

**AGREEMENT BETWEEN
THE CITY OF UNION CITY 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 13801 et seq.) and governed by the Board of Supervisors of the County of Alameda as its Board of Directors ("ACFD"), and the CITY OF UNION CITY ("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, 2010; and,
- B. WHEREAS, pursuant to the original contract, ACFD has been providing fire and emergency response services to City for approximately ten years; and,
- C. WHEREAS, the termination date of the original contract, as amended, is September 30, 2015, with automatic month-to-month extensions thereafter; and,
- D. WHEREAS, the Parties wish to continue the relationship and to clarify or amend certain aspects of their prior contract; and,
- E. 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,
- F. WHEREAS, the term of this Agreement shall be as set forth in Section 9 of this Agreement.

C-2020-186

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 Union City.
- e. "City Council" means the City Council of the City of Union City.
- f. "City Manager" means the City Manager of the City of Union City.
- 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 three (3) major response areas for fire and medical incident response. (See Service Area Map attached as Exhibit 1.)

B. Station Location/Staffing.

There is a fire station located in each of the three response districts within the City of Union City. Each of these stations is strategically located to provide for minimal response times into first-in areas of the City. The response configuration to the City is based upon the three (3) stations each with one (1) staffed fire apparatus as shown below:

Response Configuration

Fire Station 31 3355 Central Avenue, Union City, CA 94587	1 Quint Company	3 Personnel
Fire Station 32 31600 Alvarado Blvd, Union City, CA 94587	1 Engine Company	3 Personnel
Fire Station 33 33942 7th Street, Union City, CA 94587	1 Engine Company	3 Personnel

Within the City boundaries, ACFD will maintain a minimum staffing level of nine (9) personnel, consisting of three (3) 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 automatic aid within ACFD's Battalion 7 (Newark & Union City), the 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. When companies stationed in the City leave

the City for any planned (e.g. administrative or training) needs, the ACFD will arrange for appropriate back-up coverage to ensure that the City has adequate response capability, with a minimum of two (2) Advanced Life Support ("ALS") companies, 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 Union City 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 three 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 eight (8) minutes and 30 seconds or less from the time that the company is first dispatched for 90% of all incidents. In multiple unit incidents, the first due company shall arrive at the scene of an emergency incident within eight (8) minutes and 30 seconds or less from the time that the company is first dispatched for 90% of all such incidents. The remaining 1st Alarm units (4E, 1T/Q & 1BC) from within the City of Union City and City of Newark shall arrive at the scene of the incident within twenty (20) minutes and 15 seconds 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 Division Chief (or greater rank) response and sufficient management staff to ensure appropriate management of the emergency.

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

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 Union City 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 work to develop expanded mutual aid, automatic aid and mutual response areas with other fire departments adjacent to the City of Union City. ACFD may enter into such agreements on behalf of the City only with the 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) paramedic and two (2) EMT-I trained personnel.

ACFD shall fulfill and does hereby assume the City's obligations under the City's First Responder Agreements with the Alameda County Emergency Medical Services (EMS) District, with the exception of response times, which ACFD shall make every reasonable effort to fulfill, 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 any rights the City may have to receive revenue from the EMS District due to the City under the above agreements, as they may be amended from time to time.

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 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 services to the City. This service is available as needed.

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 providing additional resources for direct response to an incident or move-up 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 trained command level officers who are members of the Alameda County Incident Command Team (ICT) in the event that such personnel are required during a major disaster.

ACFD shall work cooperatively with the City to manage the Comprehensive Emergency Response Plan by ensuring that it is reviewed on an annual basis, revised and updated as necessary, and exercised regularly. ACFD shall be responsible to recommend plan updates and provide training to City employees that will be required to operate during a disaster in the field or in the EOC.

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 investigators shall be assigned to determine the cause 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.

b. Dispatch Service.

ACFD manages the Alameda County Regional Emergency Communication Center (ACRECC) which supplies fire and ambulance dispatch services from a dispatch center, currently located at the Lawrence Livermore National Laboratory. ACFD may arrange for dispatch service 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 Safety Programs.

ACFD will coordinate the planning and development of fire prevention and safety education training programs for schools, businesses, community associations, childcare 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. Current examples of education programs are as follows:

Burn Prevention	Fire Safety in the Workplace
Smoke Detectors	Extinguisher Use
Stop, Drop & Roll	Exit Drills in the Home
Partners in Fire Safety	Emergency Preparedness
Safely Surrender Baby Program	Fire in Health Care Facilities
Fireworks	

2. CPR Training.

ACFD shall provide opportunities for CPR training to members of the Union City Community at no charge to the participant. 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 Union City 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 Union City 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) Deputy Fire Marshal and one (1) Code Compliance Officer. Changes in the level of staffing that may impact fire inspection staffing levels include, but are not limited to, the level of construction and development in the City, regulatory changes, long term illness or disability of ACFD employees and fiscal constraints of the City. If the ACFD is unable to provide a full-time Deputy Fire Marshal and/or Code Compliance Officer to work out of the office space provided by the City, the Fire Chief and the City Manager shall confer regarding ACFD's ability to meet performance standards.

City will provide a City employee (.5 FTE) to provide clerical support to the Fire Prevention Division. City is solely responsible for the employee's compensation, workers' compensation insurance, supervision and management. This position shall be responsible for filing, records requests, the updating of code books and NFPA Standards, to the extent such updates are available, at a minimum. The scheduling and exact scope of clerical support will be established by mutual agreement of the Parties. Fire Prevention staff will direct any issues regarding the City employee's performance to the City employee's supervisor.

3. Pre-development/Preliminary Planning.

The Deputy Fire Marshal (DFM) assigned to the City will participate in pre-development planning. Pre-development planning will include but not be limited to the following activities:

- A. Active participation and adherence to the pre-development/preliminary planning project review process established by the City's Community Development Department and as may be modified at City's discretion;
- B. Preparation of written comments based upon development/construction submittals made to the City;
- C. Attendance at scheduled meetings with applicants when requested;
- D. Participation in any requested modifications to the City's pre-development/preliminary planning process as requested by City;
- E. Attendance at development review meetings as required.

4. Plan Submittal Review.

The Deputy Fire Marshal assigned to the City or, in the DFM's absence, shared ACFD Staff will review proposed construction plans and fire protection system plans to ensure compliance with the City's adopted codes and applicable standards. Written comments, in a format established by the City, will be attached to approved plans to inform applicants of ACFD requirements. All plans submitted for ACFD review will be reviewed by 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. The ACFD shall follow the

City's standard process for completing plan reviews as directed by the City's Chief Building Official. When reviewing plans or impact reports, the ACFD can make no assertion that fire suppression staffing levels are capable of meeting the NFPA Standard 1710 Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments for staffing or response times. NFPA recommends 15 firefighters for single family dwellings, 28 firefighters for retail and commercial buildings and 42 firefighters for high-rise structures within 8 minutes.

5. Fire Inspections.

ACFD shall provide inspection and permit issuance service in accordance with the City's Adopted Fire Code and the City's Master Fee Schedule. All inspections shall be conducted by qualified personnel.

- A. General Inspections. In accordance with the City's Adopted 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 approved for permit by the Fire Department 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 Permit Inspections. ACFD shall provide qualified personnel to perform fire inspections for any required operational permit prior to initial issuance in accordance with the City's adopted Fire Code. Operational permit inspections shall be completed annually, or as scheduled by the City.
- F. Business Fire Inspection Program. Business inspections will be conducted following the City's request and ACFD will make every reasonable effort to conduct them annually.
- G. Inspection Program Reporting. ACFD will report information from the mandated, operational and business inspection programs to the City's Fire Prevention administrative staff for billing on a weekly basis. ACFD will report updates on completed and pending inspections on a quarterly basis as part of Executive Management Oversight Committee and Fire Advisory Commission.

6. Pre-fire Plan Inspections.

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

7. Fire Code Administration.

- A. Under the direction of the City Manager, ACFD will administer and enforce City adopted fire code, and applicable ordinances, and applicable State and Federal Codes and regulations.
- B. ACFD will be responsible for monitoring changes to Fire Codes and providing the City with recommendations regarding proposed changes. ACFD's Division Chiefs will work with City Staff to complete the code adoption process.

8. Weed Abatement and Wildfire Management.

ACFD will assist in administering fire prevention related aspects of the City's weed abatement program including inspection of those parcels potentially needing abatement. ACFD will provide the City with

information and supporting documentation as necessary relating to any parcels that require additional enforcement and abatement.

9. Fire Investigation Service.

ACFD shall attempt to determine the cause of all fires within the City as required by the Fire Code. ACFD fire investigators shall be assigned to determine the cause 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. In addition thereto, Investigators shall work with the Union City Police Department and any other appropriate law enforcement agencies in the investigation process, as needed.

e. Administration.

1. Contract Administration.

ACFD designates the Fire Chief of Alameda County, or the Fire Chief's designated representative, to represent ACFD in all matters pertaining to the administration of this Agreement.

The City designates the City Manager, or the City Manager's 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 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 changes to the adopted budget. Such written approval may be provided by the Fire Chief for ACFD and by the City Manager for City. Any changes to the staffing levels per company or fire stations identified in Section 3(a)(1)(B) are modifications to the Agreement subject to Section 9(l).

2. Fire Chief Designation.

The Fire Chief is hereby designated by City as the City of Union City Fire Chief and shall have and possess such authority as the Union City Municipal Code and general laws provide for the City 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 designee at Staff, Commission, or City Council 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 people, or the displacement of any persons from their home for more than 24 hours.

C. The ACFD Division Chief of Fire Prevention (Fire Marshal) shall be responsible for the day-to-day operation of the Fire Prevention Division in the City. The Fire Marshal shall be responsible for ensuring attendance at meetings necessary to meet the City's Fire Prevention needs.

4. Fireworks Administration.

ACFD will administer fire code aspects of the City's fireworks program as required in the Union City Municipal Code, including inspecting and monitoring fireworks sales booths.

5. Community Events.

ACFD will participate in the planning and implementation of community activities such as local fireworks celebration, tree lighting ceremonies, Chamber of Commerce functions, and similar events as reasonably requested by the City Manager.

6. 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 the City Manager's 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 the Governmental Accounting Standards Board (GASB) for the City's financial reporting that is in ACFD's possession or control in a timely manner.

7. 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.

8. 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.

9. 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.

10. Local Identity.

It is important that the Union City 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 Union City so that such facilities and apparatus are clearly visible to the Union City 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 Advisory Fire 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.

By statute ACFD is governed by the Alameda County Board of Supervisors acting as the 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 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 the 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 fifty thousand dollars (\$50,000) above the approved budget.

Section 4. Facilities.

a. Buildings and Real Property.

1. Use of Union City Fire Station Nos. 31, 32 and 33.

City will provide ACFD use of the City-owned fire stations described as Station #31 33555 Central Avenue, Union City, CA 94587, Station #32 31600 Alvarado Blvd, Union City, CA 94587, and Station #33 33942 7th Street, Union City, CA 94587 for performance of services to the City of Union City 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 (including shrub and tree trimming and irrigation maintenance but excluding routine landscaping (i.e. mowing, raking leaves, weed removal, sweeping the premises, etc.)), building repairs, painting, major carpet/floor cleaning, window cleaning, pest control, major landscaping, water softener, fuel tank maintenance, utilities, phone service, vehicle exhaust elimination systems (Plymoyent systems), and fire alarm service if any of these services are deemed by the City to be necessary for operations. The City shall be responsible for major appliances such as refrigerators, stoves, ovens, washing machines/dryers, air compressors, generators, tanks, built in barbeque, etc. 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.), routine landscaping, and light maintenance and repairs (e.g., light bulb replacement, etc.) of the facilities and grounds utilized by ACFD in the execution of this agreement at no additional cost to the City. All other equipment such as minor kitchen appliances and equipment (blenders, etc.) entertainment equipment, workout equipment, etc., shall be the responsibility of ACFD.

All work that exceeds the day-to-day repairs of the facilities and grounds (for example, replacement of HVAC filters and inspection, plumbing repairs, other minor equipment) as described above, with the exception of generator maintenance, and that costs less than one thousand five hundred dollars (\$1,500) 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 groundwork 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 or former fire station locations. 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 Station 31, Station 32, Station 33 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 Union City 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 ACFD manages staff vehicles through a lease program. 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 either City employees or third-party vendors who enter into contractual services agreement with the City, including, but not limited to, ACFD.

The Parties shall use reasonable, good faith efforts to minimize out of service time for apparatus and equipment.

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 January 15th 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 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 modification to services, which the City provides to 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, the Fire Chief 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 designee.

b. Retiree Medical Benefits/ Funding OPEB Liability.

