of Retiree Medical Benefits Unfunded Liability.

a) City's Pre-Funding.

The City, in its sole discretion, may pre-fund the unfunded liability (as that term is more specifically defined by GASB for the applicable accounting period, e.g., as Unfunded Actuarial Accrued Liability ("UAAL") or Net OPEB Liability ("NOL")) through the CERBT subaccount as described below.

b) Background and Purpose of Pre-Funding.

ACFD has entered into a contract with CalPERS to join the California Employers' Retiree Benefit Trust (CERBT), establishing a separate sub-account for each agency contracting with ACFD. Each agency may decide independently how much, if any, of its own side fund to pre-fund in their CERBT sub-account. The intention is that an agency's pre-funding contributions will benefit only that agency and will not subsidize the retiree medical benefits of any other agency.

The purpose of the CERBT sub-account is to allow each agency contracting with in ACFD, including the City, the option to pre-fund OPEB liability independent of the pre-funding choices of the other agencies. Pre-funding is expected, but not guaranteed, to reduce long term OPEB obligations and lead to an OPEB cost that, over time, is more level as a percentage of payroll.

c) Side-Fund and Sub-Account.

ACFD has a CERBT fund account with CalPERS to fund its retiree healthcare plan. The City has a subaccount under ACFD's main account. City may pre-fund its allocated share of ACFD's OPEB liability by contributing to the CERBT sub-account designated for City. Any such pre-funding shall be in accordance with this Agreement.

No portion of an agency's CERBT sub-account balance will be used to offset any other agency's side fund balance. Each agency's side fund contributions will go into their CERBT sub-account and will offset their individual agency OPEB liability with ACFD.

Any cost sharing by employees towards the OPEB costs will be deposited based on the City's Allocated Percentage share into the City's CERBT sub-account.

To the extent authorized by law and within the rules of CERBT, the City, in its sole discretion, may use funds in its CERBT sub-account to pay ACFD for any of the City's OPEB liability.

4. California Employers' Retiree Benefit Trust (CERBT) Fund Account Management.

- A. All deposits and disbursements will be made through ACFD.
- B. CalPERS will provide online access for City to view its account activity. City shall provide the contact information (name, phone number, and email address) for its designated custodian to ACFD to be forwarded to CalPERS in order to set up the access.
- C. City will be responsible for the cost of administration and maintenance of its sub-account, which costs will be deducted from City's sub-account and reflected on City's quarterly statements.
- D. Disbursement cannot exceed the annual premium and other costs of post-employment healthcare benefits and OPEB as defined in GASB 45.
- E. No disbursement shall be made from the sub-account if the sub-account has an insufficient balance for such disbursement.

- F. City shall submit its requests for deposits and disbursements to ACFD. ACFD will submit City's requests to CalPERS within thirty (30) days. City acknowledges that at least two (2) months of turnaround time may be required for its requested deposits or disbursements to be finalized and reflected in the sub-account.
- G. Requests for disbursement received by CalPERS on or after the first day of a month will be processed by the 15th of the following month by CalPERS. Agency shall confirm the request by reviewing the transactions activity in its sub-account.
- H. City shall not withhold payment(s) from any fire services contract payment to avoid making withdraw request from CalPERS through ACFD.

c. Payment for Services.

1. City Payment.

The City shall pay ACFD the actual cost incurred by ACFD for providing any and all services to be provided to the City under this Agreement, which may be more or less than the amount within the budget. Budget modifications are subject to Section 5(a)(6).

2. Quarterly Expenditure Report.

No later than forty-five (45) days following the end of each quarter, ACFD shall deliver to the City a report setting forth the actual expenditures during the preceding quarter and the percentage of the budget, which such expenditures represent.

3. Method of Billing and Payment.

City will pay ACFD monthly within thirty (30) days of receipt of the monthly invoice. In the event that an invoice is not paid in full by the due date, a late fee of 1% of the unpaid balance will be assessed for each month or portion thereof that the invoice remains unpaid. The late fee will be assessed on the 1st day of each month following the due date. The invoice amount for the first two months of the quarter will be based on the average monthly budget expenditures for the fiscal year (annual budget divided by twelve (12)). The invoice amount for the third month of each quarter will be reconciled utilizing the actual quarterly expenditure report. The City's

actual cost for any third-party Deputy Fire Marshal services pursuant to Section 3.d.2 above shall be deducted from the City's payments to ACFD.

4. Billing Dispute.

In the event the City disputes any portion of the monthly invoice submitted by ACFD pursuant to Section 5(c)(3), the Fire Chief shall meet with the City Manager, and the Fire Chief and the City Manager shall attempt to resolve the dispute. Billing disputes not resolved at the City Manager and Fire Chief level may be escalated by giving written notice to the other Party of the need to proceed with mediation. It is the Parties' intention to avoid the cost of litigation and to resolve any issues that may arise amicably if possible.

Within fourteen (14) days from the date of notice, the Parties shall mutually select one person who shall mediate the dispute. The Parties should select a qualified professional with expertise in the subject matter of the dispute. If the Parties are unable to mutually agree upon a mediator within fourteen (14) days, the Parties shall each designate one person as a mediator by the fifteenth (15) day following notice. These two designated mediators shall mutually select a third mediator (also a qualified professional with expertise in the subject of the dispute) within twenty-one (21) days of the notice. The one selected mediator shall mediate the dispute.

The mediation shall be completed within thirty (30) days of the appointment of the mediator. The mediation shall be conducted in accordance with the discretion of the mediator. However, if the mediator is unable to resolve the dispute within thirty (30) days, the mediator shall submit specific and written recommendations for full resolution of the dispute within ten (10) days thereafter. The written recommendations by the mediator shall be considered by the Parties in good faith. In addition, these written recommendations shall be reviewed by the governing bodies of both Parties. Within forty-five (45) days of receipt of the written recommendations from the mediator, the governing bodies shall give the respective Parties input for resolution of the dispute. After input from the governing bodies, the Parties may continue to negotiate a resolution of the dispute. The fees and expenses of the one selected mediator shall be divided equally between the Parties. The above deadlines shall be enforced unless extensions are mutually agreed upon or granted to either Party by the mediator for good cause shown.

Section 6. Personnel.a. Personnel Liability.

The City is not liable for compensating ACFD Employees. The City shall not be liable for the direct payment of any salary, wages, or other compensation to ACFD personnel performing services hereunder for the City, or any liability other than that provided in this Agreement. The City shall not be directly liable for compensation or indemnity to any ACFD employee for injury or sickness arising out of his/her employment, except as part of the City's payment of indirect expenditures and Risk Management cost to ACFD and as otherwise provided by this Agreement.

b. Labor Relations.

The Fire Chief shall consult with the City Manager on matters pertaining to labor relations between ACFD and its recognized employee organizations, when such matters and the resolution of them may affect the service levels or the City's costs pursuant to this Agreement.

Section 7. Indemnification.a. Mutual Indemnification.

Except as otherwise specifically provided in this Agreement or any attachment hereto, ACFD or, at ACFD's sole discretion, the County, shall defend, indemnify, and hold harmless the City, its elected and appointed officials, officers, and employees free and harmless from any and all claims for damage or injury to persons or property of whatsoever kind or nature, including consequential damages, based or asserted upon any act or omission of or purported act of omission of County and/or ACFD, their elected or appointed officials, officers or employees in connection with or arising out of the performance by County and/or ACFD and its elected or appointed officials, officers and employees of this Agreement and with regard to any alleged illegality or unconstitutionality of a County or ACFD ordinance.

Except as otherwise specifically provided in this Agreement or any attachment hereto, the City shall defend, indemnify, and hold harmless the County and ACFD, their elected and appointed officials, officers, and employees free and harmless from any and all claims for damage or injury to persons or property of whatsoever kind of nature, including consequential damages, based or asserted upon any act or omission of or purported act of omission of City, its elected or appointed officials,

officers or employees in connection with or arising out of the performance by City and its elected or appointed officials, officers and employees of this Agreement and with regard to any alleged illegality or unconstitutionality of a City ordinance.

b. Mutual Indemnification Obligations Survive Termination.

The obligations created by Section 7(a) shall survive the expiration or termination of this Agreement as to activities occurring or being carried out during the term of this Agreement in the performance of this Agreement.

Section 8. Insurance.

a. General and Auto Liability.

ACFD shall maintain general and auto liability insurance, including bodily injury and property damage, with a single combined liability limit of not less than \$10 million insuring all liability of ACFD and its authorized representatives arising out of and in connection with the provision of service by ACFD under this Agreement, including the use and/or occupancy of City-owned equipment, apparatus, real property and premises. ACFD, on its own or through the County, may self-insure to these limits of coverage.

The City shall be named as an additional insured and the policy shall contain cross liability endorsements. An endorsement shall be provided which states that the ACFD or County coverage is the primary insurance and that no other insurance affected by the City will be called upon to contribute to a loss under this coverage. ACFD shall furnish City with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by the City or otherwise conform to City requirements. All certificates and endorsements are to be received and approved by the City. The City reserves the right to require complete certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

b. Property and Auto Insurance.

ACFD shall maintain property insurance at replacement value of City-owned licensed and non-licensed vehicles, equipment, and apparatus for property damage arising out of and in connection with the provision of service by ACFD under this Agreement.

ACFD shall not be responsible or liable for City-owned licensed and non-licensed vehicles, equipment, and apparatus damages attributable to, "acts of nature", manufacturer's defective design and/or construction, general wear and tear, or inadequate maintenance by the City in accordance with the manufacturer's specifications.

ACFD will not maintain any insurance for City-owned real property and buildings, or the contents of the City-owned buildings (unless otherwise specified in this Agreement), including but not limited to, City-owned fire stations.

ACFD shall furnish City with original certificates effecting coverage required by this Agreement. All certificates are to be received and approved by the City. The City reserves the right to require complete certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

c. Workers' Compensation Insurance.

ACFD shall maintain Workers' Compensation Insurance as required by the State of California in Employers Liability Insurance. Employers Liability Insurance shall have limits of no less than \$1 million per accident for bodily injury or disease. ACFD, on its own or through the County, may self-insure to the limits of coverage. ACFD shall provide City with an endorsement that its Workers Compensation insurer (or ACFD or the County of Alameda if it is self-insured on its own or through the County) waives the right of subrogation against City, its officers, officials, employees and volunteers for all claims on or after the effective start date of this Agreement, as of the date specified in Section 9(a), for claims arising during the tenure of said Agreement.

d. Workers' Compensation Claims for Employees in Exhibit 4.

1. City shall be fully responsible for all Workers' Compensation claims with date of injury (DOI) prior to July 1, 2012, with respect to the persons identified in Exhibit 4 ("City of Emeryville List of Fire Department Employees Sorted by Date of Hire With the City of Emeryville"). The City shall administer the claims and shall be solely liable for all administration and settlement costs. The City is also responsible for claims that were incurred prior to the date of the original Agreement between ACFD and the City of Emeryville, dated May 15, 2012 AND that are:
 - Reopened
 - Incurred but not reported

- Submitted for new and further disability
- Incurred subsequently and consequently to the original claim

2. ACFD shall be fully responsible for all Workers Compensation claims not the responsibility of the City pursuant to paragraph 1 above. ACFD shall administer said claims and shall solely be liable for all administration and settlement costs.
3. ACFD shall administer cumulative trauma claims that span the City and ACFD; however ACFD shall, immediately upon receipt of a cumulative trauma claim, send a copy of said claim to City. The Parties shall meet and confer prior to ACFD taking any action on the claim, unless ACFD is required to take immediate action or circumstances do not allow adequate time to meet and confer, in which case ACFD will notify City as soon as possible. For Cumulative trauma claims that span both agencies, the cost of administration and settlement shall be based on medical and legal opinions determining causation and responsibility with liability determined pursuant to Labor Code 5412 and 5500.5. The City and ACFD agree to cooperate with each other in the administration of the claims that involve both Parties, including any decisions or determinations regarding industrial disability retirement, notwithstanding paragraph 9(c), below. This includes, but not limited to, the sharing of notes, reports and other documents. The City and ACFD shall have the right to review and contest determinations of prior injuries and prior injurious exposure applying Labor Code Sections 5412 and 5500.5. In the event that an agreement cannot be reached, the City and ACFD shall adjudicate the dispute before the Worker's Compensation Appeals Board [which under certain conditions set forth in the labor code, may require mandatory arbitration] with the parties preserving all rights to file Petitions for Reconsideration and to seek further Appellate review.

e. Industrial Disability Retirement.

The County Director of Risk Management or designee shall be solely responsible for making the determination of industrial disability retirement for CalPERS retirement application for the employees listed in Exhibit 4.

Section 9. Miscellaneous.

a. Term.

This Agreement is for a term of two (2) years, from 12:00 a.m. on July 1, 2018 until

11:59 p.m. on June 30, 2020. The term may be extended for up to two (2) successive two-year (2-year) terms by mutual written agreement of the parties executed by the Fire Chief for ACFD and by the City Manager for City. Unless otherwise agreed by the parties, the extension agreement(s) must be fully executed at least nine (9) months prior to the then-effective termination date.

The City and ACFD agree to jointly prepare a review and analysis of services provided to the City by July 31, 2019 and every two (2) years thereafter, if one or more extensions are exercised.

Upon receipt of a timely fully executed extension agreement, ACFD shall prepare an updated 2-year cost projection, which shall become a part of this Agreement. If the parties do not timely execute an extension agreement, the parties will begin to develop a transition plan pursuant to Section 9(b) below.

b. Termination and Transition Plan.

