

**ROSS VALLEY FIRE DEPARTMENT
STAFF REPORT**

For the meeting of: September 9, 2015

To: Board of Directors
From: Mark E. Mills, Fire Chief
Subject: Pension Obligation Bond

RECOMMENDATION:

Staff recommends the Board receive and file the report and presentation.

DISCUSSION:

In the 2015/2016 budget the CalPERS Safety Plan employer contribution rate was modified by CalPERS to reflect a higher mortality rate for employees. Additionally, a new amortization was implemented over a fixed 30-year period. This created a new Unfunded Liability for the department in the amount of \$323,997 annually, which only applies to the prior authority members. The total amount of the liability was \$8,061,535. Financing the entire amount through CalPERS for 30 years will result in the Department paying approximately \$12,000,000 in interest. Staff was directed to begin researching additional funding possibilities to reduce future interest costs.

Staff contacted Sperry Capital Inc., in order to begin researching alternative funding mechanisms. Mr. James Gibbs from Sperry Capital Inc., will be making a presentation and report to the Board.

FISCAL IMPACT:

None to the Department at this time.

AGENDA ITEM # 3
Date 9/9/15