1. Methodology for Calculation of OPEB Liability.

ACFD currently offers retiree medical benefits, also known as Other Post-Employment Benefits (“OPEB”), to retirees, as identified in the relevant MOU between ACFD and any relevant bargaining groups.

The City acknowledges that ACFD has incurred an obligation to fund these benefits. The City further acknowledges that ACFD has provided services to the City since 2010 and that the City has a responsibility to pay a portion of ACFD’s long-term OPEB obligation, as specified below, including upon withdrawal from this Agreement.

The Parties acknowledge that this OPEB liability is rapidly increasing and therefore the Parties shall continue to discuss and consider options for reducing the Parties’ exposure.

The City’s obligation for OPEB shall be calculated in accordance with the methodology and illustrations in Exhibit 6 entitled “June 30, 2019 Actuarial Valuation” and any successors thereto. The Parties further agree that the methodology for calculating the City’s obligation 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 City’s OPEB obligation shall be calculated with specificity as described above. Generally, the Parties agree that the City has an obligation for OPEB with respect to forty-four (44) of the employees identified in Exhibit 4 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 29 employees (27 firefighters, 1 deputy fire marshal and 1 code compliance officer)), and which, from July 1, 2010 through November 12, 2020 included 38 employees (36 firefighters, 1 deputy fire marshal and 1 code compliance officer).

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 6. 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.

Upon separation, the City shall be responsible for its share of the OPEB obligation, as determined using the methodology consistent with Exhibit 8 ("Illustration of Methodology and Potential Calculation for Withdrawal Liability for Cities of Newark and Union City"), if its contract for fire services with ACFD is terminated, expires, is not extended pursuant to the terms in Section 9, or otherwise becomes inoperative ("Separation").

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

If the City elects to use the "walk-away" method under option (i), 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. 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 Parties agree that the "walk-away" discount rate shall be 1% above the 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.

If the City elects to continue to participate in the gains and losses with ACFD's OPEB plan under option (ii) 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.

In the event that: (a) the City and ACFD separate; and (b) the City elects to use the "walk-away" method (option i) to satisfy its share of the OPEB liability; and (c) the benefits levels used to calculate the liability are reduced

after the City Separation, resulting in excess funding, then the ACFD shall return a commensurate portion of the sub-account to the extent allowable by law.

In the event that another public agency that contracts with the ACFD negotiates a contract with ACFD that provides a more favorable discount rate (e.g. >1% above Cal PERS) to that public agency than the provisions in this Agreement, then the discount rate in this Agreement, or any amendments hereto, shall be immediately replaced by the more favorable discount rate provided to that public agency, provided that City is not in breach of a material term of this Agreement.

3. Funding of Retiree Medical Benefits Unfunded Liability.

a) City's Pre-Funding.

The City's minimum annual OPEB contribution share should be the actuarially determined contribution (ADC) as described in Exhibit 6. However, while the City acknowledges and recognizes the importance of OPEB prefunding, the City maintains the budgeting authority to increase or decrease the contribution in its discretion consistent with the City's budgeting needs. In the event that the City determines that the minimum annual OPEB prefunding contribution share greatly exceeds the City's reasonably expected funding amounts, the City may fund less than the ADC amount to meet City-wide budgetary needs. The decision to advance fund OPEB should reflect the City's careful analysis of its own unique financial situation. However, the City's annual OPEB contribution shall not be less than the annual "pay go" amount.

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.

In the event that City fails to fully fund its ADC each year, City shall report the cumulative effect of underfunding to its Council and the ACFD shall report the cumulative effect of underfunding to its Board. To the extent feasible, each Party agrees to provide reasonable notice to the other Party in advance of presenting such a report.

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 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 sub-account 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 43.
- 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 up to the approved amount 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 Sections 3(e)(1) and 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) calendar days of receipt of the monthly invoice. The ACFD will provide the City with a reminder five (5) business days in advance of the due date. In the event that an invoice is not paid (partial or in full) by the due date, a late fee of 1% simple interest 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 eleven (11) months will be based on the average monthly budget expenditures for the fiscal year (annual budget divided by twelve (12)). The invoice amount for the twelfth (12) month will be reconciled utilizing the actual year end expenditure report.

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 their 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. This Section is subject to the City's obligations pursuant to section 5 above.

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. ACFD shall collaborate with Local 55 and City to responsibly address OPEB liability.

Section 7. Indemnification.

a. Mutual Indemnification.

Except as otherwise specifically provided in this Agreement or any attachment hereto, ACFD 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 ACFD, its elected or appointed officials, officers or employees in connection with or arising out of the performance by ACFD and its elected or appointed officials, officers and employees of this Agreement and with regard to any alleged illegality or unconstitutionality of an ACFD or County ordinance.

Except as otherwise specifically provided in this Agreement or any attachment hereto, the City shall defend, indemnify, and hold harmless the ACFD, 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 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.

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 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, on its own or through the County, may self-insure to these limits of 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, 2010, with respect to the persons identified in Exhibit 4 ("City of Union City List of Fire Department Employees Sorted by Date of Hire With the City of Union City"). 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 execution of this Agreement 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. The cost of administration and settlement shall be pro-rated between ACFD and the City based on the length of services for each employer. Should the claim involve prior employers, the City shall be responsible for the service time. 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 shall have the right to review and contest any determination of a recurrence of a prior injury. In the event that an agreement cannot be reached, the City and ACFD shall accept the Worker's Compensation Appeals Board decision as the final decision and without further appeal rights on this limited issue.

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 and Extension by Mutual Agreement.

This Agreement shall commence at 12:00 a.m. on the date after signed by the President of the Board of Directors, (“Effective Date”), and shall continue until 11:59 p.m. on June 30, 2025, unless: (i) this Agreement is automatically extended as discussed below; or (ii) mutually agreed upon in writing by both Parties in accordance with the provisions herein.

The term may be extended for one five-year (5-year) term 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 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, 2024. Upon receipt of a timely fully executed extension agreement, ACFD shall prepare an updated 5-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.

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 one hundred eighty (180) days of a notice of termination by either Party, 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 termination date.

As part of the transition plan, the City, either directly or through its fire service provider, shall make every effort to provide the opportunity for employment to twenty-nine (29) 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 with a rank and specialty assignment commensurate with the needs of the City or its fire service provider as determined by the City or fire service provider at that time. Such employees shall meet minimum qualifications based on industry standards for Fire Captain, Fire Engineer, Firefighter, and Paramedic.

The number of ACFD employees that the City, either directly or through its fire service provider, shall make every effort to provide the opportunity for employment to shall 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, either directly or through its fire service provider, shall make every effort to provide the opportunity for employment to twenty-nine (29) 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. If a 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. If a notice of termination has not been given and the Parties have not executed a successor agreement, then this Agreement shall be automatically extended for a period of one (1) year on an annual basis

until the Parties have given a notice of termination or executed a successor agreement.

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

TO CITY:
City Manager
City of Union City
34009 Alvarado-Niles Road.
Union City, CA 94587

Assistant City Manager
City of Union City
34009 Alvarado-Niles Road.
Union City, CA 94587

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.

Requests for medical services represent the majority of incidents to which ACFD responds. These include and range from acute life-threatening illnesses or injuries, heart attacks, strokes, and chronic medical conditions, to behavioral and mental health concerns, low priority medical issues, injury traffic accidents, and social assistance. ACFD is committed to pursuing and proposing an alternative medical response system that integrates specialized staff and equipment, vehicles, resources and communication protocols to facilitate the dispatching of appropriate units and equipment based on medical priority, incident type, and needed capabilities. Such resources could include, but are not limited to, a single ambulance, advanced life support fire company, community paramedics, behavioral health unit, telemedicine provider and nurse consultant. As part of a proposal or recommendation to the

County Emergency Medical Services Agency, ACFD intends to propose that ACFD will provide medical and operational control, system management and oversight and resource deployment and coordination.

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, sub consult, 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.

j. 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, provided that the prevailing Party complies with Section 9(k) below regarding completion of mediation as a condition precedent to initiation of any legal action.

k. Alternative Dispute Resolution.

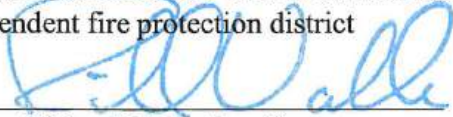
All claims, disputes, and controversies arising out of or in relation to the performance, interpretation, application, or enforcement of this agreement, including, but not limited to, breach thereof, shall be referred to non-binding mediation before, and as a condition precedent to, the initiation of any legal proceeding. The Parties shall jointly select a qualified professional with expertise in the subject matter of the dispute. In order to commence the mediation process, a Party must notify the other Party in writing of its intent to commence mediation. Each Party shall propose one or more mediators within 14 days of the date notice is sent. The proposed mediators must be available to conduct the mediation within the following 60 days. The Parties shall make a good faith effort to agree to a mediator within 30 days of the date the notice is sent. If the Parties cannot agree to a mediator or the mediation cannot be conducted within these timeframes, then each Party's obligation to refer the matter to mediation will be deemed discharged. The cost of mediation shall be divided equally between the Parties.

l. Modification of Agreement.

This Agreement may be amended or modified only by the mutual agreement of the Parties. No amendment or modification of this Agreement shall be binding unless it is in writing and signed by authorized representatives of both Parties.

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 15th day of December, 2020.

ALAMEDA COUNTY FIRE DEPARTMENT,
a dependent fire protection district

By: 
Richard Valle, President
Board of Directors

Date: 2/19/2021

I hereby certify under penalty of perjury that the President of the Board of Directors was duly authorized to execute this document on behalf of the Alameda County Fire Department by a majority vote of the Board on December 15, 2020.

ANIKA CAMPBELL-BELTON
ANIKA CAMPBELL-BELTON
Clerk, Board of Supervisors, County
of Alameda, State of California

Approved as to form
DONNA ZIEGLER, COUNTY COUNSEL

By: [Signature]
Heather M. Littlejohn
Deputy County Counsel

CITY OF UNION CITY, a Municipal Corporation

By: Carol Datta-Thampi
, Mayor

Date: December 11, 2020

Attest: Anna M. Brown
, City Clerk

Approved as to form:

K Kokoto
, City Attorney

LIST OF EXHIBITS

- Exhibit 1: Service Area Map
- Exhibit 2: Alameda County Fire Department Union City Response Plan
- Exhibit 3: City of Union City Fire Apparatus, Vehicle and Equipment Inventory
- Exhibit 4: City of Union City List of Fire Department Employees Sorted by Date of Hire With the City of Union City
- Exhibit 5: 5-Year Cost Projection Provided by ACFD
- Exhibit 6: June 30, 2019 Actuarial Valuation
- Exhibit 7: Illustration of Side Fund for City of Union City Agency Pre-Funding Examples
- Exhibit 8: Illustration of Methodology and Sample Calculations for Withdrawal Liability, dated February 26, 2020.