Notwithstanding Section 9(a) above, this Agreement may be unilaterally terminated effective June 30 of any fiscal year, by either party, by giving written notice of termination to the other party not later than July 1 of the same fiscal year.

Within six (6) months of either a notice of termination by either party or following City's failure to timely exercise an available option to extend, a transition plan shall be developed and agreed to by and between the City and ACFD. The transition plan shall include specific implementation deadlines, including a contract service termination date.

As part of the transition plan, the City, either directly or through its fire service provider, shall offer employment to nineteen (19) ACFD employees, subject to reduction based on resignations, retirements, and/or terminations discussed below. The selection of employees to be offered employment will be made by the City. Such employees shall meet minimum qualifications based on industry standards for Fire Captain, Fire Engineer, Firefighter, and Paramedic.

The minimum number of offers of employment to be made by the City may be reduced by the number of resignations, retirements, and/or terminations of ACFD Captains, Engineers, Firefighters, and Paramedics, respectively, occurring between the date of notice of termination and the date of termination. For example, if two (2) Captains, two (2) Engineers, and one (1) Firefighter retire from ACFD between the date of notice of termination and the date of termination, City shall make offers of employment to fourteen (14) employees of ACFD. If more than one contracting agency provides notice of termination on or before July 1 of the same year, then

credit for retiring employees will be assigned consistent with the allocation percentage of each agency (calculated by including all of the terminating agencies that year), rounded to the nearest whole number.

The Parties shall meet and confer in good faith regarding any dispute between the Parties over the implementation of any provisions in this Section 9(b). Any dispute that is not resolved by meeting and conferring shall be submitted to non-binding mediation conducted by a JAMS mediator. The Parties agree to meet and confer as soon as practically possible regarding the selection of the mediator and, if possible, agree to mediate the dispute within 45 calendar days. However, nothing in this provision shall be construed so as to delay any of the time periods above, including the adoption of a transition plan and implementation thereof.

c. Automatic Extension.

The Parties acknowledge that the termination of this Agreement would require extensive operational adjustments for both parties. The Parties further acknowledge that any fire service interruption would result in risks to public welfare. Accordingly, the following extensions shall automatically apply, unless the parties agree otherwise in writing.

1. Extension Following a Notice of Termination. If a timely notice of termination has been given and the parties have not completed a transition plan in accordance with Section 9(b), above, then this Agreement shall be automatically extended for an additional six-month (6-month) period to allow the Parties sufficient time to complete the transition plan. Automatic extensions pursuant to this paragraph shall be applied a maximum of three times, for a total of eighteen (18) months.
2. Extension Prior to Expiration of Contract Term. If a notice of termination has not been given and the parties have not executed an extension agreement or a successor Agreement, then this Agreement shall be extended for a period of two (2) years.

d. Notices.

All notices required or permitted hereunder shall be deemed sufficiently given if delivered by hand or mailed, by United States mail, postage prepaid, certified or registered mail, addressed to the parties at the addresses set forth below or to such other address as may, from time to time to designated in writing.

TO ACFD:

County Administrator
Alameda County Administration Building
1221 Oak Street, Suite 555
Oakland, CA 94612

- and -

Alameda County Fire Chief
Alameda County Fire Department
6363 Clark Avenue
Dublin, CA 94568

TO CITY:

City Manager
City of Emeryville
1333 Park Avenue
Emeryville CA 94608

e. Further Obligations.

The parties recognize that this Agreement cannot represent a complete expression of all issues, which may arise during the performance of the Agreement. Accordingly, ACFD and City agree to meet and confer in good faith over any issue not expressly described herein to the end that the City will obtain the best fire and emergency medical services possible under the most favorable economic terms and that ACFD will be fairly and adequately compensated for the services it provides hereunder.

f. No Assignment.

Neither Party shall delegate, subconsult, assign, sell, mortgage, hypothecate, or otherwise transfer their respective interests or obligations in this Agreement without the express prior written consent of the non-transferring party.

g. Exhibits.

All exhibits referred to herein are attached hereto and are, by this reference, incorporated herein.

h. Severability.

If any provision of this Agreement (including without limitation any phrase, provision, covenant, or condition) is found to be invalid or unenforceable by a court

of competent jurisdiction, the remainder of this Agreement shall continue in full force and effect.

i. Governing Law, Jurisdiction, and Venue.

The interpretation, validity, and enforcement of this Agreement shall be governed by and interpreted in accordance with the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement shall be filed and heard in a court of competent jurisdiction in the County of Alameda.

k. Attorney's Fees.

If any action at law or in equity is brought to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees in addition to any other relief to which said party may be entitled.

IN WITNESS WHEREOF, the City, by resolution or ordinance duly adopted by its City Council, has approved the execution of this contract by its mayor, and the President of the Board of Directors of the Alameda County Fire Department has executed this contract as of this ____ day of _____, 2018.

ALAMEDA COUNTY FIRE DEPARTMENT,
a dependent fire protection district

By: _____

David Rocha
Fire Chief

Date: _____

Approved as to form
DONNA ZIEGLER, COUNTY COUNSEL

By: _____

Heather M. Littlejohn
Deputy County Counsel

LIST OF EXHIBITS

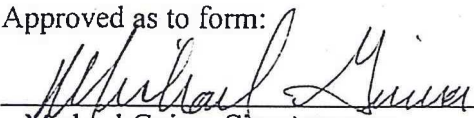
- Exhibit 1: Service Area Map
- Exhibit 2: Alameda County Fire Department Emeryville Response Plan
- Exhibit 3: City of Emeryville Fire Apparatus, Vehicle and Equipment Inventory
- Exhibit 4: City of Emeryville List of Fire Department Employees Sorted by Date of Hire With the City of Emeryville
- Exhibit 5: 5-Year Cost Projection Provided by ACFD
- Exhibit 6: June 30, 2017 GASB 45 Actuarial Valuation for Fiscal Years 2018/19
- Exhibit 7: Illustration of Side Fund for City of Emeryville Agency Pre-Funding Examples
- Exhibit 8: "Illustration of Methodology and Sample Calculations for Withdrawal Liability", dated June 6, 2017.
- Exhibit 9: Subcontract between the City of Oakland and Alameda County Fire Department for provision of enhancing emergency responses

CITY OF EMERYVILLE, a Municipal Corporation

By: _____
Carolyn Lehr, City Manager

Date: _____

Attest: _____
Sheri Hartz, City Clerk

Approved as to form:


Michael Guina, City Attorney

QUALITY OF SERVICES PROVIDED, STATION LOCATION AND STAFFING:

Alameda County Fire Department (ACFD) operates two fire stations within the City limits. Station 34 is located at 2333 Powell St, and Station 35 is located at 6303 Hollis St. Each station operates one engine company with a minimum staffing of three personnel each.

ACFD utilizes a constant staffing model as a department standard; this means that the appropriate number of personnel are available to fill all positions at each station on a daily basis. Each engine company within the City of Emeryville is capable of providing advanced life support (paramedic) services. All ACFD apparatus have a minimum of three firefighters with at least one paramedic. All ACFD firefighters are at least emergency medical technicians.

In addition to staffing from each apparatus at Stations 34 and 35, the City of Emeryville receives additional fire response services from the City of Oakland, as well as, the full depth of resources of ACFD's companies (engine, truck & rescue). These resources are built into designated responses and are also utilized on an as needed basis. Response units are utilized to ensure that the closest resources are responding in adequate numbers and that established standards of coverage are maintained within the City.

RESPONSE TIMES:

ACFD has met or exceeded the contract requirement for emergency response times. The response time standard requires that the first fire unit arrive on scene within 7 minutes or less of dispatch 90% of the time. From July 1, 2012 through June 30, 2019, the first responding ACFD unit arrived on the scene, for all emergencies, within 7 minutes or less than 90% of the time.

EMERGENCY RESPONSE TIMES

Fiscal Year	All Emergency Calls < 7 minute response	All Calls < 7 minute response
2013-2014	90.4	90.9
2014-2015	92.0	92.5
2015-2016	91.6	91.9
2016-2017	91.4	91.9
2017-2018	92.5	92.5
2018-2019	91.3	91.2

ACFD met or exceeded the response time standard for first alarm assignments within 11 minutes of dispatch 90% of the time. These response times represent calls where each apparatus arrived on scene and the incident was confirmed at the specified location.

FIRST ALARM RESPONSE TIMES

Fiscal Year	First Alarms < 11 minutes	First Alarms > 11 minutes	Percentage
2013-2014	27	1	96.4
2014-2015	16	0	100
2015-2016	25	0	100
2016-2017	21	0	100
2017-2018	14	0	100
2018-2019	29	1	96.7

ADEQUACY OF SERVICES PROVIDED

A. Fire Protection/Response Services

EMERGENCY MEDICAL RESPONSE:

ACFD provides a minimum of one paramedic on all fire apparatus in the City of Emeryville at all times. To date, the response times to EMS calls within the City have complied with the County EMS contractual requirement of 8-1/2 minutes or less 90% of the time for medical priority dispatch system (MPDS) "Priority 1-3". In addition, ACFD provides medical oversight and a comprehensive quality improvement program as required by the City's First Responder Advance Life Support (FRALS) Agreement. ACFD has been in compliance with all applicable county and state data and certification/licensure requirements.

HAZARDOUS MATERIALS RESPONSE:

ACFD has maintained a fully functioning hazardous materials team for the term of the City's contract. The team is equipped and trained to handle a variety of hazardous materials incidents including, radiological and biological incidents. The team is classified a Type I as defined by the California Office of Emergency Services. It responds and functions from specially equipped hazardous materials response units. ACFD is part of the Alameda County Mutual Aid Plan, which ensures the appropriate response to incidents that would otherwise overwhelm the fire resources in Emeryville/ACFD.

B. Fire Prevention Services

FIRE PREVENTION SERVICES:

Staffing for the City of Emeryville Fire Prevention Bureau consists of one Deputy Fire Marshal, and one Fire Code Compliance Officer. The on-site Deputy Fire Marshal provides coordination of daily activities for Fire Prevention personnel assigned to the City. The Fire Marshal is also available to attend planning and development meetings as needed and provides general oversight for the ACFD Fire Prevention activities.

Fire Investigation – ACFD provides fire investigation services to determine origin and cause. Fire Investigators are called by operational personnel when the need arises.

ACFD personnel have investigated several fires in Emeryville including two large fires that involved coordination with Emeryville Police and the Bureau of Alcohol Tobacco and Firearms.

Plan Review – Fire Prevention Staff review and approve plans routed by Community Development Staff. This includes building and planning referrals.

Fiscal Year	Plan Checks
2012-2013	138
2013-2014	124
2014-2015	159
2015-2016	495
2016-2017	456
2017-2018	416
2018-2019	309

Development Inspection – Development Inspections are performed at a number of stages during development process. Fire Prevention personnel inspect the water supply, fire sprinklers, hydrants and alarm systems prior to issuing a temporary or final certificate of occupancy by the Building Department.

Post Occupancy Inspections – Fire Prevention and Operation personnel perform a variety of post occupancy inspections including state mandated inspections.

COMMUNITY EDUCATION:

The Alameda County Fire Department Public Education Unit coordinates community relations and public education requests and services. There are a variety of educational and training programs provided to the City of Emeryville. The following is a brief list of the programs offered.

- Station Tours and Apparatus Visits
- Personnel Emergency Preparedness (PEP) Presentations
- Community Emergency Response Team (CERT) Training
- Community CPR (Hands-Only CPR)
- Career Day Speakers
- Public Information Notifications via Social Media & AC Alert

- Community Festival/Fair Participation

COST OF SERVICES

The ACFD annual budget submission to the City has followed the internal time lines and deadlines established by the City throughout the term of the contract. The annual budget submission (both narrative and budget data) is prepared in a format that corresponds to the City's budget document. Fire Department Staff and City Staff have worked cooperatively during each year's budget development process to ensure that all questions and issues are resolved to the satisfaction of the City.

The chart below summarizes the ACFD contract and budget variance over the last contract period.

ACFD CONTRACT BUDGET VERSUS ACTUAL FOR THE LAST CONTRACT PERIOD

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Budget	\$5,320,060	\$5,614,314	\$5,697,928	\$5,753,127	\$6,186,266	\$6,888,128	\$7,150,514
Actual	\$5,213,190	\$5,267,090	\$5,559,643	\$5,580,772	\$6,186,152	\$6,673,494	\$6,975,812
Variance, \$	\$106,870	\$347,224	\$138,285	\$172,355	\$114	\$214,634	\$174,702
Variance, %	2.0%	6.2%	2.4%	3.0%	0.0%	3.1%	2.4%

COST ANALYSIS:

As a contract service provider to the City of Emeryville, the Alameda County Fire Department (ACFD) understands the importance of ensuring services are being delivered in the most cost effective and efficient manner possible. To demonstrate the value of the contract for service between the City of Emeryville and the ACFD, a comparison to a like size agency for cost per FTE and cost per company is provided in the following two tables using FY 2018-2019 adopted fire services operating budget. Both comparisons demonstrated the benefits of contracting for service with the Alameda County Fire Department.