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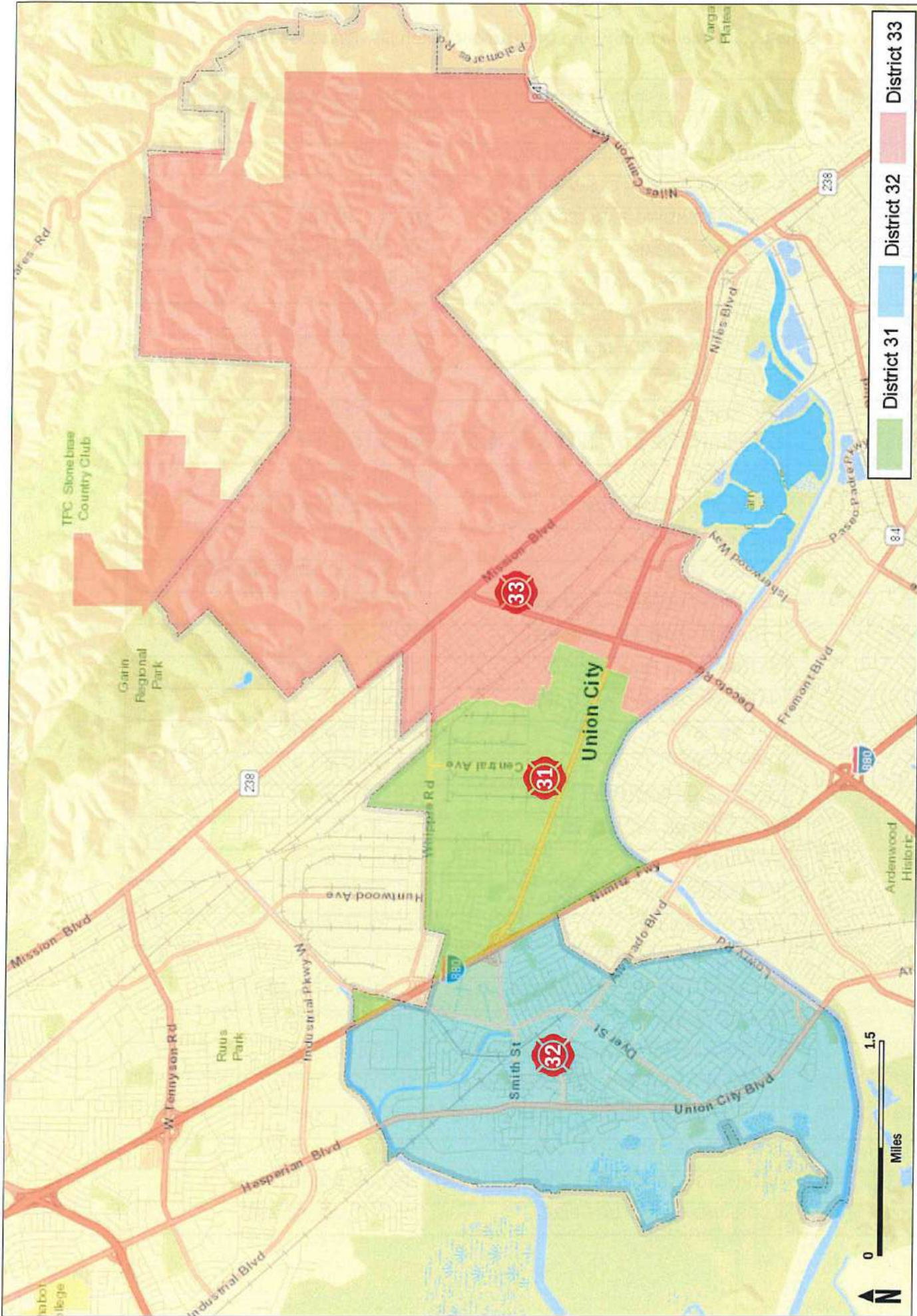


Exhibit 1: Service Area Map

Union City Fire Districts

Exhibit 2: Alameda County Fire Department Union City Response Plan

Nature Code	Nature Code Description	ACF Response for Battalion 7
AE	AIRCRAFT EMERGENCY ON LAND	3E, 1Q, 1R, 1 BC
AS1	ALARM SOUNDING - RESIDENTIAL	1 E or 1Q
AS2	ALARM SOUNDING - COMMERCIAL	1E & 1Q
AS2T	ALARM SOUNDING TARGET HAZARD	3E, 1Q, 1R, 1 BC
BFD	BOAT FIRE DOCKED	1 E OR 1Q & 1RB
BFO	BOAT FIRE OPEN WATER	2 RB & 1BC
CO	CARBON MONOXIDE DETECTOR	1Q or 1E
COM	CARBON MONOXIDE MEDICAL	2E or 1E/ 1Q and Ambulance
CA	CITIZEN ASSIST	1E or 1Q
EMS	EMS RESPONSE	1 E or 1 Q or 1 R
EMSS	EMS RESPONSE-STAGING REQUIRED	1 E or 1Q or 1 R
EX	EXPLOSION	3E, 1Q, 1R, 1 BC
FC	FIREWORKS COMPLAINT	1 E or 1Q or 1 R w/ law
HM1	HAZ MAT LEVEL 1	1 E OR 1Q
HM2	HAZ MAT LEVEL 2	2E, 1Q, 1BC, HM12 and HM25
HYD	HYDRANT PROBLEM - LEAKING	1 E or 1Q
HYDS	HYDRANT PROBLEM - SHEARED	1 E or 1 Q
GLI	NATURAL GAS LEAK - INSIDE	3E, 1Q, 1R, 1 BC
GLO	NATURAL GAS LEAK - OUTSIDE	1 E OR 1 Q
LA	LIFT ASSIST	1 E or 1 Q or 1 R
LO	LOCK IN/OUT	1 E or 1 Q or 1 R
O	ODOR INVESTIGATION	1 E or 1 Q or 1 R
OF	FIRE OUTSIDE A BUILDING	1 E OR 1 Q
PA	PD ASSIST	1 Q or 1 E or 1 R
R1	RESCUE LEVEL I	1E, 1Q, 1R & 1BC
R2	RESCUE LEVEL II	3E, 1Q, 1R & 1BC
RTF	RESCUE TASK FORCE	3E, 1T, 1R, 1BC
WRTF	WORKING RESCUE TASK FORCE	3E, 1T, 1R, 1BC, 2E-RTF
SI	SMOKE INVEST	1 E OR 1 T
STA	STRUCTURE RESPONSE - APARTMENT	3E, 1Q, 1R, 1BC
STC	STRUCTURE RESPONSE - COMMERCIAL	3E, 1Q, 1R, 1BC
STR	STRUCTURE RESPONSE - RESIDENTIAL	3E, 1Q, 1R, 1BC
STRTH	STRUCTURE - TARGET HAZARD	3E, 1Q, 1R, 1 BC
WSFA	WORKING STRUCTURE FIRE-APARTMENT	3E, 1RIC, 1Q, 1R, 2BC
WSFC	WORKING STRUCTURE FIRE-COMMERCIAL	3E, 1RIC, 1Q, 1R, 2BC

Exhibit 2: Alameda County Fire Department Union City Response Plan

Nature Code	Nature Code Description	ACF Response for Battalion 7
WSFR	WORKING STRUCTURE FIRE- RESIDENTIAL	3E, 1RIC, 1T, 1R, 2BC
WSFTH	WORKING STRUCUTRE FIRE-TARGET HAZARD	3E, 1RIC, 1Q, 1R, 2BC
TC	TRAFFIC COLLISION	1E and 1Q or 1 R
TCB	TRAFFIC COLLISION - BUILDING	3E, 1Q, 1R, 1 BC
TCR	TRAFFIC COLLISION W/RESCUE	1E and 1Q or 1 R
TCF	TRAFFIC COLLISION - FREEWAY	2E and 1Q or 1R
V	VEHICLE FIRE	1 E or 1 Q
VFF	VEHICLE FIRE - FREEWAY	1 E or 1 Q from each direction
VEG	VEGETATION RESPONSE	Winter - 1 E (Type 1, 3, or 6) or 1 Q Fire Season - 3 E (Type 3,6, or 1), 1D, 1 BC
WVF	WORKING VEG FIRE	Winter - 1 E (Type 1, 3, or 6) Fire Season - 3 E (Type 3,6, or 1), 1D, 1 WT, 2 BC
WD	WIRES DOWN	1 E or 1 Q
WREM	WATER REMOVAL	1 E or 1 Q or 1 R
WR1	WATER RESCUE LEVEL I	1BC, 2RB
WR2	WR LEVEL II	2 RB, 1R & 1 BC
WR3	WR LEVEL III	2RB, 3E, 1Q, 1R, 2HM, 2 BC & ACFSTAFF

Exhibit 3: Union City Apparatus Inventory

Station	Unit number	ALCO Identifier	Unit type	Make	Model	Year	License #
29	236UC	E529	Engine	Pierce	DASH 2000	1/1/2000	1066902
30*	234UC	E330	Type 3 (4x4)	International	7400 4X4	1/1/2002	1126287
30*	244UC	E33	Engine	Pierce	ARROW XT	4/26/2016	1471014
31	235UC	E531	Engine	Pierce	DASH 2000	1/1/2000	1066904
31	238UC	T531	Truck	Pierce	DASH	1/1/2000	1066901
31	239UC	T31	Truck	Pierce	ARROW XT	1/24/2019	1464582
32	237UC	E532	Engine	Pierce	DASH 2000	1/1/2000	1066903
32	242UC	E32	Engine	Pierce	DASH 2000	1/1/2007	1272221
33	203UC	RBC7	BC vehicle	Ford	EXPEDITION 4X4	1/1/2000	1044477
33	223UC	E333	Type 3 (4x4)	International	7400 4X4	1/1/2002	1126288
33	243UC	E30	Engine	Pierce	ARROW XT	1/1/2007	1272222

*Effective 1/15/2020, apparatus from Station 30 is housed at Station 33

UNION CITY FIRE DEPARTMENT
APRIL 2010
SORT: HIRE DATE, NAME

Full name	Hire date	Position Title
WILSON, TYRUS R	5/1/1980	FIRE ENGINEER
GUARDANAPO, DARIN A	5/1/1986	FIRE CAPTAIN
HANSEN, ANTHONY K	5/1/1986	FIRE CAPTAIN
JOHNS, ROY L	5/1/1986	FIRE CAPTAIN
GRAHAM, JEFF A	8/8/1988	FIRE CAPTAIN
LARSEN, WILLIAM L	8/8/1988	FIRE ENGINEER
OATIS, RONNIE	8/8/1988	BATTALION CHIEF
STANCHINA, JOHN S	8/8/1988	FIRE CAPTAIN
CARACAPPA, MICHAEL W	5/30/2000	FIRE CAPTAIN
CAREY, TERENCE	5/30/2000	BATTALION CHIEF
HAVENHILL, JOHN C	5/30/2000	FIRE CAPTAIN
HURTADO, RICKY G	5/30/2000	FIRE CAPTAIN
ANDERSON, EDWIN D	6/5/2000	FIRE ENGINEER
ARMSTRONG, WALTER B	6/5/2000	FIREFIGHTER
BARRY, MICHAEL J	6/5/2000	FIREFIGHTER
BLAND, CHRISTOPHER S	6/5/2000	FIRE CAPTAIN
BURROWS, SEAN P	6/5/2000	FIRE CAPTAIN
CARTEE, JASON M	6/5/2000	FIRE ENGINEER
DARLING, DANIEL G	6/5/2000	FIREFIGHTER
DENYER, CARL W	6/5/2000	FIREFIGHTER
DREXLER, LARRY T	6/5/2000	FIRE ENGINEER
FUJII, CRAIG G	6/5/2000	FIRE ENGINEER
HURTADO, DAVID L	6/5/2000	FIRE ENGINEER
LANE, BRIAN E	6/5/2000	FIREFIGHTER
LO BESE, SAM C	6/5/2000	FIRE ENGINEER
MCINNIS, JOHN N	6/5/2000	FIRE ENGINEER
NIELSEN, BRYANT D	6/5/2000	FIREFIGHTER
POULLEAU, XAVIER M	6/5/2000	FIRE ENGINEER
RAMIA, JEFFREY T	6/5/2000	FIRE CAPTAIN
SCHEGLE, MATT R	6/5/2000	FIREFIGHTER
TAPPAN, PAUL J	6/5/2000	FIRE ENGINEER
TERRY, DONALD B	6/5/2000	FIRE ENGINEER
WALKER, RICHARD E	6/5/2000	FIREFIGHTER
WHITING, JOHN D	6/5/2000	FIRE CAPTAIN
ABADY, CAMILLO M.	6/18/2001	FIREFIGHTER
DUARTE, THEODORE E.	6/18/2001	FIREFIGHTER
RIVERS, MARLENE E	1/14/2002	EMS COORDINATOR
MERRICK, JUSTIN V	8/3/2005	FIREFIGHTER
RODRIGUEZ, CARLOS	3/13/2006	FIRE CHIEF
ELLIOTT, ANDREW RAYMOND	3/26/2007	FIREFIGHTER
FRANKLIN, MICHAEL G	3/26/2007	FIREFIGHTER
GROOM, SHENAH M	3/26/2007	FIREFIGHTER
LEYVA, CARLOS A	3/26/2007	FIREFIGHTER
MYERS, HARRY W	3/26/2007	FIREFIGHTER
RUBINO, ROBERT A	1/28/2008	FIREFIGHTER
SMITH, ANDY	2/12/2008	ASST FIRE CHIEF

ALAMEDA COUNTY FIRE DEPARTMENT
CITY OF UNION CITY FIRE SERVICE CONTRACT PROPOSED BUDGET FOR FY 2020-21 AND PROJECTIONS

	2019-20 ADOPTED BUDGET	2019-20 REVISED BUDGET	2020-21 PROPOSED BUDGET	2021-22 PROJECTION	2022-23 PROJECTION	2023-24 PROJECTION	2024-25 PROJECTION
ALLOCATED %	11.43%	11.43%	8.82%	8.82%	8.82%	8.82%	8.82%
PROGRAMS AND OPERATIONS	\$1,165,473	\$1,165,473	\$1,055,693	\$1,080,626	\$1,106,436	\$1,133,174	\$1,160,904
APPARATUS & EQUIPMENT	\$228,372	\$228,372	\$221,283	\$225,709	\$230,223	\$234,827	\$239,524
BUILDINGS & GROUNDS	\$46,402	\$46,402	\$34,802	\$35,498	\$36,208	\$36,932	\$37,671
PPE & UNIFORMS	\$71,910	\$71,910	\$50,433	\$51,442	\$52,471	\$53,520	\$54,590
BLDG RENTS & LEASES	\$59,167	\$59,167	\$46,622	\$51,284	\$56,412	\$62,053	\$68,258
EQUIP RENTS & LEASES	\$4,387	\$4,387	\$2,962	\$3,110	\$3,266	\$3,429	\$3,600
RADIOS	\$23,071	\$23,071	\$14,667	\$14,960	\$15,259	\$15,564	\$15,875
INFORMATION TECHNOLOGY	\$185,987	\$185,987	\$192,782	\$196,638	\$200,571	\$204,582	\$208,674
DISPATCH CONTRACT	\$229,676	\$229,676	\$241,793	\$246,629	\$251,562	\$256,593	\$261,725
PROFESSIONAL SERVICES CONTRACTS	\$29,169	\$29,169	\$22,046	\$22,487	\$22,937	\$23,396	\$23,864
DISASTER PREPAREDNESS	\$950	\$950	\$665	\$678	\$692	\$706	\$720
EMS	\$70,279	\$70,279	\$50,368	\$51,375	\$52,403	\$53,451	\$54,520
FIRE PREVENTION	\$17,826	\$17,826	\$16,096	\$16,418	\$16,746	\$17,081	\$17,423
FUEL/TRANSP	\$43,790	\$43,790	\$35,142	\$35,845	\$36,562	\$37,293	\$38,039
HAZARDOUS MATERIALS	\$15,701	\$15,701	\$11,253	\$11,478	\$11,708	\$11,942	\$12,181
HOUSEHOLD SUPPLIES	\$16,533	\$16,533	\$14,369	\$14,656	\$14,949	\$15,248	\$15,553
OPERATIONS	\$1,367	\$1,394	\$1,342	\$1,369	\$1,396	\$1,424	\$1,452
LAUNDRY	\$13,030	\$13,030	\$9,914	\$10,112	\$10,314	\$10,520	\$10,730
MAPPING	\$2,926	\$2,926	\$1,899	\$1,937	\$1,976	\$2,016	\$2,056
ADMINISTRATION	\$6,103	\$6,103	\$5,133	\$5,236	\$5,341	\$5,448	\$5,557
PUB ED & COMM RELATIONS	\$10,978	\$10,951	\$5,743	\$5,858	\$5,975	\$6,095	\$6,217

	2019-20 ADOPTED BUDGET	2019-20 REVISED BUDGET	2020-21 PROPOSED BUDGET	2021-22 PROJECTION	2022-23 PROJECTION	2023-24 PROJECTION	2024-25 PROJECTION
ALLOCATED %	11.43%	11.43%	8.82%	8.82%	8.82%	8.82%	8.82%
SCBA	\$12,923	\$12,923	\$9,198	\$9,382	\$9,570	\$9,761	\$9,956
STAFF VEHICLES	\$27,546	\$27,546	\$25,595	\$26,107	\$26,629	\$27,162	\$27,705
TRG & STAFF DEV.	\$28,648	\$28,648	\$27,038	\$27,579	\$28,131	\$28,694	\$29,268
RESCUE	\$6,664	\$6,664	\$5,306	\$5,412	\$5,520	\$5,630	\$5,743
WILDLAND	\$914	\$914	\$693	\$707	\$721	\$735	\$750
HUMAN RESOURCES	\$9,316	\$9,316	\$7,169	\$7,312	\$7,458	\$7,607	\$7,759
RESERVE	\$1,838	\$1,838	\$1,380	\$1,408	\$1,436	\$1,465	\$1,494
COUNTYWIDE OVERHEAD	\$357,302	\$357,302	\$244,865	\$257,108	\$269,963	\$283,461	\$297,634
FIXED ASSETS	\$35,457	\$35,457	\$41,499	\$39,092	\$41,047	\$43,099	\$45,254
ALL PROGRAMS AND OVERHEAD TOTAL	\$1,558,232	\$1,558,232	\$1,342,057	\$1,376,826	\$1,417,446	\$1,459,734	\$1,503,792
SALARIES AND EMPLOYEE BENEFITS	\$12,649,654	\$11,774,108	\$9,933,898	\$10,376,298	\$10,817,589	\$11,214,686	\$11,619,820
BASE SALARY	\$6,524,635	\$5,951,416	\$5,143,471	\$5,300,812	\$5,458,623	\$5,621,190	\$5,788,652
OVERTIME	\$1,487,540	\$1,469,527	\$1,166,503	\$1,201,498	\$1,237,543	\$1,274,669	\$1,312,909
OVERTIME (4th of July)	\$7,500	\$85,144	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500
HOLIDAY PAY	\$317,212	\$284,512	\$244,379	\$251,703	\$259,259	\$267,039	\$275,052
PERS RETIREMENT	\$2,178,107	\$1,969,807	\$1,809,586	\$1,964,981	\$2,104,607	\$2,199,170	\$2,301,049
EMPLOYEE CONTRIBUTION TO EMPLOYER RETIREMENT COSTS	(\$129,469)	(\$117,365)	(\$101,730)	(\$104,772)	(\$107,891)	(\$111,107)	(\$114,420)
PAYROLL TAXES	\$122,954	\$114,982	\$96,705	\$99,751	\$102,664	\$105,678	\$108,770
HEALTH INSURANCE - ACTIVE	\$999,692	\$885,110	\$760,857	\$805,058	\$860,344	\$917,286	\$975,685
HEALTH INSURANCE - RETIREE	\$507,922	\$507,922	\$395,728	\$427,114	\$460,382	\$485,788	\$503,800

	2019-20 ADOPTED BUDGET	2019-20 REVISED BUDGET	2020-21 PROPOSED BUDGET	2021-22 PROJECTION	2022-23 PROJECTION	2023-24 PROJECTION	2024-25 PROJECTION
ALLOCATED %	11.43%	11.43%	8.82%	8.82%	8.82%	8.82%	8.82%
EMPLOYEE CONTRIBUTION TO HEALTH INSURANCE	(\$101,282)	(\$89,781)	(\$77,141)	(\$82,488)	(\$88,998)	(\$94,882)	(\$100,929)
DENTAL	\$68,672	\$62,537	\$51,229	\$51,229	\$51,751	\$52,247	\$52,247
401A CONTRIBUTION	\$96,533	\$87,374	\$75,346	\$77,563	\$79,882	\$82,113	\$84,650
OTHER BENEFITS	\$92,022	\$85,307	\$71,723	\$72,121	\$72,483	\$72,583	\$72,673
WORKERS COMP	\$477,616	\$477,616	\$289,742	\$304,228	\$319,440	\$335,412	\$352,182
OPERATING BUDGET TOTAL	\$14,207,886	\$13,332,340	\$11,275,955	\$11,753,124	\$12,235,035	\$12,674,420	\$13,123,612
\$ Increase			(\$2,931,931)	\$477,169	\$481,911	\$439,385	\$449,192
% Increase			-20.64%	4.23%	4.10%	3.59%	3.54%
GRANT & CAPITAL IMPROVEMENT PROJECTS	\$97,657	\$97,657	\$201,668	\$12,000	\$12,000	\$12,000	\$12,000
EQUIPMENT	\$32,044	\$32,044	\$189,668				
RADIOS REPLACEMENT	\$53,613	\$53,613	\$0				
STAFF VEHICLE LEASE	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000

PROPOSED CONTRACT TOTAL	\$14,305,543	\$13,429,997	\$11,477,623	\$11,765,124	\$12,247,035	\$12,686,420	\$13,135,612
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	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
UNFUNDED ADC FOR OPEB (Based on 2017 actuarial valuation)	\$104,918	\$104,918	\$76,047	\$60,662	\$43,861	\$35,039
NORMAL COST	\$497,665	\$497,665	\$392,140	\$404,885	\$418,044	\$445,658
UAAL AMORTI	\$401,643	\$401,643	\$316,478	\$326,764	\$337,384	\$359,670
PAY-GO	(\$507,922)	(\$507,922)	(\$395,728)	(\$427,114)	(\$460,382)	(\$503,800)
EMPLOYEE CONTRIBUTION TO CERBT	(\$286,468)	(\$286,468)	(\$236,843)	(\$243,873)	(\$251,185)	(\$266,489)

RECOMMENDED CONTRACT TOTAL WITH FULL ADC	\$14,410,461	\$13,534,915	\$11,553,670	\$11,825,786	\$12,290,896	\$12,721,881	\$13,170,651
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	2019-20 ADOPTED BUDGET	2019-20 REVISED BUDGET	2020-21 PROPOSED BUDGET	2021-22 PROJECTION	2022-23 PROJECTION	2023-24 PROJECTION	2024-25 PROJECTION
ALLOCATED %	11.43%	11.43%	8.82%	8.82%	8.82%	8.82%	8.82%

VEHICLE REPLACEMENT	\$0	\$0	\$0	\$0	\$0	\$1,850,000	\$0
APPARATUS REPLACEMENT	\$0	\$0	\$0	\$0	\$0	\$1,850,000	\$0

E32, E33

Assumptions:

COLA - IAFF Local 55	4.75%	4.75%	3.00%	3.00%	3.00%	3.00%	3.00%
COLA - Unrepresented Non-Management	3.25%	3.25%	3.00%	3.00%	3.00%	3.00%	3.00%
COLA - Unrepresented Management	3.50%	3.50%	3.25%	3.25%	3.00%	3.00%	3.00%
Health Premium Cost Increase	6.00%	6.00%	4.50%	7.00%	6.75%	6.50%	6.25%
Dental Premium	0.00%	0.00%	0.00%	0.00%	2.00%	0.00%	0.00%
PERS Rate - Safety Plan	34.215%	34.215%	36.293%	38.276%	39.817%	40.404%	41.056%
PERS Rate - Classic Misc. Plan	13.714%	13.714%	15.655%	16.412%	17.034%	17.279%	17.521%
Workers Comp				5.00%	5.00%	5.00%	5.00%
Program Services & Supplies				2.00%	2.00%	2.00%	2.00%
County Overhead Allocation				5.00%	5.00%	5.00%	5.00%
EE Contribution to ER PERS - Classic Safety	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
EE Contribution to ER PERS - PEPRSA Safety	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%



**ALAMEDA COUNTY FIRE DEPARTMENT
RETIREE HEALTHCARE PLAN**

BARTTEL
ASSOCIATES, LLC

June 30, 2019 Actuarial Valuation

Bartel Associates, LLC

Doug Pryor, Vice President

Catherine Wandro, Assistant Vice President & Actuary

Daniel Park, Actuarial Analyst

Katherine Moore, Associate Actuary

May 25, 2020

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BENEFIT SUMMARY

<p>■ Eligibility</p>	<p>■ Service or disability retirement under CalPERS</p>											
<p>■ Medical Benefit</p>	<p>■ Full monthly premium up to cap¹:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th style="width: 25%;">Hire Date</th> <th style="width: 50%;">Cap</th> <th style="width: 25%;">Vesting Schedule</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">< 4/1/09</td> <td rowspan="2" style="text-align: center;">100% of Kaiser Bay Area Premium – Single, 2-Party, or Family</td> <td style="text-align: center;">No</td> </tr> <tr> <td style="text-align: center;">4/1/09-1/31/15</td> <td rowspan="2" style="text-align: center;">Yes</td> </tr> <tr> <td style="text-align: center;">≥ 2/1/15²</td> <td style="text-align: center;">90% of Kaiser Bay Area Premium – Single or 2-Party</td> <td></td> </tr> </tbody> </table> <p>■ Kaiser premium cap varies by:</p> <ul style="list-style-type: none"> ● Medical coverage ● Medicare eligibility 	Hire Date	Cap	Vesting Schedule	< 4/1/09	100% of Kaiser Bay Area Premium – Single, 2-Party, or Family	No	4/1/09-1/31/15	Yes	≥ 2/1/15 ²	90% of Kaiser Bay Area Premium – Single or 2-Party	
Hire Date	Cap	Vesting Schedule										
< 4/1/09	100% of Kaiser Bay Area Premium – Single, 2-Party, or Family	No										
4/1/09-1/31/15		Yes										
≥ 2/1/15 ²	90% of Kaiser Bay Area Premium – Single or 2-Party											

¹ For special Safety group of retirees 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.