	Operating Budget	# of FTE	Cost per FTE
City of Emeryville	\$7,118,713	18	\$395,484
City of Pleasanton	\$20,256,276	45	\$450,140

	Operating Budget	# of Companies	Cost per Company
City of Emeryville	\$7,118,713	2	\$3,559,357

City of Pleasanton	\$20,256,276	5	\$4,051,255
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This assessment doesn't consider the enhanced services provided by the ACFD that Pleasanton doesn't offer. Enhanced services include a hazardous materials team, urban search and rescue company, bulldozer, water rescue and immediate access to any ACFD resources.

The overall cost and resource benefit of the contract clearly demonstrates an advantage to the City of Emeryville from contracting with the Alameda County Fire Department. The Alameda County Fire Department provides a unified response to emergency, centralized management of resources, reduction of duplication, "economies of scale" which improve cost containment, the ability to provide specialized services and retention of local control through a well-structured contract.

REPORTS AND RECORDS:

County Audit – ACFD is audited on an annual basis by an independent financial auditor. Additionally, the Alameda County Auditor-Controller's Office conducts periodic audits of ACFD's specific operational and/or fiscal areas (i.e. fixed assets audit, payroll audit, etc.) City Staff has reviewed the most recent ACFD financial audit as part of the contract review.

Fire Department Complaints - All complaints received by the ACFD are forwarded to a Deputy Fire Chief. Each complaint is followed up on and documented by the Deputy Chief handling the complaint. During the term of the existing contract, no formal complaints concerning the City of Emeryville were received. It is Fire Department's policy that the City Manager would be fully informed about any complaints and subsequent remedies.

ACFD Fire Advisory Commission – The ACFD Fire Advisory Commission meets on a quarterly basis, typically, the third Thursday of February, May, September & November. The City of Emeryville holds a seat on the Commission with an opportunity for an alternate Commissioner as well. The Emeryville City Council appoints the representative to the Commission from among current councilmembers.

INVENTORY:

ACFD has been providing the City with complete inventories of each new apparatus purchased throughout the term of the fire services contract.

FACILITIES:

Buildings and Real Property- Fire Stations 34 and 35 are owned and maintained by the City of Emeryville. ACFD has worked cooperatively with City staff to establish the annual budget for facility maintenance and capital projects. Day-to-day maintenance is handled by ACFD.

Apparatus and Equipment – Apparatus and equipment within the City is owned by the City of Emeryville. Maintenance of fire apparatus is provided by ACFD mechanics and billed to the City at a rate of \$150.00 per hour plus parts. An inventory of each apparatus, with its associated value, is maintained by ACFD and forwarded to the City of Emeryville as described above.

Payment for Services- The existing contract language specifies that the Department, on a quarterly basis, will provide the City an expenditure breakdown and invoice for current services.

Evidence of Insurance- Staff has reviewed the evidence of insurance and self-insurance certificate that reflects the County of Alameda's self-insured liability and workers compensation policy limits.

DISPATCH:

The ACFD's Alameda County Regional Emergency Communications Center (ACRECC), a nationally accredited and distinguished Center of Excellence, has served as the Alameda County regional fire and emergency services (EMS) dispatch center since 2002. County EMS Agency, the Cities of Alameda, Livermore, Pleasanton and Fremont, as well as Camp Parks, are also participants in ACRECC. The Alameda County's private ambulance provider, Falck Northern California, LLC, is also dispatched out of ACRECC. Dispatching fire, EMS, and ambulance calls from the same center provides for better coordination and quicker response times to emergency incidents.

City paid \$70,000 to City of Oakland for dispatching services in FY 12-13. The chart below summarizes the cost per call for the term of the contracts with ACFD.

Fiscal Year	Cost per call
2013-14	\$32.46
2014-15	\$33.86
2015-16	\$36.69
2016-17	\$38.74
2017-18	\$39.83
2018-19	\$42.07
2019-20	\$42.93

The cost per call for ACRECC is significantly lower than for comparable communication centers, which range from \$40 to \$60 per call. ACFD is continuously working on exploring opportunities for integrating other fire departments into ACRECC with the goal of ensuring high quality, cost-effective fire dispatch services, state of the art emergency medical dispatch, and excellent customer service.

EXHIBIT 6



ALAMEDA COUNTY FIRE DEPARTMENT RETIREE HEALTHCARE PLAN

BARTTEL
ASSOCIATES, LLC

June 30, 2017 Actuarial Valuation
Final Results

Bartel Associates, LLC

Doug Pryor, Vice President

Catherine Wandro, Assistant Vice President & Actuary

Michelle Shen, Actuarial Analyst

Katherine Moore, Associate Actuary

May 31, 2018

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BENEFIT SUMMARY

■ Eligibility	■ Service or disability retirement under CalPERS		
■ Medical Benefit	■ Full monthly premium up to cap ¹ :		
	Hire Date	Cap	Vesting Schedule
	< 4/1/09	100% of Kaiser Bay Area Premium	No
	4/1/09-1/31/15		Yes
	≥ 2/1/15 ²	90% of Kaiser Bay Area Premium	
■ Kaiser premium cap varies by:			
● Single, 2-party, family coverage;			
● Medicare eligibility			

¹ For special Safety group of retirees (11 as of 6/30/17) cap is \$164.94/mo. single or \$250.85/mo. 2-Party.

² MOUs indicate 1/1/15, but date adopted by CalPERS was 2/1/15.



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BENEFIT SUMMARY

■ Vesting Schedule	■ Vesting % based on CalPERS service, minimum 5 years ACFD service:			
	CalPERS Service	Vesting Percent	CalPERS Service	Vesting Percent
	<10	PEMHCA Min	15	75%
	10	50%	16	80%
	11	55%	17	85%
	12	60%	18	90%
	13	65%	19	95%
	14	70%	20+	100%
	■ 100% vesting with disability retirement.			
■ Surviving Spouse	■ 100% of retiree benefit continues to surviving spouse if retiree elects survivor annuity under CalPERS retirement plan			
■ Other Benefits	■ No dental, vision, life, or Medicare Part B reimbursements.			



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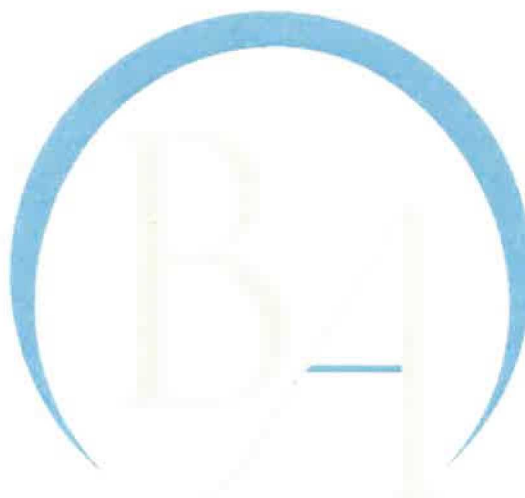
BENEFIT SUMMARY

<ul style="list-style-type: none">■ Employee Contrib.	<ul style="list-style-type: none">■ Per current MOUs: Effective 1/1/14 employees are required to contribute to the OPEB Plan (effective 7/1/14 for unrepresented):<table><tr><td><u>Year</u></td><td><u>Fire</u></td><td><u>Misc</u></td></tr><tr><td>2017</td><td>3.056984%</td><td>3.525443%</td></tr><tr><td>2018</td><td>3.762879%</td><td>4.284406%</td></tr></table>■ 2019 and 2020: cumulative additional 25% of the yearly base wage adjustments (adjustments are based on salary surveys)	<u>Year</u>	<u>Fire</u>	<u>Misc</u>	2017	3.056984%	3.525443%	2018	3.762879%	4.284406%
<u>Year</u>	<u>Fire</u>	<u>Misc</u>								
2017	3.056984%	3.525443%								
2018	3.762879%	4.284406%								
<ul style="list-style-type: none">■ Cash Pay-As-You-Go Costs	<ul style="list-style-type: none">■ FY 2016/17 \$3,545,260■ FY 2015/16 \$3,171,111■ FY 2014/15 \$2,807,121■ FY 2013/14 \$2,452,762									
<ul style="list-style-type: none">■ Contract Agencies	<ul style="list-style-type: none">■ Costs allocated to contract agencies based on agencies' cost allocation percentage with ACFD									



BENEFIT SUMMARY

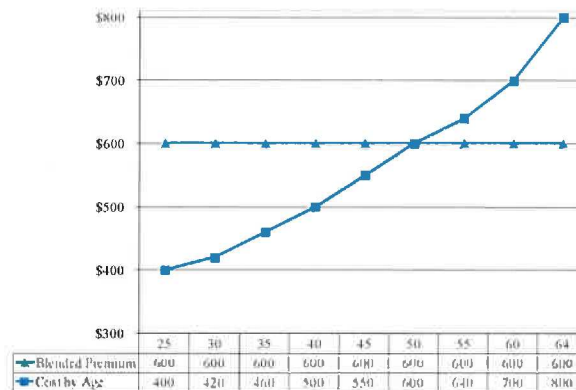
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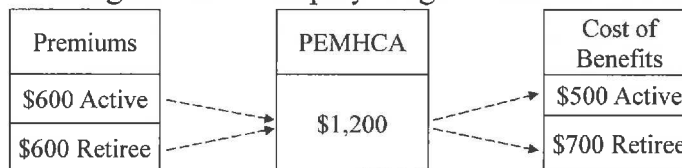
IMPLIED SUBSIDY

- For PEMHCA, employer cost for allowing retirees to participate at active rates.

- General trend:



- Sample assuming one active employee age 40 and one retiree age 60:



IMPLIED SUBSIDY

- GASB 45 defers to actuarial standards of practice.
- Actuarial Standards of Practice No. 6³ (ASOP 6) allowed community rated plans to value liability using premiums, resulting in no implied subsidy in the past.
- In May 2014, Actuarial Standards Board released revised ASOP 6:
 - Will require implied subsidy valued for community rated plans such as PEMHCA.
 - Timing: effective with all valuations on or after March 31, 2015 with earlier implementation encouraged
- June 30, 2015 and later valuations include the PEMHCA implied subsidy.

³ "Measuring Retiree Group Benefits Obligations and Determining Retiree Group Benefits Program Periodic Costs or Actuarially Determined Contributions".



DATA SUMMARY

Participant Statistics

June 30, 2017

	Safety	Miscellaneous		Total
		Non-Dispatch	Dispatch	
■ Actives:				
• Count	346	41	32	419
• Average Age	41.6	45.5	37.6	41.7
• Average Service				
> ACFD	9.2	6.2	5.1	8.6
> CalPERS	13.0	8.8	7.3	12.1
• Average 16/17 Salary	\$127,300	\$91,600	\$85,500	\$120,600
• Total 16/17 Salary (000s)	44,047	3,757	2,737	50,541
■ Retirees:				
• Count	278	8	6	292 ⁴
• Average Age	64.0	64.9	61.6	63.9
• Average Retirement Age				
> Service Retirement	54.2	61.0	59.2	54.6
> Disability Retirement	53.1	54.2	n/a	53.1

⁴ Includes 16 retirees who waive medical coverage.



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DATA SUMMARY

Participant Statistics

June 30, 2015

	Safety	Miscellaneous		Total
		Non-Dispatch	Dispatch	
■ Actives:				
• Count	352	34	35	421
• Average Age	42.6	47.2	37.7	42.6
• Average Service				
> ACFD	8.8	7.4	4.2	8.3
> CalPERS	13.8	10.9	6.9	13.0
• Average 14/15 Salary	\$122,200	\$84,500	\$77,700	\$115,500
• Total 14/15 Salary (000s)	43,015	2,873	2,718	48,607
■ Retirees:				
• Count	238	4	4	246 ⁵
• Average Age	64.2	64.0	60.6	64.1
• Average Retirement Age				
> Service Retirement	54.2	58.6	59.8	54.4
> Disability Retirement	52.5	54.2	n/a	52.5

⁵ Includes 18 retirees who waive medical coverage.