BENEFIT SUMMARY

<p>■ Vesting Schedule</p>	<p>■ Vesting % based on CalPERS service, minimum 5 years ACFD service:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th style="width: 15%;"><u>CalPERS Service</u></th> <th style="width: 20%;"><u>Vesting Percent</u></th> <th style="width: 15%;"><u>CalPERS Service</u></th> <th style="width: 20%;"><u>Vesting Percent</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;"><10</td> <td style="text-align: center;">PEMHCA Min</td> <td style="text-align: center;">15</td> <td style="text-align: center;">75%</td> </tr> <tr> <td style="text-align: center;">10</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">16</td> <td style="text-align: center;">80%</td> </tr> <tr> <td style="text-align: center;">11</td> <td style="text-align: center;">55%</td> <td style="text-align: center;">17</td> <td style="text-align: center;">85%</td> </tr> <tr> <td style="text-align: center;">12</td> <td style="text-align: center;">60%</td> <td style="text-align: center;">18</td> <td style="text-align: center;">90%</td> </tr> <tr> <td style="text-align: center;">13</td> <td style="text-align: center;">65%</td> <td style="text-align: center;">19</td> <td style="text-align: center;">95%</td> </tr> <tr> <td style="text-align: center;">14</td> <td style="text-align: center;">70%</td> <td style="text-align: center;">20+</td> <td style="text-align: center;">100%</td> </tr> </tbody> </table> <p>■ 100% vesting with disability retirement.</p>	<u>CalPERS Service</u>	<u>Vesting Percent</u>	<u>CalPERS Service</u>	<u>Vesting Percent</u>	<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%
<u>CalPERS Service</u>	<u>Vesting Percent</u>	<u>CalPERS Service</u>	<u>Vesting Percent</u>																										
<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%																										
<p>■ Surviving Spouse</p>	<p>■ 100% of retiree benefit continues to surviving spouse if retiree elects survivor annuity under CalPERS retirement plan</p>																												
<p>■ Other Benefits</p>	<p>■ No dental, vision, life, or Medicare Part B reimbursements.</p>																												



BENEFIT SUMMARY

<p>■ Employee Contrib.</p>	<p>■ Per current MOUs: Effective 1/1/14 (7/1/14 to unrepresented) employees are required to contribute a percent of pay to the OPEB Plan:</p>			
	<u>Year</u>	<u>Fire</u>	<u>Misc</u>	
	2019	4.468151%	5.233606%	
	2020	5.251237%	5.923652%	
<p>■ Pay-As-You-Go Costs</p>	<u>Fiscal Year</u>	<u>Cash PayGo</u>	<u>Implied Subsidy</u>	<u>Total</u>
	■ 2018/19	\$4,115,286	\$817,000	\$4,932,286
	■ 2017/18	\$3,867,448	\$759,000	\$4,626,448
	■ 2016/17	\$3,545,260	\$685,000	\$4,230,260
	■ 2015/16	\$3,171,111	n/a	\$3,171,111
	■ 2014/15	\$2,807,121	n/a	\$2,807,121
	■ 2013/14	\$2,452,762	n/a	\$2,452,762
<p>■ Contract Agencies</p>	<p>■ Costs allocated to contract agencies based on agencies' cost allocation percentage with ACFD</p>			



BENEFIT SUMMARY

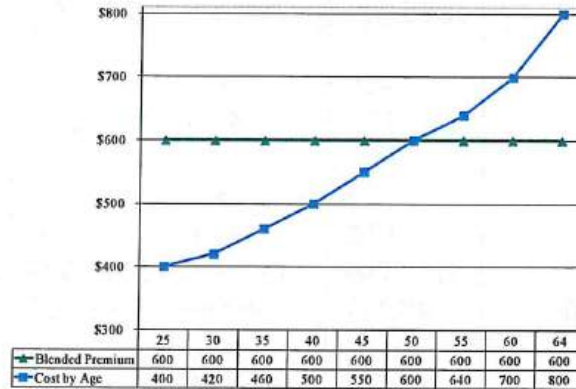
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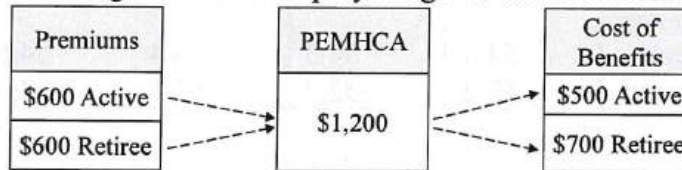
IMPLIED SUBSIDY

- 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 defers to actuarial standards of practice.
- Prior Actuarial Standards of Practice No. 6³ (ASOP 6) allowed community rated plans to value liability using premiums, resulting in no implied subsidy.
- In May 2014, Actuarial Standards Board released revised ASOP 6:
 - Requires 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 Plan Costs or Contributions.



DATA SUMMARY

Historical Participant Statistics

	6/30/11	6/30/13	6/30/15	6/30/17	6/30/19
■ Actives:					
• Count	410	417	421	419	426
• Average Age	42.0	43.5	42.6	41.7	41.7
• Average Service					
> ACFD	7.7	8.6	8.3	8.6	9.3
> CalPERS	12.3	13.6	13.0	12.1	12.3
• Average Salary	\$118,000	\$111,700	\$115,500	\$120,600	\$130,300
• Total Salary (000s)	48,377	46,590	48,607	50,541	55,516
■ Retirees:					
• Count	191	208	246	292	308
• Average Age	63.6	64.0	64.1	63.9	64.1
• Average Retirement Age					
> Service Retirement	54.4	54.3	54.4	54.6	54.6
> Disability Retirement	52.2	52.2	52.5	53.1	53.3



DATA SUMMARY

Participant Reconciliation

	Actives	Retirees	Disabled	Surviving Spouses	Total
■ June 30, 2017 Valuation	419	181	87	24	711
• New Hires	49	-	-	-	49
• Terminations	(15)	-	-	-	(15)
• New Service Retirements	(19)	19	-	-	-
• New Disability Retirements	(11)	-	11	-	-
• Death with Survivor	-	(2)	-	2	-
• Death w/o Survivor or Cancelled	-	(5)	(7)	(2)	(14)
• Data Adjustments	<u>3</u>	<u>(1)</u>	<u>1</u>	<u>-</u>	<u>3</u>
■ June 30, 2019 Valuation	426	192	92	24	734



ACTUARIAL ASSUMPTIONS HIGHLIGHTS

Discount Rate

■ CERBT Investment Options

	Strategy 1	Strategy 2	Strategy 3
Global Equity	59%	40%	22%
Fixed Income	25%	43%	49%
TIPS	5%	5%	16%
Commodities	3%	4%	5%
REITs	8%	8%	8%
Total	100%	100%	100%

- ACFD currently in Strategy 1.
- Separate sub-accounts for each contracting agency.



ACTUARIAL ASSUMPTIONS HIGHLIGHTS

Discount Rate

■ 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%	5.25%
60% Confidence Level	6.00%	5.75%	5.25%



ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2017 Valuation	June 30, 2019 Valuation
■ Valuation Date	<ul style="list-style-type: none"> ■ June 30, 2017 ■ 2018/19 and 2019/20 ADC 	<ul style="list-style-type: none"> ■ June 30, 2019 ■ 2020/21 and 2021/22 ADC
■ General Inflation	<ul style="list-style-type: none"> ■ 2.75% ■ Used for economic assumptions 	<ul style="list-style-type: none"> ■ Same
■ Payroll Increases	<ul style="list-style-type: none"> ■ Aggregate Increases – 3.00% ■ Merit Increases – CalPERS 1997-2015 Experience Study 	<ul style="list-style-type: none"> ■ Same
■ Mortality, Termination, Disability, Retirement	<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 	<ul style="list-style-type: none"> ■ CalPERS 1997-2015 Experience Study ■ Mortality projected with Scale MP-2019



ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2017 Valuation	June 30, 2019 Valuation
■ Discount Rate	<ul style="list-style-type: none"> ■ 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 	<ul style="list-style-type: none"> ■ 4.90% - 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% to 50% of ADC less paygo) used for ALCO, City of Newark, City of Emeryville, Union City, and LBNL ● 4.00% - employee contributions only for remaining agencies ■ 6.75% - side fund calculations, CERBT Strategy #1



ACTUARIAL ASSUMPTIONS HIGHLIGHTS

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



ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2017 Valuation	June 30, 2019 Valuation
■ Dependents at Retirement	<ul style="list-style-type: none"> ■ % electing family coverage at retirement <ul style="list-style-type: none"> • Misc: 10% • Safety: 20% ■ No family coverage \geq 65 	<ul style="list-style-type: none"> ■ % electing family coverage at retirement <ul style="list-style-type: none"> • Misc: 10% • Safety: 30% ■ No family coverage \geq 65
■ Waived Retirees	<ul style="list-style-type: none"> ■ Pre 65: 40% re-elect at age 65 ■ Post 65: 0% re-elect 	<ul style="list-style-type: none"> ■ Pre 65: 10% re-elect at age 65 ■ Post 65: 0% re-elect
■ Affordable Care Act (ACA) Excise Tax	<ul style="list-style-type: none"> ■ 2.0% liability load on cash subsidy to estimate impact 	<ul style="list-style-type: none"> ■ Not Valued
■ Administrative Expenses	<ul style="list-style-type: none"> ■ 0.33% of retiree PEMHCA premiums ■ Added to Normal Cost 	<ul style="list-style-type: none"> ■ 0.27% of retiree PEMHCA premiums ■ 0.05% of CERBT Assets ■ Added to Normal Cost



ACTUARIAL METHODS

	June 30, 2017 Valuation	June 30, 2019 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">• 15-year, 20-year, and 30-year UAAL amortization shown for unfunded side fund liabilities	<ul style="list-style-type: none">• Same



ACTUARIAL METHODS

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ASSETS

Market Value of Plan Assets (MVA)

(Amounts in \$000's)

	2017/18	2018/19	Projected 2019/20⁴
■ MVA (Beginning of Year)	\$ 17,420	\$ 22,505	\$ 28,042
● Contributions – Employer	2,041	1,997	1,443
● Contributions – Employee	1,631	2,030	2,018
● Disbursements	-	-	-
● Investment Return	1,429	1,530	-
● Administrative Expenses	(10)	(12)	(15)
● Investment Expense	<u>(7)</u>	<u>(8)</u>	<u>(11)</u>
■ MVA (End of Year)	22,505	28,042	31,478
■ Approximate Annual Return	7.3%	6.2%	0.0%

⁴ Assets projected from 6/30/19 to 6/30/20 using actual contributions through 12/31/19 from the CERBT statements, expected contributions from 1/1/20 through 6/30/20 provided by ACFD, and an estimated 0% investment return for 2019/20.



ASSETS

Actuarial Value of Plan Assets (AVA)

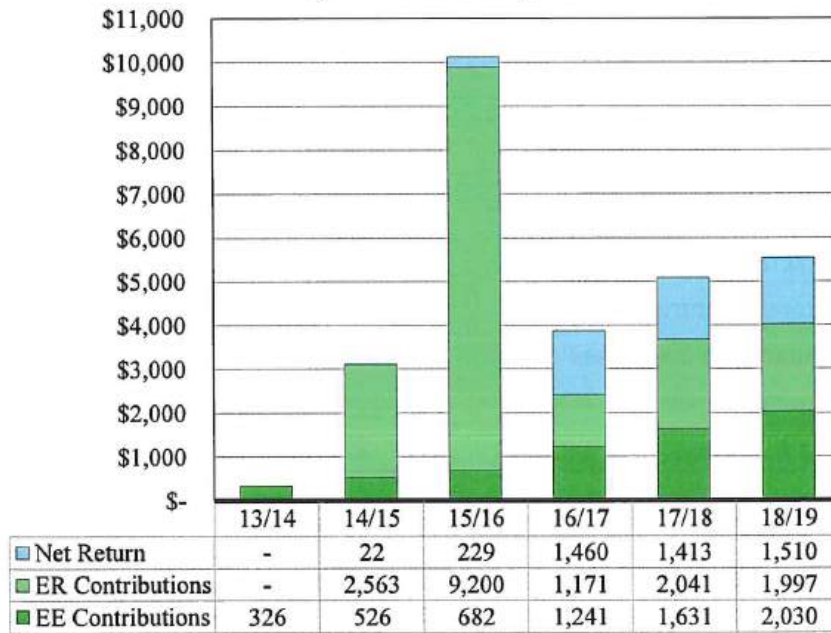
(Amounts in \$000's)

	2017/18	2018/19	Projected 2019/20
■ AVA (Beginning of Year)	\$ 17,434	\$ 22,426	\$ 28,091
● Employer Contribution	3,672	4,027	3,462
● Benefit Payment/Disbursements	-	-	-
● Expected Investment Return	1,301	1,650	2,013
■ Expected AVA (End of Year)	22,407	28,103	33,566
■ MVA (End of Year)	22,505	28,042	31,478
■ 1/5 of (MVA - Expected AVA)	19	(12)	(418)
■ Preliminary AVA	22,426	28,091	33,148
● Minimum AVA (80% of MVA)	18,004	22,434	25,182
● Maximum AVA (120% of MVA)	27,006	33,650	37,774
■ AVA (End of Year)	22,426	28,091	33,148
■ Approximate AVA return	6.9%	6.7%	5.3%