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ACTUARIAL ASSUMPTIONS HIGHLIGHTS

Investment Return Assumption

■ CERBT Investment Options

	Strategy 1	Strategy 2	Strategy 3
Global Equity	57%	40%	24%
Fixed Income	27%	39%	39%
TIPS	5%	10%	26%
Commodities	3%	3%	3%
Fixed Income	<u>8%</u>	<u>8%</u>	<u>8%</u>
Total	100%	100%	100%

■ ACFD in Strategy 1

■ Separate sub-accounts for each contracting agency



ACTUARIAL ASSUMPTIONS HIGHLIGHTS

Investment Return Assumption

■ Future expected returns

- Stochastic simulations of geometric average returns over 20 years
- 5,000 trials
- 2.75% inflation assumption
- Projections based on 5 independent Investment Advisors 2017 10-year Capital Market Assumptions and where available, investment advisors anticipated long-term trends
- Confidence levels:

	Strategy 1	Strategy 2	Strategy 3
50% Confidence Level	6.75%	6.25%	5.50%
55% Confidence Level	6.50%	6.00%	5.50%
60% Confidence Level	6.00%	5.75%	5.25%



ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2015 Valuation	June 30, 2017 Valuation
■ Valuation Date	■ June 30, 2015 ■ 2016/17 and 2017/18 ARC	■ June 30, 2017 ■ 2018/19 and 2019/20 ADC
■ General Inflation	■ 3.00% ■ Used for economic assumptions	■ 2.75% ■ Used for economic assumptions
■ Payroll Increases	■ Aggregate Increases – 3.25% ■ Merit Increases – CalPERS 1997-2011 Experience Study	■ Aggregate Increases – 3.00% ■ Merit Increases – CalPERS 1997-2015 Experience Study



ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2015 Valuation	June 30, 2017 Valuation
■ Discount Rate	■ 4.75% - approx. blended rate determined by allocating liabilities to agencies based on estimated pre-funding policies: <ul style="list-style-type: none"> • 7.25% - full pre-funding rate used for Dispatch and City of Newark • 5.15% - partial pre-funding rate (30% of ARC less paygo) used for ALCO • 4.25% - employee contributions only for remaining agencies ■ 7.25% - side fund calculations, CERBT Strategy #1	■ 4.84% - approx. blended rate determined by allocating liabilities to agencies based on estimated pre-funding policies: <ul style="list-style-type: none"> • 6.75% - full pre-funding rate used for Dispatch and City of Dublin • 5.00% - partial pre-funding rate (35% of ADC less paygo) used for ALCO, City of Newark, and Union City • 4.00% - employee contributions only for remaining agencies ■ 6.75% - side fund calculations, CERBT Strategy #1



ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2015 Valuation		June 30, 2017 Valuation	
■ Medical Trend	<u>Non-Medicare</u>	<u>Medicare</u>	<u>Increase from Prior Year</u>	
	<u>Year</u>	<u>All Plans</u>	<u>Year</u>	<u>Non-Medicare</u> <u>Medicare</u>
	2015	Actual 2015 Premiums	2017	Actual 2017 Premiums
	2016	Actual 2016 Premiums	2018	Actual 2018 Premiums
	2017	7.0%	2019	7.50% 6.50%
	2018	6.5%	2020	7.50% 6.50%
	2019	6.0%	2021	7.25% 6.30%
	2020	5.5%	2022	7.00% 6.10%
	2021+	5.0%	2023	6.75% 5.90%
			2024	6.50% 5.70%
			2025	6.25% 5.50%
			2026	6.00% 5.30%
			2027	5.80% 5.15%
			2028	5.60% 5.00%
			2029	5.40% 4.85%
			2030	5.20% 4.70%
			2031-35	5.05% 4.60%
			2036-45	4.90% 4.50%
			2046-55	4.75% 4.45%
			2056-65	4.60% 4.40%
			2066-75	4.30% 4.20%
			2076+	4.00% 4.00%



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ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2015 Valuation	June 30, 2017 Valuation
■ Mortality, Termination, Disability, Retirement	<ul style="list-style-type: none"> ■ CalPERS 1997-2011 Experience Study ■ Post-retirement mortality projected fully generational with Scale MP-2014, modified to converge to ultimate improvement rates in 2022 	<ul style="list-style-type: none"> ■ CalPERS 1997-2015 Experience Study ■ Pre-retirement mortality projected with 15-year 90% Scale MP-2016 ■ Post-retirement mortality projected with Scale MP-2017 with base year of 2013
■ Affordable Care Act (ACA) Excise Tax	■ Not Valued	■ 2.0% liability load on cash subsidy to estimate impact
■ PEMHCA Admin. Fee	■ n/a	<ul style="list-style-type: none"> ■ 0.33% of retiree premiums ■ Added to Normal Cost



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ACTUARIAL METHODS

Method	June 30, 2015 Valuation	June 30, 2017 Valuation
■ Cost Method	<ul style="list-style-type: none"> • Entry Age Normal • Normal Cost is a level percent of payroll 	<ul style="list-style-type: none"> • Same
■ Funding Policy	<ul style="list-style-type: none"> • Partial pre-funding, varies by agency 	<ul style="list-style-type: none"> • Same
■ Amortization Method	<ul style="list-style-type: none"> • Level percent of payroll 	<ul style="list-style-type: none"> • Same
■ Amortization Periods	<ul style="list-style-type: none"> • 30-years - initial 6/30/08 UAAL (22 years remaining on 6/30/16) • 15 years – gains & losses, plan changes, and assumption changes 	<ul style="list-style-type: none"> • 30-years - initial 6/30/08 UAAL (20 years remaining on 6/30/18) • 15 years – gains & losses, plan changes, and assumption changes



ACTUARIAL METHODS

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ASSETS

Market Value of Plan Assets (MVA)

(Amounts in \$000's)

	2015/16	2016/17	Projected 2017/18 ⁶
■ MVA (Beginning of Year)	\$ 3,437	\$ 13,548	\$ 17,420
● Contributions – Employer	9,200	1,171	880
● Contributions – Employee	682	1,241	1,686
● Disbursements	-	-	-
● Investment Return	232	1,472	2,162
● Administrative Expenses	(2)	(7)	(9)
● Investment Expense	(1)	(5)	(7)
■ MVA (End of Year)	13,548	17,420	22,133
■ Approximate Annual Return	2.9%	10.2%	11.5%

⁶ Actual assets as of 12/31/17 projected to 6/30/18 using expected contributions provided by ACFD and the expected investment return of 6.75%.



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ASSETS

Actuarial Value of Plan Assets (AVA)

(Amounts in \$000's)

	2015/16	2016/17	Projected 2017/18
■ AVA (Beginning of Year)	\$ 3,528	\$ 13,929	\$ 17,434
● Employer Contribution	9,882	2,412	2,566
● Benefit Payment/Disbursements	-	-	-
● Expected Investment Return	614	1,097	1,263
■ Expected AVA (End of Year)	14,024	17,438	21,264
■ MVA (End of Year)	13,548	17,420	22,133
■ 1/5 of (MVA - Expected AVA)	(95)	(4)	174
■ Preliminary AVA	13,929	17,434	21,438
● Minimum AVA (80% of MVA)	10,838	13,936	17,706
● Maximum AVA (120% of MVA)	16,258	20,904	26,559
■ AVA (End of Year)	13,929	17,434	21,438
■ Approximate AVA return	6.1%	7.2%	7.7%

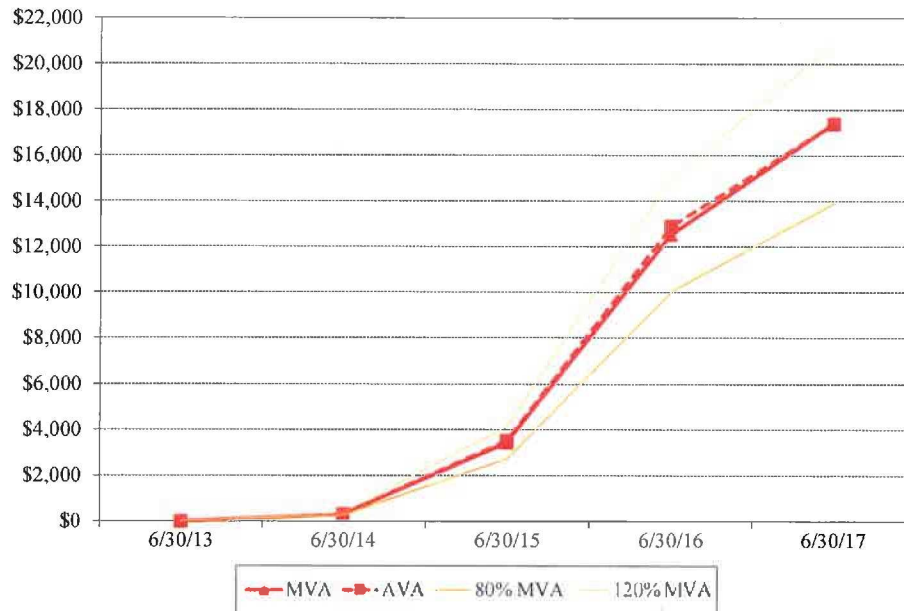


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ASSETS

Historical Plan Assets (Amounts in \$000's)



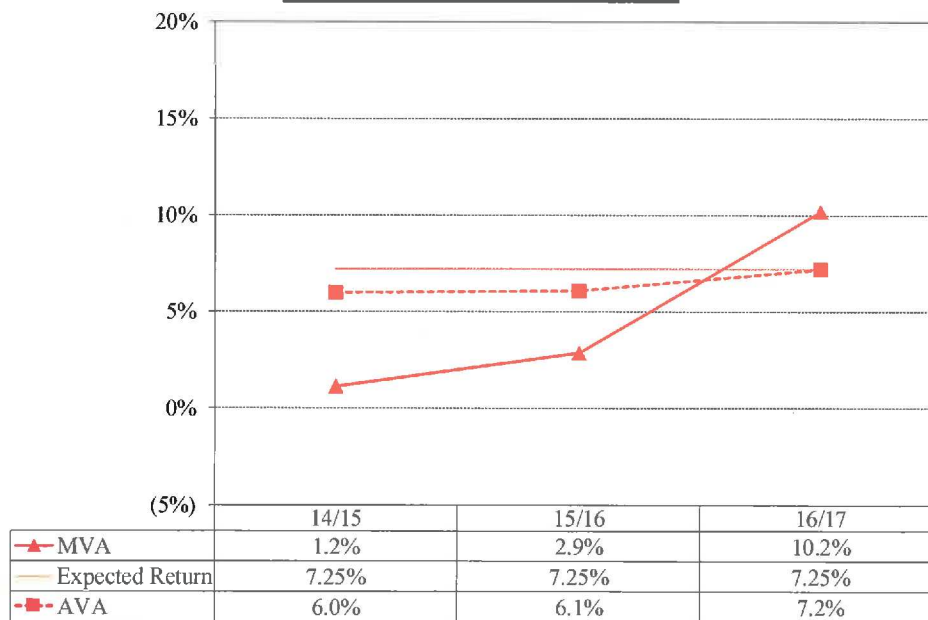
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ASSETS

Annualized Asset Returns



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RESULTS

Actuarial Obligations

(Amounts in \$000's)

	6/30/15 Valuation		6/30/17 Valuation	
	Actual 6/30/15	Projected 6/30/16	Actual 6/30/17	Projected 6/30/18
■ Present Value of Benefits				
•Actives	\$138,171		\$144,444	
•Retirees	60,094		71,857	
•Total	198,265		216,301	
■ Actuarial Accrued Liability				
•Actives	66,785		65,381	
•Retirees	60,094		71,857	
•Total	126,879	\$135,607	137,238	\$146,077
■ Actuarial Value of Assets	(3,528)	(5,339)	(17,434)	(21,438)
■ Unfunded AAL	123,351	130,268	119,804	124,639
■ Funded Status	2.8%	3.9%	12.7%	14.7%
■ Normal Cost	n/a	6,700	n/a	6,804
■ Pay-As-You-Go	3,713	4,087	4,268	4,792



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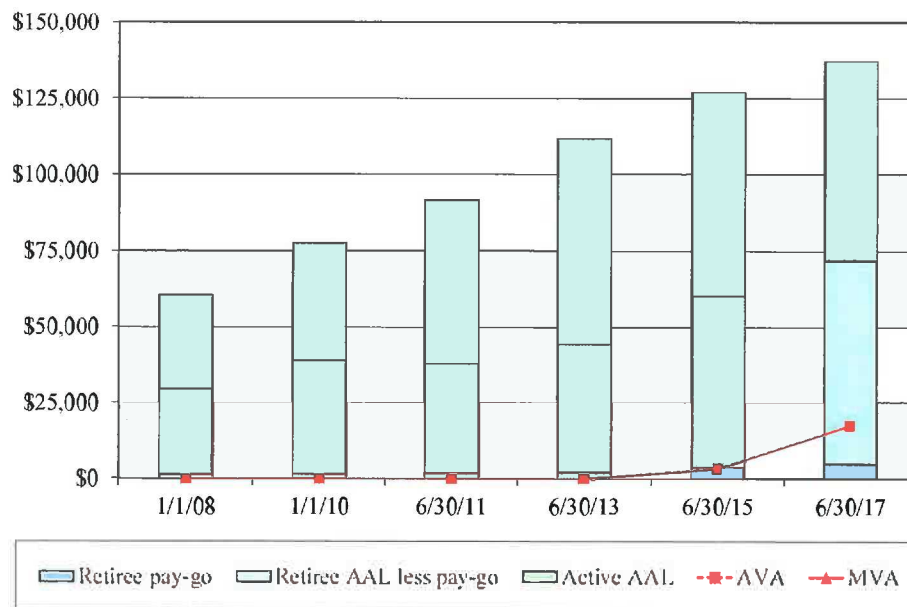
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RESULTS

Historical Actuarial Accrued Liability

(Amounts in \$000's)



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RESULTS

Actuarial Gains & Losses

(Amounts in \$000's)

	AAL
■ 6/30/15 Actual	\$126,879
■ 6/30/17 Expected	144,644
■ Experience (Gains)/Losses:	
• Premiums/Claims less than Expected	(9,879)
• Demographic & Other	(2,334)
■ Assumption Changes:	
• CalPERS 1997-2015 Experience Study	(3,363)
• Healthcare Trend	5,746
• Aggregate Pay Increase	868
• Excise Tax	2,331
• Discount Rate	(775)
■ Total Changes	(7,406)
■ 6/30/17 Actual	137,238



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RESULTS

Schedule of Funding Progress

(Amounts in \$000's)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as Percentage of Covered Payroll ((b-a)/c)
1/1/08	\$ 0	\$ 60,663	\$ 60,663	0.0%	\$ 46,446	130.6%
1/1/10	0	77,388	77,388	0.0%	46,942	164.9%
6/30/11	0	91,574	91,574	0.0%	48,377	189.3%
6/30/13	0	111,712	111,712	0.0%	50,708	220.3%
6/30/15	3,528	126,879	123,351	2.8%	50,186	245.8%
6/30/17	17,434	137,238	119,804	12.7%	52,057	230.1%



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RESULTS

Total Annual Actuarially Determined Contribution (ADC)

(Amounts in \$000's)

	6/30/15 Valuation		6/30/17 Valuation	
	2016/17	2017/18	2018/19	2019/20
■ ADC - \$				
•Normal Cost	\$ 6,700	\$ 6,918	\$ 6,804	\$ 7,008
•UAAL Amortization	<u>10,175</u>	<u>11,290</u>	<u>8,987</u>	<u>9,257</u>
•Total ADC	16,875	18,208	15,791	16,265
•Employee Contributions ⁷	<u>(1,241)</u>	<u>(1,686)</u>	<u>(2,054)</u>	<u>(2,115)</u>
•ACFD ADC	15,634	16,522	13,737	14,150
■ Projected Payroll	51,817	53,372	53,619	55,228
■ ADC - %Pay				
•Normal Cost	12.9%	13.0%	12.7%	12.7%
•UAAL Amortization	<u>19.6%</u>	<u>21.2%</u>	<u>16.8%</u>	<u>16.8%</u>
•Total ADC	32.6%	34.1%	29.5%	29.5%
•Employee Contributions	<u>(2.4%)</u>	<u>(3.2%)</u>	<u>(3.8%)</u>	<u>(3.8%)</u>
•ACFD ADC	30.2%	31.0%	25.6%	25.6%

⁷ Estimated employee contributions for 18/19 and 19/20 based on 2018 employee contribution rates and projected payroll.



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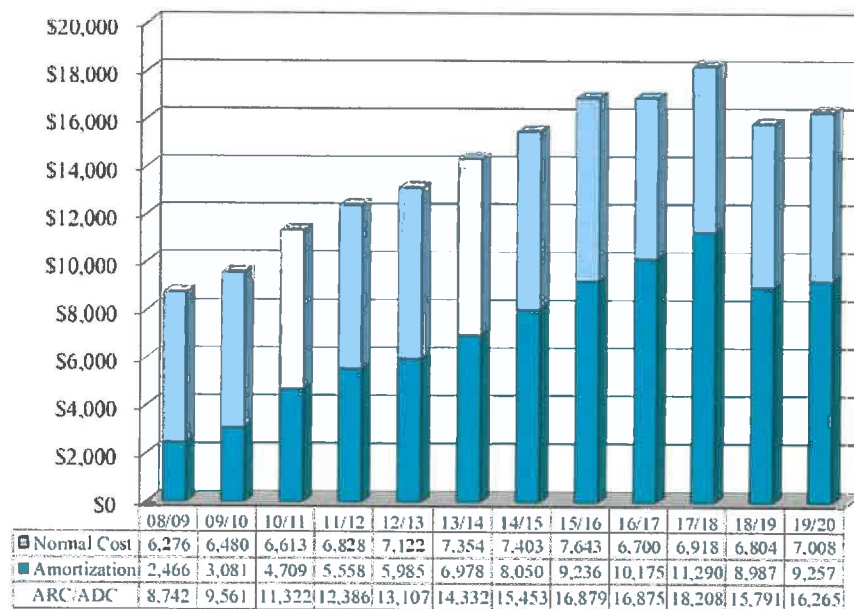
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RESULTS

Historical Total Actuarially Determined Contributions

(Amounts in \$000's)



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RESULTS

Amortization Bases

(Amounts in \$000's)

	6/30/15 Valuation		6/30/17 Valuation	
	6/30/16	6/30/17	6/30/18	6/30/19
■ Outstanding Balance				
• Initial 6/30/08 UAAL	\$62,519	\$62,040	\$61,457	\$60,640
• (Gains)/Losses				
➤ 1/1/10 Valuation	9,652	8,921	8,122	7,233
➤ 6/30/11 Valuation	(5,990)	(5,662)	(5,302)	(4,896)
➤ 6/30/13 Valuation	(398)	(382)	(365)	(344)
➤ 6/30/15 Valuation	(4,961)	(4,815)	(4,651)	(4,460)
➤ 6/30/17 Valuation	-	-	(7,727)	(7,492)
• Contribution (Gain)/Loss	<u>69,446</u>	<u>77,648</u>	<u>73,106</u>	<u>71,562</u>
• Total	130,268	137,750	124,639	122,243



RESULTS

Amortization Payments

(Amounts in \$000's)

	6/30/15 Valuation		6/30/17 Valuation	
	2016/17	2017/18	2018/19	2019/20
■ Amortization Payment - \$				
• Initial 6/30/08 UAAL	\$3,449	\$3,561	\$3,793	\$3,907
• (Gains)/Losses				
➤ 1/1/10 Valuation	1,189	1,228	1,282	1,321
➤ 6/30/11 Valuation	(612)	(632)	(662)	(682)
➤ 6/30/13 Valuation	(35)	(36)	(38)	(39)
➤ 6/30/15 Valuation	(383)	(395)	(416)	(429)
➤ 6/30/17 Valuation	-	-	(740)	(763)
• Contribution (Gain)/Loss	<u>6,567</u>	<u>7,564</u>	<u>5,768</u>	<u>5,942</u>
• Total	10,175	11,290	8,987	9,257
• Average Amort. Years	14.8	14.0	16.6	15.7



RESULTS

Actuarial Obligations by Agency

(Amounts in \$000's)

	Dis- patch	ALCO	San Leandro	Dublin	LBNL	LLNL	Newark	Union City	Emery- ville	Total
■ Discount Rate	6.75%	5.00%	4.00%	6.75%	4.00%	4.00%	5.00%	5.00%	4.00%	Blended
■ PVB 6/30/17										
• Actives	\$3,616	\$57,347	\$43,419	\$10,262	\$3,445	\$4,067	\$7,457	\$9,077	\$5,754	\$144,444
• Retirees	607	29,981	19,920	6,618	1,581	1,866	3,898	4,746	2,640	71,857
• Total	4,223	87,328	63,339	16,880	5,026	5,933	11,355	13,823	8,394	216,301
■ AAL 6/30/17										
• Actives	1,246	26,732	18,569	5,454	1,473	1,739	3,476	4,231	2,461	65,381
• Retirees	607	29,981	19,920	6,618	1,581	1,866	3,898	4,746	2,640	71,857
• Total	1,853	56,713	38,489	12,072	3,054	3,605	7,374	8,977	5,101	137,238
■ AVA 6/30/17	(1,541)	(3,766)	(570)	(9,589)	(109)	(271)	(921)	(504)	(163)	(17,434)
■ UAAL 6/30/17	312	52,947	37,919	2,483	2,945	3,334	6,453	8,473	4,938	119,804
■ Proj. AAL 6/30/18	2,124	60,130	40,645	12,852	3,286	4,024	7,893	9,615	5,508	146,077
■ Proj. AVA 6/30/18	(1,789)	(4,559)	(930)	(10,565)	(176)	(439)	(2,002)	(743)	(235)	(21,438)
■ Proj. UAL 6/30/18	335	55,571	39,715	2,287	3,110	3,585	5,891	8,872	5,273	124,639
■ Normal Cost (18/19)	208	1,909	1,518	482	282	705	535	703	462	6,804



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RESULTS

Actuarially Determined Contribution (ADC) by Agency

2018/19 Fiscal Year

(Amounts in \$000's)

	Dis- patch	ALCO	San Leandro	Dublin	LBNL	LLNL	Newark	Union City	Emery- ville	Total
■ Discount Rate	6.75%	5.00%	4.00%	6.75%	4.00%	4.00%	5.00%	5.00%	4.00%	Blended
■ ADC - \$										
• Normal Cost	\$ 208	\$ 1,909	\$ 1,518	\$ 482	\$ 282	\$ 705	\$ 535	\$ 703	\$ 462	\$ 6,804
• UAAL Amortization	28	4,106	2,745	190	215	248	435	656	364	8,987
• Total ADC	236	6,015	4,263	672	497	953	970	1,359	826	15,791
• EE Contributions					n/a					(2,054)
• ACFD ADC					n/a					13,737
■ Projected Payroll					n/a					53,619
■ ADC - %										
• Normal Cost					n/a					12.7%
• UAAL Amortization					n/a					16.8%
• Total ADC					n/a					29.5%
• EE Contributions					n/a					(3.8%)
• ACFD ADC					n/a					25.6%



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RESULTS

Benefit Payment Projection by Cash/Implied Subsidy

(Amounts in \$000's)

Fiscal Year	Cash Subsidy	Implied Subsidy	Total
2018/19	\$ 3,975	\$ 817	\$ 4,792
2019/20	4,333	918	5,251
2020/21	4,789	1,099	5,888
2021/22	5,157	1,198	6,355
2022/23	5,527	1,323	6,850
2023/24	5,850	1,378	7,228
2024/25	6,126	1,370	7,496
2025/26	6,512	1,447	7,959
2026/27	6,996	1,605	8,601
2027/28	7,370	1,624	8,994



RESULTS

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SIDE FUND CALCULATIONS

Side Funds – Purpose

- Allow each agency in ACFD the choice of pre-funding their OPEB benefit independent of the pre-funding choice of other agencies in ACFD
- Side Funds are established for each agency within ACFD based on the full pre-funding discount rate
- They represent the amount of unfunded liability for each agency due to past service, based on ACFD retiree medical benefit
- Each agency decides how much, if any, of its own side fund to pre-fund
- If paid off would fully pre-fund past-service liability for agency



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SIDE FUND CALCULATIONS

Side Funds – Methodology

- Initial side fund determined as of 6/30/08, or when joining ACFD if later, for each agency in ACFD.
- Yearly side fund calculation:
 - Allocate year's full pre-funding Normal Cost to each participating agency based on FTE, remaining is allocated based on allocation % of shared positions.
 - Each agency side fund will change:
 - (Beginning of year side fund with interest to end of year)
 - + (Allocated portion of full pre-funding NC)
 - (Allocated benefit payments with interest to end of year)
- Difference between total side fund amount and full pre-funding AAL is allocated to each agency based on FTE, remaining based on allocation % of shared positions.
- Each agency determines whether to make a pre-funding contribution to their CERBT sub-account or not, agency side fund is adjusted by any assets in sub-account:
 - (End of year side fund)
 - (End of year assets in CERBT sub-account)



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SIDE FUND CALCULATIONS

Actuarial Obligations for Side Fund Calculations

Full Funding Discount Rate

(Amounts in \$000's)

	6/30/15 Valuation		6/30/17 Valuation	
	Projected		Projected	
	6/30/15	6/30/16	6/30/17	6/30/18
Full Funding Discount Rate	7.25%		6.75%	
■ Present Value of Benefits	\$124,038		\$150,345	
■ Actuarial Accrued Liability				
• Safety	86,856	\$92,755	101,410	\$107,792
• Misc Non Dispatch	2,228	2,583	3,091	3,539
• Misc Dispatch	<u>1,270</u>	<u>1,501</u>	<u>1,852</u>	<u>2,124</u>
• Total	90,354	96,839	106,353	113,455
■ Actuarial Value of Assets	<u>(3,528)</u>	<u>(5,339)⁸</u>	<u>(17,434)</u>	<u>(21,438)</u>
■ Unfunded AAL	86,826	91,500	88,919	92,017
■ Normal Cost	n/a	3,903	n/a	4,463
■ Pay-As-You-Go	3,713	4,087	4,268	4,792

⁸ Based on projected Actuarial Value of Assets from the 6/30/15 valuation.



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SIDE FUND CALCULATIONS

Actuarially Determined Contribution (ADC) for Side Fund Calculations

	6/30/15 Valuation		6/30/17 Valuation	
	2016/17	2017/18	2018/19	2019/20
Full Funding Discount Rate	7.25%		6.75%	
■ ADC - \$				
• Normal Cost	\$ 3,903	\$ 4,029	\$4,463	\$4,597
• UAAL Amortization ⁹	<u>8,597</u>	<u>8,877</u>	<u>7,611</u>	<u>7,840</u>
• Total ADC	12,500	12,906	12,074	12,437
• Employee Contributions ¹⁰	<u>(1,241)</u>	<u>(1,686)</u>	<u>(2,054)</u>	<u>(2,115)</u>
• Total	11,259	11,220	10,021	10,322
■ Projected Payroll	51,817	53,501	53,619	55,228
■ ADC - %Pay				
• Normal Cost	7.5%	7.5%	8.3%	8.3%
• UAAL Amortization	<u>16.6%</u>	<u>16.6%</u>	<u>14.2%</u>	<u>14.2%</u>
• Total ADC	24.1%	24.1%	22.5%	22.5%
• Employee Contributions	<u>(2.4%)</u>	<u>(3.2%)</u>	<u>(3.8%)</u>	<u>(3.8%)</u>
• Total	21.7%	20.9%	18.7%	18.7%

⁹ Based on valuation amortization periods.

¹⁰ Estimated employee contributions for 18/19 and 19/20 based on 2018 employee contribution rates and projected payroll.