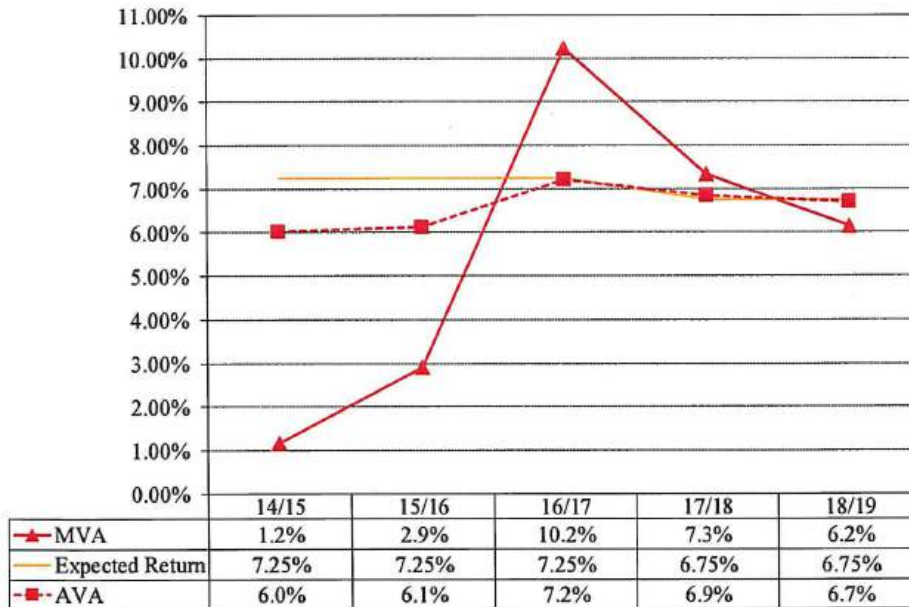
ASSETS

Historical Asset Changes (Amounts in \$000's)



ASSETS

Annualized Asset Returns



RESULTS

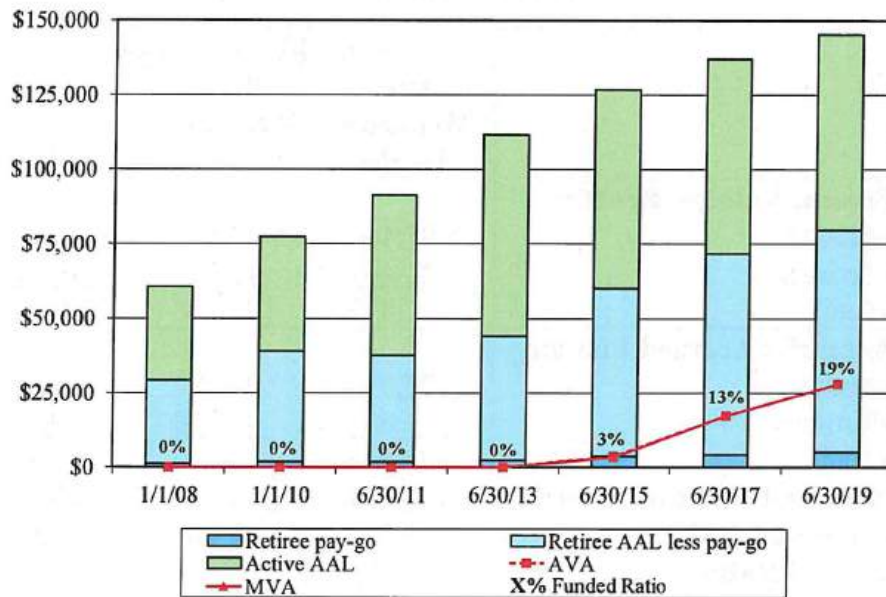
Actuarial Obligations
(Amounts in \$000's)

	6/30/17 Valuation	6/30/19 Valuation
■ Present Value of Benefits		
• Actives	\$144,444	\$140,736
• Retirees	<u>71,857</u>	<u>79,795</u>
• Total	216,301	220,531
■ Actuarial Accrued Liability		
• Actives	65,381	65,358
• Retirees	<u>71,857</u>	<u>79,795</u>
• Total	137,238	145,153
■ Actuarial Value of Assets	<u>(17,434)</u>	<u>(28,091)</u>
■ Unfunded AAL	119,804	117,062
■ Funded Ratio	12.7%	19.4%
■ Pay-As-You-Go	4,268	5,200



RESULTS

Historical Actuarial Accrued Liability
(Amounts in \$000's)



RESULTS

Actuarial Gains & Losses

(Amounts in \$000's)

	AAL
■ 6/30/17 Actual	\$137,238
■ 6/30/19 Expected	154,987
■ Experience (Gains)/Losses:	
• Premiums/Claims less than Expected	(11,924)
• Demographic & Other	6,136
■ Assumption Changes:	
• Mortality Improvement	(992)
• Remove ACA Excise Tax	(2,420)
• Waived Retiree Re-Election	(148)
• Family Coverage at Retirement	626
• Discount Rate	<u>(1,112)</u>
■ Total Changes	(9,834)
■ 6/30/19 Actual	145,153



RESULTS

Actuarial Obligations by Pre/Post Medicare

(Amounts in \$000's)

	6/30/19 Valuation		
	Pre Medicare Results	Post Medicare Results	Total
■ Present Value of Benefits			
• Actives	\$ 83,406	\$ 57,330	\$140,736
• Retirees	<u>34,467</u>	<u>45,328</u>	<u>79,795</u>
• Total	117,873	102,658	220,531
■ Actuarial Accrued Liability			
• Actives	37,776	27,582	65,358
• Retirees	<u>34,467</u>	<u>45,328</u>	<u>79,795</u>
• Total	72,243	72,910	145,153
■ Actuarial Value of Assets⁵	<u>(13,981)</u>	<u>(14,110)</u>	<u>(28,091)</u>
■ Unfunded AAL	58,262	58,800	117,062
■ Funded Ratio	19.4%	19.4%	19.4%

⁵ Assets allocated to Pre/Post Medicare based on AAL.



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)	Payroll (c)	UAAL as Percentage of 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%
6/30/19	28,091	145,153	117,062	19.4%	55,516	210.9%



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%	5.00%	4.00%	5.00%	5.00%	5.00%	Blended
■ PVB 6/30/19										
• Actives	\$3,340	\$58,035	\$43,551	\$10,180	\$2,474	\$3,203	\$7,137	\$8,592	\$4,224	\$140,736
• Retirees	505	34,339	22,572	7,449	1,464	1,660	4,223	5,084	2,499	79,795
• Total	3,845	92,374	66,123	17,629	3,938	4,863	11,360	13,676	6,723	220,531
■ AAL 6/30/19										
• Actives	1,331	27,531	18,960	5,501	1,174	1,395	3,386	4,076	2,004	65,358
• Retirees	505	34,339	22,572	7,449	1,464	1,660	4,223	5,084	2,499	79,795
• Total	1,836	61,870	41,532	12,950	2,638	3,055	7,609	9,160	4,503	145,153
■ AVA 6/30/19	(2,001)	(7,971)	(1,382)	(11,744)	(263)	(658)	(2,310)	(1,283)	(479)	(28,091)
■ UAAL 6/30/19	(165)	53,899	40,150	1,206	2,375	2,397	5,299	7,877	4,024	117,062
■ Funded Ratio	109.0%	12.9%	3.3%	90.7%	10.0%	21.5%	30.4%	14.0%	10.6%	19.4%



RESULTS

Benefit Payment Projection by Cash/Implied Subsidy

(Amounts in \$000's)

Fiscal Year	Cash Subsidy	Implied Subsidy	Total
2020/21	\$ 4,422	\$ 1,225	\$ 5,647
2021/22	4,785	1,329	6,114
2022/23	5,156	1,452	6,608
2023/24	5,453	1,464	6,917
2024/25	5,762	1,515	7,277
2025/26	6,103	1,579	7,682
2026/27	6,526	1,731	8,257
2027/28	6,827	1,725	8,552
2028/29	7,216	1,799	9,015
2029/30	7,603	1,839	9,442



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



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)



SIDE FUND CALCULATIONS

Actuarial Obligations for Side Fund Calculations

Full Funding Discount Rate

(Amounts in \$000's)

	6/30/17 Valuation		6/30/19 Valuation	
	6/30/17	6/30/18	6/30/19	6/30/20
Full Funding Discount Rate	6.75%		6.75%	
■ Present Value of Benefits	\$150,345		\$156,145	
■ Actuarial Accrued Liability				
• Safety	101,410	\$107,792	108,432	114,338
• Misc Non Dispatch	3,091	3,539	3,442	3,889
• Misc Dispatch	<u>1,852</u>	<u>2,124</u>	<u>1,836</u>	<u>2,066</u>
• Total	106,353	113,455	113,710	120,293
■ Actuarial Value of Assets	<u>(17,434)</u>	<u>(21,438)</u>	<u>(28,091)</u>	<u>(33,148)</u>
■ Unfunded AAL	88,919	92,017	85,619	87,145
■ Normal Cost	n/a	4,463	n/a	4,438
■ Pay-As-You-Go	4,268	4,792	5,200	5,647



SIDE FUND CALCULATIONS

Actuarially Determined Contribution (ADC) for Side Fund Calculations

	6/30/17 Valuation		6/30/19 Valuation	
	2018/19	2019/20	2020/21	2021/22
Full Funding Discount Rate	6.75%		6.75%	
■ ADC - \$				
• Normal Cost	\$4,463	\$4,597	\$4,438	\$4,572
• UAAL Amortization ⁶	<u>7,611</u>	<u>7,840</u>	<u>6,396</u>	<u>6,588</u>
• Total ADC	12,074	12,437	10,834	11,160
• Employee Contributions ⁷	<u>(2,054)</u>	<u>(2,115)</u>	<u>(2,564)</u>	<u>(3,036)</u>
• Total	10,021	10,322	8,270	8,124
■ Projected Payroll	53,619	55,228	58,897	60,664
■ ADC - %Pay				
• Normal Cost	8.3%	8.3%	7.5%	7.5%
• UAAL Amortization	<u>14.2%</u>	<u>14.2%</u>	<u>10.9%</u>	<u>10.9%</u>
• Total ADC	22.5%	22.5%	18.4%	18.4%
• Employee Contributions	<u>(3.8%)</u>	<u>(3.8%)</u>	<u>(4.4%)</u>	<u>(5.0%)</u>
• Total	18.7%	18.7%	14.0%	13.4%

⁶ Based on valuation amortization periods.

⁷ Estimated employee contributions based on employee contribution rates and projected payroll.



SIDE FUND CALCULATIONS

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	97	1,448	304	174	58	145	1,010	316	121	3,672
• Disbursements	-	-	-	-	-	-	-	-	-	-
• Inv. Earnings	125	312	50	769	10	24	82	44	14	1,429
• Admin. Exp.	(1)	(2)	-	(5)	-	-	(1)	-	-	(10)
• Invest. Exp.	(1)	(2)	-	(4)	-	-	-	-	-	(7)
■ MVA 6/30/18	1,760	5,521	922	10,515	176	439	2,011	863	298	22,505
• AVA Ratio ⁸	← 99.65% →									
■ AVA 6/30/18	1,754	5,501	919	10,478	175	438	2,004	860	297	22,426

⁸ Ratio of valuation 6/30/18 Actuarial Value of Assets (\$22,426) to Market Value of Assets (\$22,505) = 99.65%.



May 25, 2020



SIDE FUND CALCULATIONS

CERBT Sub-Accounts and AVA Calculation

Fiscal Year 2018/19
(Amounts in \$000's)

	Dis- patch	ALCO	San Leandro	Dublin	LBNL	LLNL	Newark	Union City	Emery- ville	Total
■ MVA 6/30/18	\$1,760	\$5,521	\$922	\$10,515	\$176	\$439	\$2,011	\$863	\$298	\$22,505
• Contributions	123	2,063	381	537	73	182	163	351	154	4,027
• Disbursements	-	-	-	-	-	-	-	-	-	-
• Inv. Earnings	116	379	77	681	15	36	133	67	26	1,530
• Admin. Exp.	(1)	(3)	(1)	(5)	-	-	(1)	-	-	(12)
• Invest. Exp.	(1)	(2)	-	(4)	-	-	(1)	-	-	(8)
■ MVA 6/30/19	1,997	7,958	1,380	11,723	263	657	2,306	1,281	478	28,042
• AVA Ratio ⁹	← 100.17% →									
■ AVA 6/30/19	2,001	7,971	1,382	11,744	263	658	2,310	1,283	479	28,091

⁹ Ratio of valuation 6/30/19 Actuarial Value of Assets (\$28,091) to Market Value of Assets (\$28,042) = 100.17%.