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SIDE FUND CALCULATIONS

CERBT Sub-Accounts and AVA Calculation

Fiscal Year 2015/16

(Amounts in \$000's)

	Dis- patch	ALCO	San Leandro	Dublin	LBNL	LLNL	Newark	Union City	Emery- ville	Total
■ MVA 6/30/15	\$1,251	\$1,002	\$164	\$94	\$31	\$78	\$677	\$94	\$47	\$3,437
• Contributions	54	1,186	126	8,272	24	60	54	72	36	9,882
• Disbursements	-	-	-	-	-	-	-	-	-	-
• Inv. Earnings	15	16	6	179	1	3	9	3	2	232
• Admin. Exp.	(1)	(1)	-	-	-	-	-	-	-	(2)
• Invest. Exp.	(1)	-	-	-	-	-	-	-	-	(1)
■ MVA 6/30/16	1,319	2,203	295	8,544	56	140	739	169	84	13,548
• AVA Ratio ¹¹	← 102.81% →									
■ AVA 6/30/16	1,356	2,265	303	8,784	58	144	759	173	87	13,929

¹¹ Ratio of valuation 6/30/16 Actuarial Value of Assets (\$13,929) to Market Value of Assets (\$13,548) = 102.81%.



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SIDE FUND CALCULATIONS

CERBT Sub-Accounts and AVA Calculation

Fiscal Year 2016/17

(Amounts in \$000's)

	Dis- patch	ALCO	San Leandro	Dublin	LBNL	LLNL	Newark	Union City	Emery- ville	Total
■ MVA 6/30/16	\$1,319	\$2,203	\$295	\$8,544	\$56	\$140	\$739	\$169	\$84	\$13,548
• Contributions	78	1,343	233	133	44	111	100	304	66	2,412
• Disbursements	-	-	-	-	-	-	-	-	-	-
• Inv. Earnings	144	220	42	912	8	20	83	31	12	1,472
• Admin. Exp.	(1)	(1)	-	(4)	-	-	-	-	-	(7)
• Invest. Exp.	(1)	(1)	-	(3)	-	-	-	-	-	(5)
■ MVA 6/30/17	1,540	3,764	569	9,581	108	271	921	503	163	17,420
• AVA Ratio ¹²	← 100.08% →									
■ AVA 6/30/17	1,541	3,766	570	9,589	109	271	921	504	163	17,434

¹² Ratio of valuation 6/30/17 Actuarial Value of Assets (\$17,434) to Market Value of Assets (\$17,420) = 100.08%.



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SIDE FUND CALCULATIONS

Estimated CERBT Sub-Accounts and AVA Calculation

Fiscal Year 2017/18

(Amounts in \$000's)

	Dis- patch	ALCO	San Leandro	Dublin	LBNL	LLNL	Newark	Union City	Emery- ville	Total
■ MVA 6/30/17	\$1,540	\$3,764	\$569	\$9,581	\$108	\$271	\$921	\$503	\$163	\$17,420
• Contributions	120	477	310	179	58	144	1,017	195	66	2,566
• Disbursements	-	-	-	-	-	-	-	-	-	-
• Inv. Earnings	189	470	81	1,155	15	38	131	69	13	2,162
• Admin. Exp.	(1)	(2)	-	(5)	-	-	-	-	-	(9)
• Invest. Exp.	(1)	(1)	-	(4)	-	-	-	-	-	(7)
■ MVA 6/30/18	1,847	4,708	960	10,908	181	453	2,067	767	242	22,133
• AVA Ratio ¹³	← 98.86% →									
■ AVA 6/30/18	1,789	4,559	930	10,565	176	439	2,002	743	235	21,438

¹³ Ratio of valuation 6/30/18 Actuarial Value of Assets (\$21,438) to Market Value of Assets (\$22,133) = 98.86%.



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SIDE FUND CALCULATIONS

Side Fund Calculations

2015/16 Fiscal Year - 7.25% Discount Rate

(Amounts in \$000's)

	Dis- patch	ALCO	San Leandro	Dublin	LBNL	LLNL	Newark	Union City	Emery- ville	Total
■ Allocation %	0.00%	29.53%	20.00%	11.43%	3.81%	9.52%	8.57%	11.43%	5.71%	100%
■ Side Fund BOY	\$1,270	\$38,651	\$22,664	\$10,356	\$1,779	\$2,046	\$4,962	\$6,036	\$2,590	\$90,354
• Pool NC ¹⁴	268	1,064	690	401	129	321	304	401	202	3,780
• BP	(39)	(980)	(664)	(380)	(127)	(316)	(285)	(380)	-	(3,171)
• Interest	91	2,768	1,619	737	124	137	350	424	188	6,438
■ Side Fund EOY	1,590	41,503	24,309	11,114	1,905	2,188	5,331	6,481	2,980	97,401
■ Balance EOY ¹⁴	(89)	(145)	(96)	(55)	(18)	(45)	(42)	(55)	(17)	(562)
■ AAL EOY	1,501	41,358	24,213	11,059	1,887	2,143	5,289	6,426	2,963	96,839
■ AVA EOY	(1,356)	(2,265)	(303)	(8,784)	(58)	(144)	(759)	(173)	(87)	(13,929)
■ UAAL EOY	145	39,093	23,910	2,275	1,829	1,999	4,530	6,253	2,876	82,910

¹⁴ Allocated based on FTE first, and then allocation % of shared positions, except for Dispatch which is based on actual Dispatch valuation results.



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SIDE FUND CALCULATIONS

Side Fund Calculations 2016/17 Fiscal Year – 7.25% Discount Rate (Amounts in \$000's)

	Dis- patch	ALCO	San Leandro	Dublin	LBNL	LLNL	Newark	Union City	Emery- ville	Total
■ Allocation %	0.00%	29.53%	20.00%	11.43%	3.81%	9.52%	8.57%	11.43%	5.71%	100%
■ Side Fund BOY	\$1,501	\$41,358	\$24,213	\$11,059	\$1,887	\$2,143	\$5,289	\$6,426	\$2,963	\$96,839
• Pool NC ¹⁵	185	1,136	725	422	135	337	321	422	220	3,903
• BP	(53)	(1,307)	(886)	(507)	(169)	(422)	(380)	(506)	-	(4,230)
• Interest	107	2,951	1,724	784	131	140	370	448	215	6,870
■ Side Fund EOY	1,740	44,138	25,776	11,758	1,984	2,198	5,600	6,790	3,398	103,382
■ Balance EOY ¹⁵	112	875	581	335	109	273	253	335	98	2,971
■ AAL EOY ¹⁶	1,852	45,013	26,357	12,093	2,093	2,471	5,853	7,125	3,496	106,353
■ AVA EOY	(1,541)	(3,766)	(570)	(9,589)	(109)	(271)	(921)	(504)	(163)	(17,434)
■ UAAL EOY	311	41,247	25,787	2,504	1,984	2,200	4,932	6,621	3,333	88,919

¹⁵ Allocated based on FTE first, and then allocation % of shared positions, except for Dispatch which is based on actual Dispatch valuation results.

¹⁶ Based on a 6.75% discount rate.



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SIDE FUND CALCULATIONS

Side Fund Calculations Estimated 2017/18 Fiscal Year – 6.75% Discount Rate (Amounts in \$000's)

	Dis- patch	ALCO	San Leandro	Dublin	LBNL	LLNL	Newark	Union City	Emery- ville	Total
■ Allocation %	0.00%	29.53%	20.00%	11.43%	3.81%	9.52%	8.57%	11.43%	5.71%	100%
■ Side Fund BOY	\$1,852	\$45,013	\$26,357	\$12,093	\$2,093	\$2,471	\$5,853	\$7,125	\$3,496	106,353
• Pool NC ¹⁷	191	1,170	750	436	139	349	331	436	227	4,029
• BP	(52)	(1,305)	(920)	(525)	(174)	(438)	(393)	(525)	(262)	(4,594)
• Interest	123	2,996	1,749	799	135	152	382	463	227	7,026
■ Side Fund EOY	2,114	47,874	27,936	12,803	2,193	2,534	6,173	7,499	3,688	112,814
■ Balance EOY ¹⁷	10	188	125	72	24	59	54	72	37	641
■ AAL EOY	2,124	48,062	28,061	12,875	2,217	2,593	6,227	7,571	3,725	113,455
■ AVA EOY	(1,789)	(4,559)	(930)	(10,565)	(176)	(439)	(2,002)	(743)	(235)	(21,438)
■ UAAL EOY	335	43,503	27,131	2,310	2,041	2,154	4,225	6,828	3,490	92,017

¹⁷ Allocated based on FTE first, and then allocation % of shared positions, except for Dispatch which is based on actual Dispatch valuation results.



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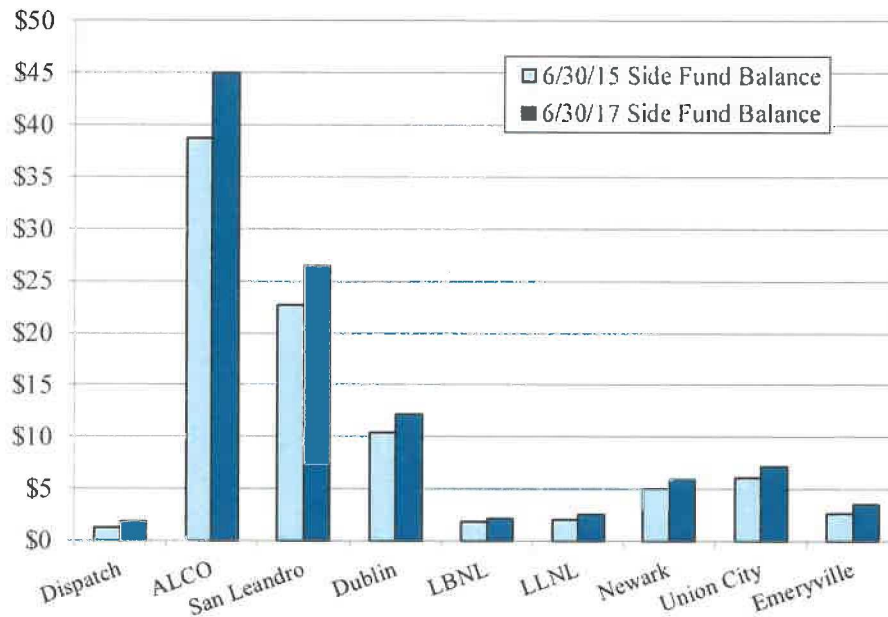
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SIDE FUND CALCULATIONS

Side Fund Balances (AAL)

(Amounts in millions)



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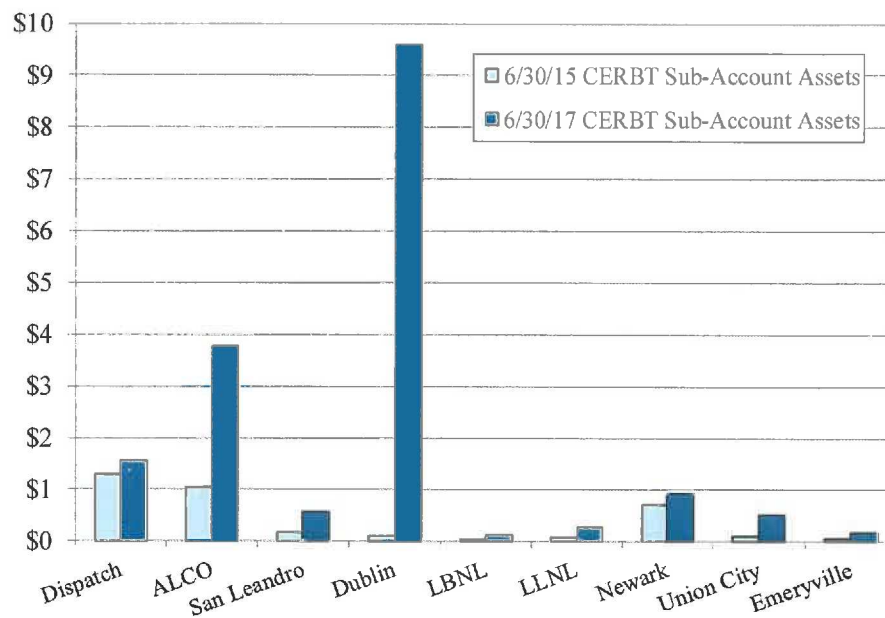
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SIDE FUND CALCULATIONS

CERBT Sub-Account Assets (AVA)

(Amounts in millions)



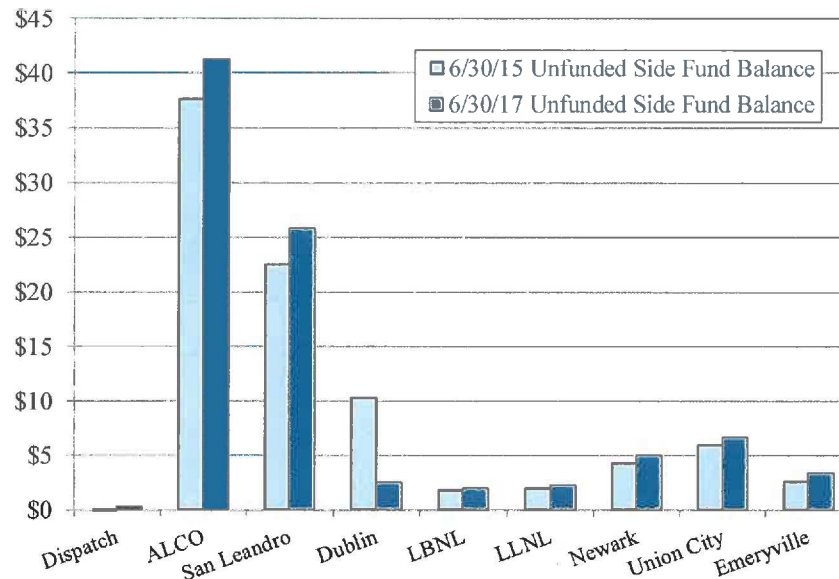
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SIDE FUND CALCULATIONS

Unfunded Side Fund Balances (UAAL) Side Fund Balance less CERBT Sub-Account Assets (Amounts in millions)



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SIDE FUND CALCULATIONS

Sample 2018/19 ADCs at Varying UAAL Amortization Periods 6.75% Discount Rate (Amounts in \$000's)

	Dis- patch	ALCO	San Leandro	Dublin	LBNL	LLNL	Newark	Union City	Emery- ville	Total
15-Year UAAL Amortization										
■ 2018/19 ADC										
• Normal Cost	\$208	\$1,308	\$ 827	\$482	\$154	\$384	\$367	\$482	\$251	\$4,463
• UAAL Amort	<u>30</u>	<u>3,929</u>	<u>2,451</u>	<u>209</u>	<u>184</u>	<u>195</u>	<u>382</u>	<u>617</u>	<u>315</u>	<u>8,312</u>
• Total	238	5,237	3,278	691	338	579	749	1,099	566	12,775
20-Year UAAL Amortization										
■ 2018/19 ADC										
• Normal Cost	\$208	\$1,308	\$827	\$482	\$154	\$384	\$367	\$482	\$251	\$4,463
• UAAL Amort	<u>25</u>	<u>3,193</u>	<u>1,991</u>	<u>170</u>	<u>150</u>	<u>158</u>	<u>310</u>	<u>501</u>	<u>256</u>	<u>6,754</u>
• Total	233	4,501	2,818	652	304	542	677	983	507	11,217
30-Year UAAL Amortization										
■ 2018/19 ADC										
• Normal Cost	\$208	\$1,308	\$827	\$482	\$154	\$384	\$367	\$482	\$251	\$4,463
• UAAL Amort	<u>19</u>	<u>2,479</u>	<u>1,546</u>	<u>132</u>	<u>116</u>	<u>123</u>	<u>241</u>	<u>389</u>	<u>199</u>	<u>5,244</u>
• Total	227	3,787	2,373	614	270	507	608	871	450	9,707



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ACTUARIAL CERTIFICATION

This report presents the Alameda County Fire Department Retiree Healthcare Plan ("Plan") June 30, 2017 actuarial valuation. The purpose of this valuation is to:

- Determine the Plan's June 30, 2017 Funded Status and
- Calculate the 2018/19 and 2019/20 Actuarially Determined Contributions.

Information provided in this report may be useful to the Fire Department for the Plan's financial management. Future valuations may differ significantly if the Plan's experience differs from our assumptions or if there are changes in Plan design, actuarial methods, or actuarial assumptions. The project scope did not include an analysis of this potential variation.

The valuation is based on Plan provisions, participant data, and asset information provided by the Fire Department as summarized in this report, which we relied on and did not audit. We reviewed the participant data for reasonableness.

To the best of our knowledge, this report is complete and accurate and has been conducted using generally accepted actuarial principles and practices. As members of the American Academy of Actuaries meeting the Academy Qualification Standards, we certify the actuarial results and opinions herein.

Respectfully submitted,



Doug Pryor, ASA, EA, MAAA
Vice President
Bartel Associates, LLC
May 31 2018



Catherine A. Wandro, ASA, MAAA, FCA
Assistant Vice President
Bartel Associates, LLC
May 31, 2018



May 31, 2018

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EXHIBITS

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Premiums	E-1
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Actuarial Assumptions	E-17
Definitions	E-25



May 31, 2018

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PREMIUMS

2017 PEMHCA Monthly Medical Premiums
Bay Area

Plan	Non-Medicare Eligible			Medicare Eligible		
	Single	2-Party	Family	Single	2-Party	Family
Anthem Select	\$783.46	\$1,566.92	\$2,037.00	n/a	n/a	n/a
Anthem Traditional	990.05	1,980.10	2,574.13	n/a	n/a	n/a
Blue Shield Access+	1,024.85	2,049.70	2,664.61	n/a	n/a	n/a
Health Net SmartCare	733.29	1,466.58	1,906.55	n/a	n/a	n/a
Kaiser	733.39	1,466.78	1,906.81	\$300.48	\$600.96	\$901.44
UnitedHealthcare	1,062.26	2,124.52	2,761.88	324.21	648.42	972.63
PERS Choice	830.30	1,660.60	2,158.78	353.63	707.26	1,060.89
PERS Select	736.27	1,472.54	1,914.30	353.63	707.26	1,060.89
PERSCare	932.39	1,864.78	2,424.21	389.76	779.52	1,169.28
PORAC	699.00	1,467.00	1,876.00	464.00	924.00	1,477.00



E-1



PREMIUMS

2018 PEMHCA Monthly Medical Premiums
Bay Area

Plan	Non-Medicare Eligible			Medicare Eligible		
	Single	2-Party	Family	Single	2-Party	Family
Anthem Select	\$856.41	\$1,712.82	\$2,226.67	n/a	n/a	n/a
Anthem Traditional	925.47	1,850.94	2,406.22	\$370.34	\$740.68	\$1,111.02
Blue Shield Access+	889.02	1,778.04	2,311.45	n/a	n/a	n/a
Health Net SmartCare	863.48	1,726.96	2,245.05	n/a	n/a	n/a
Kaiser	779.86	1,559.72	2,027.64	316.34	632.68	949.02
UnitedHealthcare	1,371.84	2,743.68	3,566.78	330.76	661.52	992.28
Western Health Advantage	792.56	1,585.12	2,060.66	n/a	n/a	n/a
PERS Choice	800.27	1,600.54	2,080.70	345.97	691.94	1,037.91
PERS Select	717.50	1,435.00	1,865.50	345.97	691.94	1,037.91
PERSCare	882.45	1,764.90	2,294.37	382.30	764.60	1,146.90
PORAC	734.00	1,540.00	1,970.00	487.00	970.00	1,551.00



E-2



DATA SUMMARY

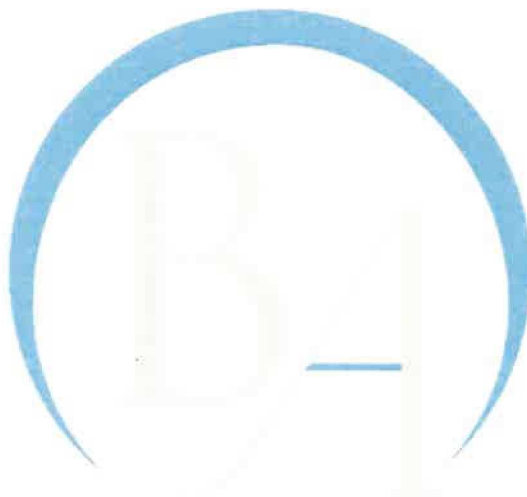
Historical Participant Statistics

	1/1/10	6/30/11	6/30/13	6/30/15	6/30/17
■ Actives:					
• Count	396	410	417	421	419
• Average Age	41.8	42.0	43.5	42.6	41.7
• Average Service					
➤ ACFD	7.1	7.7	8.6	8.3	8.6
➤ CalPERS	11.8	12.3	13.6	13.0	12.1
• Average Salary	\$118,540	\$117,992	\$111,725	\$115,456	\$120,623
• Total Salary (000s)	46,942	48,377	46,590	48,607	50,541
■ Retirees:					
• Count	179	191	208	246	292
• Average Age	62.6	63.6	64.0	64.1	63.9
• Average Retirement Age	53.8				
➤ Service Retirement	-	54.4	54.3	54.4	54.6
➤ Disability Retirement	-	52.2	52.2	52.5	53.1



DATA SUMMARY

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DATA SUMMARY

Medical Plan Participation

Medical Plan	Actives	Retirees		
		Pre-65	Post-65	Total
Anthem Select	1%	2%	0%	1%
Anthem Traditional	2%	1%	0%	0%
Blue Shield Access+	7%	10%	0%	6%
Health Net SmartCare	2%	2%	0%	1%
Kaiser	61%	40%	52%	45%
UnitedHealthcare	1%	1%	9%	4%
PERS Choice	2%	7%	19%	12%
PERSCare	1%	2%	10%	5%
PORAC	25%	34%	11%	25%
Total	100%	100%	100%	100%



DATA SUMMARY

Current Active Medical Plan Coverage

Medical Plan	Single	2-Party	Family	Waived	Total
Anthem Select	1	1	1	-	3
Anthem Traditional	2	-	6	-	8
Blue Shield	4	5	18	-	27
Health Net SmartCare	-	1	6	-	7
Kaiser	62	43	135	-	240
UnitedHealthcare	-	-	2	-	2
PERS Choice	2	1	5	-	8
PERSCare	1	1	1	-	3
PORAC	14	22	62	-	98
Waived	-	-	-	23	23
Total	86	74	236	23	419



DATA SUMMARY

Retiree Medical Plan Coverage - Pre 65

Medical Plan	Single	2-Party	Family	Waived	Total
Anthem Select	-	-	4	-	4
Anthem Traditional	-	1	-	-	1
Blue Shield	4	5	7	-	16
Health Net SmartCare	1	1	2	-	4
Kaiser	16	25	25	-	66
UnitedHealthcare	1	-	-	-	1
PERS Choice	5	3	3	-	11
PERSCare	2	2	-	-	4
PORAC	5	27	24	-	56
Waived	-	-	-	10	10
Total	34	64	65	10	173



E-7



DATA SUMMARY

Retiree Medical Plan Coverage - Post 65

Medical Plan	Single	2-Party	Family	Waived	Total
Kaiser	19	37	3	-	59
UnitedHealthcare	5	3	2	-	10
PERS Choice	4	16	1	-	21
PERSCare	6	5	-	-	11
PORAC	2	9	1	-	12
Waived	-	-	-	6	6
Total	36	70	7	6	119



E-8



DATA SUMMARY

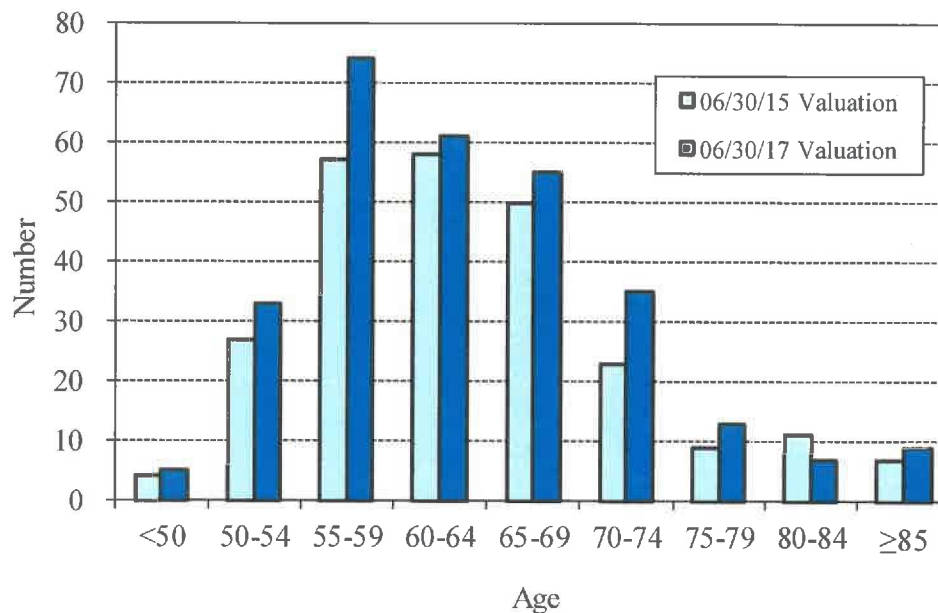
Retirees Medical Plan Coverage by Age

Age	Medical Coverage				
	Single	2-Party	Family	Waived	Total
Under 50	-	-	3	2	5
50-54	1	10	22	-	33
55-59	14	26	29	5	74
60-64	19	28	11	3	61
65-69	12	37	4	2	55
70-74	7	23	2	3	35
75-79	6	6	1	-	13
80-84	6	1	-	-	7
85 & Over	5	3	-	1	9
Total	70	134	72	16	292
Average Age	68.4	65.2	57.5	62.7	63.9



DATA SUMMARY

Retiree Age Distribution



DATA SUMMARY

Actives by Age and Service – Safety

Age	ACFD Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	-	2	-	-	-	-	-	2
25-29	9	23	2	-	-	-	-	34
30-34	10	17	30	4	-	-	-	61
35-39	4	9	22	29	3	-	-	67
40-44	1	2	20	18	10	1	-	52
45-49	-	1	33	10	7	2	-	53
50-54	-	-	24	3	4	17	-	48
55-59	-	1	13	-	1	9	-	24
60-64	-	-	1	1	1	1	1	5
≥ 65	-	-	-	-	-	-	-	-
Total	24	55	145	65	26	30	1	346



DATA SUMMARY

Actives by Age and Service – Miscellaneous (Non-Dispatch)

Age	ACFD Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	-	-	-	-	-	-	-	-
25-29	2	1	-	-	-	-	-	3
30-34	1	3	-	-	-	-	-	4
35-39	2	1	1	1	-	-	-	5
40-44	1	4	3	1	-	-	-	9
45-49	3	2	1	-	-	-	-	6
50-54	-	2	1	-	-	1	-	4
55-59	-	1	4	1	1	1	-	8
60-64	-	-	-	-	1	-	-	1
≥ 65	-	-	-	-	1	-	-	1
Total	9	14	10	3	3	2	-	41