May 25, 2020



SIDE FUND CALCULATIONS

Side Fund Calculations 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%	100.00%
■ 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 ¹⁰	191	1,170	750	436	139	349	331	436	227	4,029
• BP	(50)	(1,346)	(917)	(524)	(174)	(436)	(393)	(524)	(262)	(4,626)
• Interest	123	2,994	1,749	799	135	152	382	464	227	7,025
■ Side Fund EOY	2,116	47,831	27,939	12,804	2,193	2,536	6,173	7,501	3,688	112,781
■ Balance EOY ¹⁰	8	198	132	76	25	62	58	76	39	674
■ AAL EOY	2,124	48,029	28,071	12,880	2,218	2,598	6,231	7,577	3,727	113,455
■ AVA EOY	(1,754)	(5,501)	(919)	(10,478)	(175)	(438)	(2,004)	(860)	(297)	(22,426)
■ UAAL EOY	370	42,528	27,152	2,402	2,043	2,160	4,227	6,717	3,430	91,029

¹⁰ Allocated based on FTE first, and then allocation % of shared positions, except for Dispatch which is based on actual Dispatch valuation results.



SIDE FUND CALCULATIONS

Side Fund Calculations 2018/19 Fiscal Year – 6.75% Discount Rate (Amounts in \$000's)

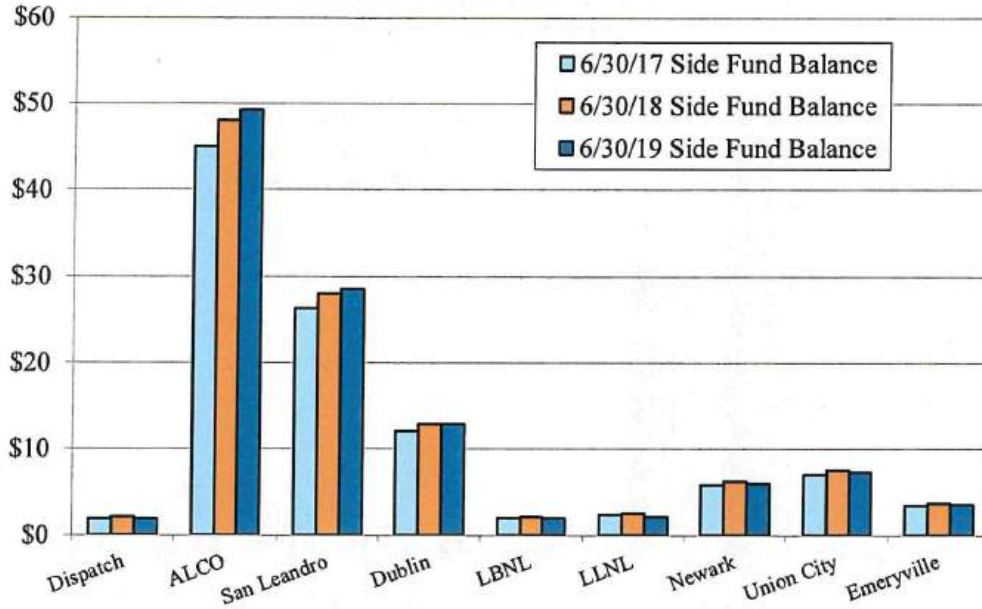
	Dis- patch	ALCO	San Leandro	Dublin	LBNL	LLNL	Newark	Union City	Emery- ville	Total
■ Allocation %	0.00%	29.53%	20.00%	11.43%	3.81%	9.52%	8.57%	11.43%	5.71%	100.00%
■ Side Fund BOY	\$2,124	\$48,029	\$28,071	\$12,880	\$2,218	\$2,598	\$6,231	\$7,577	\$3,727	\$113,455
• Pool NC ¹¹	208	1,308	827	482	154	384	367	482	251	4,463
• BP	(49)	(1,447)	(972)	(556)	(185)	(463)	(417)	(556)	(277)	(4,922)
• Interest	142	3,194	1,863	851	143	160	407	493	242	7,495
■ Side Fund EOY	2,425	51,084	29,789	13,657	2,330	2,679	6,588	7,996	3,943	120,491
■ Balance EOY	(588)	(1,851)	(1,226)	(707)	(231)	(578)	(533)	(707)	(360)	(6,781)
■ AAL EOY ¹¹	1,836	49,234	28,563	12,950	2,099	2,101	6,055	7,289	3,583	113,710
■ AVA EOY	(2,001)	(7,971)	(1,382)	(11,744)	(263)	(658)	(2,310)	(1,283)	(479)	(28,091)
■ UAAL EOY	(165)	41,263	27,181	1,206	1,836	1,443	3,745	6,006	3,104	85,619

¹¹ Allocated based on FTE first, and then allocation % of shared positions, except for Dispatch which is based on actual Dispatch valuation results.



SIDE FUND CALCULATIONS

Side Fund Balances (AAL) (Amounts in millions)



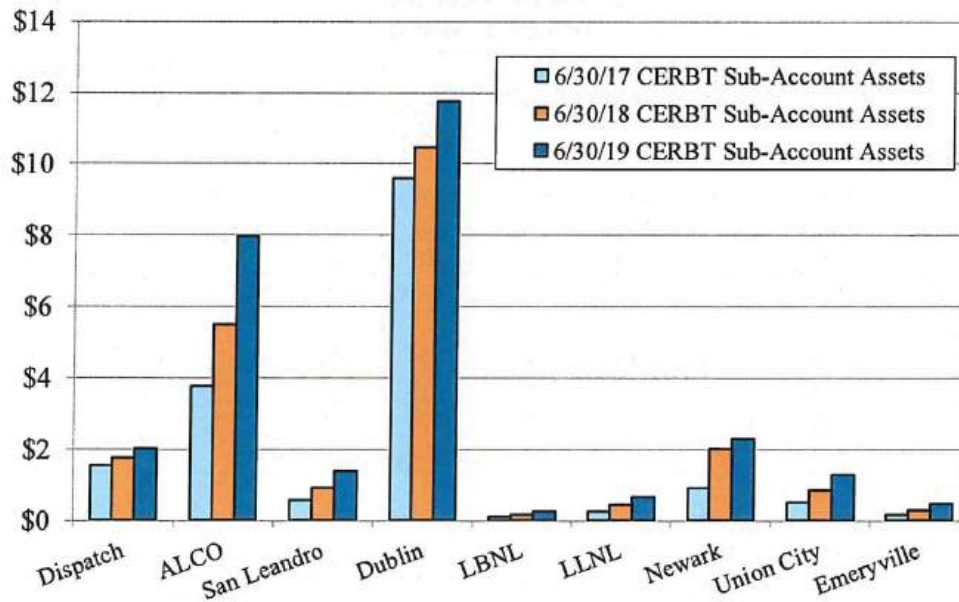
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SIDE FUND CALCULATIONS

CERBT Sub-Account Assets (AVA) (Amounts in millions)



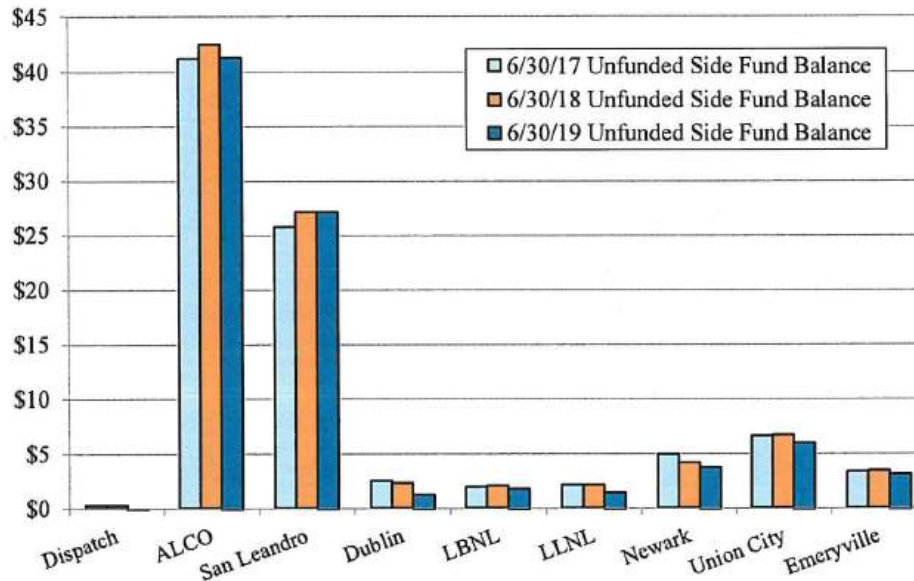
May 25, 2020

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SIDE FUND CALCULATIONS

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



SIDE FUND CALCULATIONS

Sample 2020/21 ADCs at Varying UAAL Amortization Periods¹²

6.75% Discount Rate
 (Amounts in \$000's)

	Dis-patch	ALCO	San Leandro	Dublin	LBNL	LLNL	Newark	Union City	Emeryville	Total
<i>15-Year UAAL Amortization</i>										
■ 2020/21 ADC										
• Normal Cost	\$175	\$1,350	\$852	\$495	\$159	\$397	\$376	\$377	\$257	\$4,438
• UAAL Amort	<u>(16)</u>	<u>3,816</u>	<u>2,563</u>	<u>101</u>	<u>142</u>	<u>111</u>	<u>340</u>	<u>537</u>	<u>278</u>	<u>7,872</u>
• Total	159	5,166	3,415	596	301	508	716	914	535	12,310
<i>20-Year UAAL Amortization</i>										
■ 2020/21 ADC										
• Normal Cost	\$175	\$1,350	\$852	\$495	\$159	\$397	\$376	\$377	\$257	\$4,438
• UAAL Amort	<u>(13)</u>	<u>3,101</u>	<u>2,083</u>	<u>82</u>	<u>115</u>	<u>90</u>	<u>276</u>	<u>436</u>	<u>226</u>	<u>6,396</u>
• Total	162	4,451	2,935	577	274	487	652	813	483	10,834
<i>30-Year UAAL Amortization</i>										
■ 2020/21 ADC										
• Normal Cost	\$175	\$1,350	\$852	\$495	\$159	\$397	\$376	\$377	\$257	\$4,438
• UAAL Amort	<u>(10)</u>	<u>2,408</u>	<u>1,617</u>	<u>63</u>	<u>90</u>	<u>70</u>	<u>214</u>	<u>339</u>	<u>176</u>	<u>4,967</u>
• Total	165	3,758	2,469	558	249	467	590	716	433	9,405

¹² 2020/21 Normal Costs reflect the new allocation %'s effective 7/1/20.



ACTUARIAL CERTIFICATION

This report presents the Alameda County Fire Department Retiree Healthcare Plan ("Plan") June 30, 2019 actuarial valuation. The purpose of this valuation is to:

- Determine the June 30, 2019 Benefit Obligations,
- Determine the Plan's June 30, 2019 Funded Status, and
- Calculate the 2020/21 and 2021/22 Actuarially Determined Contributions.

Information provided in this report may be useful to the 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.

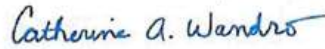
The valuation is based on Plan provisions, participant data, and asset information provided by the Department as summarized in this report, which we relied on and did not audit. We reviewed the participant data for reasonableness.