DATA SUMMARY

Actives by Age and Service – Miscellaneous (Dispatch)

Age	ACFD Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	-	-	-	-	-	-	-	-
25-29	4	-	-	-	-	-	-	4
30-34	-	6	2	-	-	-	-	8
35-39	-	5	4	-	-	-	-	9
40-44	1	-	5	-	-	-	-	6
45-49	-	1	4	-	-	-	-	5
50-54	-	-	-	-	-	-	-	-
55-59	-	-	-	-	-	-	-	-
60-64	-	-	-	-	-	-	-	-
≥ 65	-	-	-	-	-	-	-	-
Total	5	12	15	-	-	-	-	32



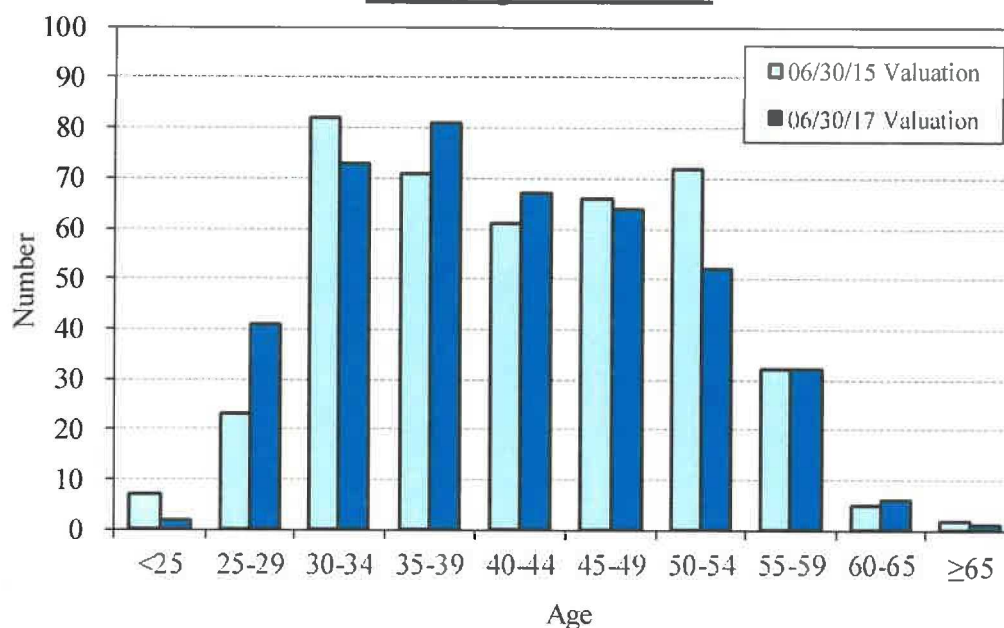
DATA SUMMARY

Actives by Age and Service – Total

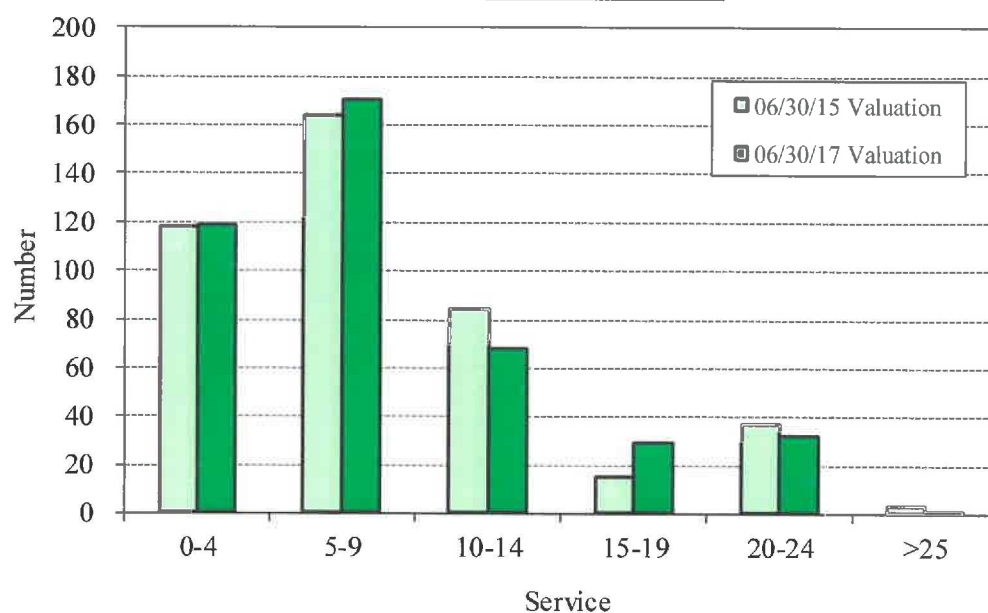
Age	ACFD Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	-	2	-	-	-	-	-	2
25-29	15	24	2	-	-	-	-	41
30-34	11	26	32	4	-	-	-	73
35-39	6	15	27	30	3	-	-	81
40-44	3	6	28	19	10	1	-	67
45-49	3	4	38	10	7	2	-	64
50-54	-	2	25	3	4	18	-	52
55-59	-	2	17	1	2	10	-	32
60-64	-	-	1	1	2	1	1	6
≥ 65	-	-	-	-	1	-	-	1
Total	38	81	170	68	29	32	1	419



DATA SUMMARY

Active Age Distribution

DATA SUMMARY

Active Service Distribution

ACTUARIAL ASSUMPTIONS

	June 30, 2015 Valuation	June 30, 2017 Valuation
■ Valuation Date	■ June 30, 2015 ■ 2016/17 and 2017/18 ARC	■ June 30, 2017 ■ 2018/19 and 2019/20 ADC
■ General Inflation	■ 3.00% ■ Used for economic assumptions	■ 2.75% ■ Used for economic assumptions



ACTUARIAL ASSUMPTIONS

	June 30, 2015 Valuation	June 30, 2017 Valuation
■ Discount Rate	■ 4.75% - approx. blended rate determined by allocating liabilities to agencies based on estimated pre-funding policies: <ul style="list-style-type: none"> • 7.25% - full pre-funding rate used for Dispatch and City of Newark • 5.15% - partial pre-funding rate (30% of ARC less paygo) used for ALCO • 4.25% - employee contributions only for remaining agencies ■ 7.25% - side fund calculations, CERBT Strategy #1	■ 4.84% - approx. blended rate determined by allocating liabilities to agencies based on estimated pre-funding policies: <ul style="list-style-type: none"> • 6.75% - full pre-funding rate used for Dispatch and City of Newark • 5.00% - partial pre-funding rate (30% of ACC less paygo) used for ALCO • 4.00% - employee contributions only for remaining agencies ■ 6.75% - side fund calculations, CERBT Strategy #1



ACTUARIAL ASSUMPTIONS

	June 30, 2015 Valuation	June 30, 2017 Valuation
■ Payroll Increases	■ Aggregate Increases – 3.25% ■ Merit Increases – CalPERS 1997-2011 Experience Study	■ Aggregate Increases – 3.00% ■ Merit Increases – CalPERS 1997-2015 Experience Study
■ Affordable Care Act (ACA) Excise Tax	■ Not Valued	■ 2.0% liability load on cash subsidy to estimate impact
■ PEMHCA Admin. Fee	■ n/a	■ 0.33% of retiree premiums ■ Added to Normal Cost



ACTUARIAL ASSUMPTIONS

	June 30, 2015 Valuation		June 30, 2017 Valuation	
■ Medical Trend	<u>Year</u>	<u>Non-Medicare All Plans</u>	<u>Year</u>	<u>Increase from Prior Year</u>
	2015	Actual 2015 Premiums	2017	Actual 2017 Premiums
	2016	Actual 2016 Premiums	2018	Actual 2018 Premiums
	2017	7.0%	2019	7.50% 6.50%
	2018	6.5%	2020	7.50% 6.50%
	2019	6.0%	2021	7.25% 6.30%
	2020	5.5%	2022	7.00% 6.10%
	2021+	5.0%	2023	6.75% 5.90%
			2024	6.50% 5.70%
			2025	6.25% 5.50%
			2026	6.00% 5.30%
			2027	5.80% 5.15%
			2028	5.60% 5.00%
			2029	5.40% 4.85%
			2030	5.20% 4.70%
			2031-35	5.05% 4.60%
			2036-45	4.90% 4.50%
			2046-55	4.75% 4.45%
			2056-65	4.60% 4.40%
			2066-75	4.30% 4.20%
			2076+	4.00% 4.00%



ACTUARIAL ASSUMPTIONS

	June 30, 2015 Valuation	June 30, 2017 Valuation
■ Bargaining Unit 002 Cap Incr.	■ 0%	■ Same
■ Mortality, Termination, Disability, Retirement	■ CalPERS 1997-2011 Experience Study ■ Post-retirement mortality projected fully generational with Scale MP-2014, modified to converge to ultimate improvement rates in 2022	■ CalPERS 1997-2015 Experience Study ■ Pre-retirement mortality projected with 15-year 90% Scale MP-2016 (CalPERS assumption) ■ Post-retirement mortality projected with Scale MP-2017 with base year of 2013
■ Deferred Vested Retirement Age	■ Age 54	■ Same



ACTUARIAL ASSUMPTIONS

	June 30, 2015 Valuation	June 30, 2017 Valuation
■ Retirement Age	■ CalPERS 1997-2011 Experience Study <div style="text-align: center;"> <u>Classic</u> <u>Safety</u> <u>Misc</u> Benefit 3%@50 2%@55 <u>PEPRA</u> <u>Safety</u> <u>Misc</u> Benefit 2.7%@57 2%@62 </div>	■ Same, but CalPERS 1997-2015 Experience Study
■ Waived Retirees	■ Pre65: 40% re-elect at age 65 ■ Post 65: 0% re-elect	■ Same
■ Medical Plan at Retirement	■ Currently covered: same as current medical plan ■ Currently waived: Kaiser Bay Area	■ Same



ACTUARIAL ASSUMPTIONS

	June 30, 2015 Valuation	June 30, 2017 Valuation										
■ Participation at Retirement	<div>■ Hired before 4/1/09:<ul style="list-style-type: none">● Currently covered - 100%● Currently waived - 90%</div> <div>■ Hired on or after 4/1/09:<table><tr><th><u>Service</u></th><th><u>Participation</u></th></tr><tr><td>< 10</td><td>60%</td></tr><tr><td>10-14</td><td>90%</td></tr><tr><td>15-19</td><td>95%</td></tr><tr><td>≥ 20</td><td>100%</td></tr></table></div>	<u>Service</u>	<u>Participation</u>	< 10	60%	10-14	90%	15-19	95%	≥ 20	100%	■ Same
<u>Service</u>	<u>Participation</u>											
< 10	60%											
10-14	90%											
15-19	95%											
≥ 20	100%											
■ Medicare Eligibility	<div>■ Actives and pre-65 retirees: 100%</div> <div>■ Post-65 retirees: Current Medicare status</div> <div>■ Everyone eligible for Medicare will elect Part B coverage</div>	■ Same										



ACTUARIAL ASSUMPTIONS

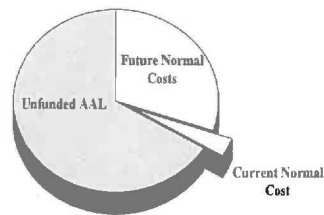
	June 30, 2015 Valuation	June 30, 2017 Valuation
■ Marital Status at Retirement	■ Actives: <ul style="list-style-type: none"> • Currently covered - current marital status • Currently waived - 80% married ■ Retirees - current marital status	■ Same
■ Spouse Age	■ Actives: Males 3 years older than females ■ Retirees: Males 3 years older than females if spouse birth date not available	■ Same
■ Dependents	■ % electing family coverage at retirement <ul style="list-style-type: none"> • Misc: 10% • Safety: 20% ■ No family coverage ≥ 65	■ Same



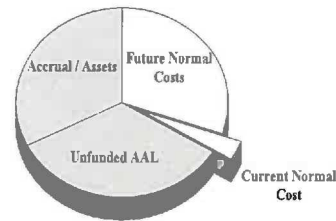
DEFINITIONS

Present Value of Projected Benefits (PVPB)

Without Assets



With Assets



■ **PVPB - Present Value of all Projected Benefits**

- Discounted value, at measurement date (June 30, 2017) of all future expected benefit payments
- Expected benefit payments based on various actuarial assumptions



DEFINITIONS

■ **AAL – Actuarial Accrued Liability / Actuarial Obligation**

- Discounted value at measurement date (June 30, 2017) of benefits “earned” through measurement date based on actuarial cost method
- Portion of PVPB “earned” at measurement

■ **NC - Normal Cost**

- Value of benefits “earned” during current year
- Portion of PVPB allocated to current year

■ **Actuarial Cost Method**

- Determines how benefits are “earned” or allocated to each year of service
- Has no effect on PVPB
- Has significant effect on Actuarial Obligations and Normal Cost

■ **Pay-As-You-Go Cost (PayGo)**

- Cash Subsidy – Actual cash benefit payments to retirees
- Implied Subsidy – Difference between cost of retiree benefits and retiree premiums
- PayGo is the expected retiree benefit payments for the year while Normal Cost is the expense for benefits accrued by active employees during the year