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 25, 2020



Catherine A. Wandro, ASA, MAAA, FCA
Assistant Vice President
Bartel Associates, LLC
May 25, 2020



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ACTUARIAL CERTIFICATION

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EXHIBITS - PREMIUMS

2019 PEMHCA Monthly Premiums
Bay Area

Plan	Non-Medicare Eligible			Medicare Eligible		
	Single	2-Party	Family	Single	2-Party	Family
Anthem Select	\$ 831.44	\$ 1,662.88	\$ 2,161.74	n/a	n/a	n/a
Anthem Traditional	1,111.13	2,222.26	2,888.94	\$ 357.44	\$ 714.88	\$ 1,072.32
Blue Shield Access+	970.90	1,941.80	2,524.34	n/a	n/a	n/a
Health Net SmartCare	901.55	1,803.10	2,344.03	n/a	n/a	n/a
Kaiser	768.25	1,536.50	1,997.45	323.74	647.48	971.22
UnitedHealthcare	n/a	n/a	n/a	299.37	598.74	898.11
Western Health Advantage	767.01	1,534.02	1,994.23	n/a	n/a	n/a
PERS Choice	866.27	1,732.54	2,252.30	360.41	720.82	1,081.23
PERS Select	543.19	1,086.38	1,412.29	360.41	720.82	1,081.23
PERSCare	1,131.68	2,263.36	2,942.37	394.83	789.66	1,184.49
PORAC	774.00	1,623.00	2,076.00	513.00	1,022.00	1,635.00



EXHIBITS - PREMIUMS

2020 PEMHCA Monthly Premiums
Region 1

Medical Plan	Non-Medicare Eligible			Medicare Eligible		
	Single	2-Party	Family	Single	2-Party	Family
Anthem Select	\$ 868.98	\$ 1,737.96	\$ 2,259.35	\$ 388.15	\$ 776.30	\$1,164.45
Anthem Traditional	1,184.84	2,369.68	3,080.58	388.15	776.30	1,164.45
Blue Shield Access+	1,127.77	2,255.54	2,932.20	n/a	n/a	n/a
Blue Shield Trio	833.00	1,666.00	2,165.80	n/a	n/a	n/a
Health Net SmartCare	1,000.52	2,001.04	2,601.35	n/a	n/a	n/a
Kaiser	768.49	1,536.98	1,998.07	339.43	678.86	1,018.29
UnitedHealthcare	899.94	1,799.88	2,339.84	327.03	654.06	981.09
Western Health Advantage	731.96	1,463.92	1,903.10	n/a	n/a	n/a
PERS Choice	861.18	1,722.36	2,239.07	351.39	702.78	1,054.17
PERS Select	520.29	1,040.58	1,352.75	351.39	702.78	1,054.17
PERSCare	1,133.14	2,266.28	2,946.16	384.78	769.56	1,154.34
PORAC	774.00	1,699.00	2,199.00	513.00	1,022.00	1,635.00



EXHIBITS – PARTICIPANT STATISTICS

Participant Statistics

June 30, 2019

	Safety	Miscellaneous		Total
		Non-Dispatch	Dispatch	
■ Actives:				
• Count	350	45	31	426
• Average Age	41.5	46.1	37.6	41.7
• Average Service				
> ACFD	9.8	7.0	6.0	9.3
> CalPERS	13.2	8.7	7.6	12.3
• Average 18/19 Salary	\$139,000	\$89,700	\$91,300	\$130,300
• Total 18/19 Salary (000s)	48,652	4,035	2,829	55,516
■ Retirees:				
• Count	293	9	6	308 ¹³
• Average Age	64.1	65.9	63.6	64.1
• Average Retirement Age				
> Service Retirement	54.1	60.6	59.2	54.6
> Disability Retirement	53.3	54.2	n/a	53.3

¹³ Includes 18 retirees who waive medical coverage.



EXHIBITS – PARTICIPANT STATISTICS

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 ¹⁴
• 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

¹⁴ Includes 16 retirees who waive medical coverage.



EXHIBITS – PARTICIPANT STATISTICS

Medical Plan Participation

Medical Plan	Actives	Retirees		Total
		Pre-65	Post-65	
Anthem Select	1%	3%	0%	2%
Anthem Traditional	2%	2%	3%	2%
Blue Shield Access+	3%	5%	0%	3%
Health Net SmartCare	2%	5%	0%	3%
Kaiser	63%	36%	51%	43%
UnitedHealthcare	1%	1%	8%	4%
PERS Choice	2%	5%	19%	11%
PERSCare	1%	4%	7%	5%
PERS Select	1%	0%	0%	0%
PORAC	24%	39%	12%	27%
Total	100%	100%	100%	100%



EXHIBITS – PARTICIPANT STATISTICS

Current Active Medical Plan Coverage

Medical Plan	Single	2-Party	Family	Waived	Total
Anthem Select	3	-	3	-	6
Anthem Traditional	2	-	6	-	8
Blue Shield Access+	1	3	7	-	11
Health Net SmartCare	-	1	6	-	7
Kaiser	76	32	150	-	258
UnitedHealthcare	-	-	2	-	2
PERS Choice	4	2	3	-	9
PERSCare	1	1	1	-	3
PERS Select	1	-	1	-	2
PORAC	12	19	67	-	98
Waived	-	-	-	22	22
Total	100	58	246	22	426



EXHIBITS – PARTICIPANT STATISTICS

Retiree Medical Plan Coverage - Pre 65

Medical Plan	Single	2-Party	Family	Waived	Total
Anthem Select	-	2	3	-	5
Anthem Traditional	1	2	-	-	3
Blue ShieldAccess+	2	3	3	-	8
Health Net SmartCare	3	1	4	-	8
Kaiser	11	22	28	-	61
UnitedHealthcare	1	-	-	-	1
PERS Choice	4	-	4	-	8
PERSCare	1	6	-	-	7
PERS Select	-	-	-	-	-
PORAC	8	31	27	-	66
Waived	-	-	-	9	9
Total	31	67	69	9	176



EXHIBITS – PARTICIPANT STATISTICS

Retiree Medical Plan Coverage - Post 65

Medical Plan	Single	2-Party	Family	Waived	Total
Anthem Select	-	-	-	-	-
Anthem Traditional	-	2	2	-	4
Kaiser	24	36	3	-	63
UnitedHealthcare	5	5	-	-	10
PERS Choice	6	16	1	-	23
PERSCare	5	4	-	-	9
PERS Select	-	-	-	-	-
PORAC	1	11	2	-	14
Waived	-	-	-	9	9
Total	41	74	8	9	132



EXHIBITS – PARTICIPANT STATISTICS

Retirees Medical Plan Coverage by Age

Age	Medical Coverage				
	Single	2-Party	Family	Waived	Total
Under 50	-	2	3	3	8
50-54	-	7	20	-	27
55-59	7	23	31	5	66
60-64	24	35	15	1	75
65-69	16	31	6	5	58
70-74	11	34	1	2	48
75-79	6	7	1	1	15
80-84	2	2	-	-	4
85 & Over	6	-	-	1	7
Total	72	141	77	18	308
Average Age	68.5	65.4	58.1	63.2	64.1



EXHIBITS – PARTICIPANT STATISTICS

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	-	-	-	-	-	4
25-29	11	20	3	-	-	-	-	34
30-34	5	33	20	2	-	-	-	60
35-39	3	15	16	26	11	-	-	71
40-44	-	5	14	20	19	-	-	58
45-49	-	3	23	10	15	2	-	53
50-54	-	1	14	5	6	7	1	34
55-59	-	1	11	5	1	13	-	31
60-64	-	-	1	1	-	1	1	4
≥ 65	-	-	-	1	-	-	-	1
Total	21	80	102	70	52	23	2	350



EXHIBITS – PARTICIPANT STATISTICS

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	-	3	-	-	-	-	-	3
30-34	-	2	-	-	-	-	-	2
35-39	1	6	1	-	-	-	-	8
40-44	-	5	2	1	1	-	-	9
45-49	-	6	1	2	-	-	-	9
50-54	-	2	-	1	-	1	-	4
55-59	-	-	3	2	1	1	-	7
60-64	-	-	1	-	1	-	-	2
≥ 65	-	-	-	-	-	1	-	1
Total	1	24	8	6	3	3	-	45



EXHIBITS – PARTICIPANT STATISTICS

Actives by Age and Service – Miscellaneous (Dispatch)

Age	ACFD Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	1	1	-	-	-	-	-	2
25-29	-	3	-	-	-	-	-	3
30-34	-	2	3	-	-	-	-	5
35-39	-	4	8	2	-	-	-	14
40-44	-	-	-	1	-	-	-	1
45-49	-	-	1	2	-	-	-	3
50-54	-	1	-	2	-	-	-	3
55-59	-	-	-	-	-	-	-	-
60-64	-	-	-	-	-	-	-	-
≥ 65	-	-	-	-	-	-	-	-
Total	1	11	12	7	-	-	-	31



EXHIBITS – PARTICIPANT STATISTICS

Actives by Age and Service – Total

Age	ACFD Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	3	3	-	-	-	-	-	6
25-29	11	26	3	-	-	-	-	40
30-34	5	37	23	2	-	-	-	67
35-39	4	25	25	28	11	-	-	93
40-44	-	10	16	22	20	-	-	68
45-49	-	9	25	14	15	2	-	65
50-54	-	4	14	8	6	8	1	41
55-59	-	1	14	7	2	14	-	38
60-64	-	-	2	1	1	1	1	6
≥ 65	-	-	-	1	-	1	-	2
Total	23	115	122	83	55	26	2	426



EXHIBITS - ACTUARIAL ASSUMPTIONS

	June 30, 2017 Valuation	June 30, 2019 Valuation
■ Valuation Date	■ June 30, 2017 ■ 2018/19 and 2019/20 ADC	■ June 30, 2019 ■ 2020/21 and 2021/22 ADC
■ General Inflation	■ 2.75% ■ Used for economic assumptions	■ Same



EXHIBITS - ACTUARIAL ASSUMPTIONS

	June 30, 2017 Valuation	June 30, 2019 Valuation
<p>■ Discount Rate</p>	<p>■ 4.84% - approx. blended rate determined by allocating liabilities to agencies based on estimated pre-funding policies:</p> <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 <p>■ 6.75% - side fund calculations, CERBT Strategy #1</p>	<p>■ 4.90% - approx. blended rate determined by allocating liabilities to agencies based on estimated pre-funding policies:</p> <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% to 50% of ADC less paygo) used for ALCO, City of Newark, City of Emeryville, Union City, and LBNL ● 4.00% - employee contributions only for remaining agencies <p>■ 6.75% - side fund calculations, CERBT Strategy #1</p>



EXHIBITS - ACTUARIAL ASSUMPTIONS

	June 30, 2017 Valuation	June 30, 2019 Valuation																
<p>■ Payroll Increases</p>	<p>■ Aggregate Increases – 3.00%</p> <p>■ Merit Increases – CalPERS 1997-2015 Experience Study</p>	<p>■ Same</p>																
<p>■ Affordable Care Act (ACA) Excise Tax</p>	<p>■ 2.0% liability load on cash subsidy to estimate impact</p>	<p>■ Not Valued</p>																
<p>■ Admin. Expenses</p>	<p>■ 0.33% of retiree PEMHCA premiums</p> <p>■ Added to Normal Cost</p>	<p>■ 0.27% of retiree PEMHCA premiums</p> <p>■ 0.05% of CERBT Assets</p> <p>■ Added to Normal Cost</p>																
<p>■ PEMHCA Minimum Increases</p>	<table border="1"> <thead> <tr> <th><u>Year</u></th> <th><u>PEMHCA Min</u></th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>\$128.00</td> </tr> <tr> <td>2018</td> <td>\$133.00</td> </tr> <tr> <td>2019+</td> <td>4.25%/yr. increase</td> </tr> </tbody> </table>	<u>Year</u>	<u>PEMHCA Min</u>	2017	\$128.00	2018	\$133.00	2019+	4.25%/yr. increase	<table border="1"> <thead> <tr> <th><u>Year</u></th> <th><u>PEMHCA Min</u></th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>\$136.00</td> </tr> <tr> <td>2020</td> <td>\$139.00</td> </tr> <tr> <td>2021+</td> <td>4.25%/yr. increase</td> </tr> </tbody> </table>	<u>Year</u>	<u>PEMHCA Min</u>	2019	\$136.00	2020	\$139.00	2021+	4.25%/yr. increase
<u>Year</u>	<u>PEMHCA Min</u>																	
2017	\$128.00																	
2018	\$133.00																	
2019+	4.25%/yr. increase																	
<u>Year</u>	<u>PEMHCA Min</u>																	
2019	\$136.00																	
2020	\$139.00																	
2021+	4.25%/yr. increase																	



EXHIBITS - ACTUARIAL ASSUMPTIONS

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



EXHIBITS - ACTUARIAL ASSUMPTIONS

	June 30, 2017 Valuation	June 30, 2019 Valuation
■ Unit 002 Cap Incr.	■ 0%	■ Same
■ Mortality, Termination, Disability, Retirement	<ul style="list-style-type: none"> ■ 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 	<ul style="list-style-type: none"> ■ CalPERS 1997-2015 Experience Study ■ Mortality projected with Scale MP-2019
■ Waived Retirees	<ul style="list-style-type: none"> ■ Pre 65: 40% re-elect at age 65 ■ Post 65: 0% re-elect 	<ul style="list-style-type: none"> ■ Pre 65: 10% re-elect at age 65 ■ Post 65: 0% re-elect
■ Medical Plan at Retirement	<ul style="list-style-type: none"> ■ Currently covered: same as current medical plan ■ Currently waived: Kaiser Bay Area 	■ Same



EXHIBITS - ACTUARIAL ASSUMPTIONS

	June 30, 2017 Valuation	June 30, 2019 Valuation										
<p>■ Participation at Retirement</p>	<p>■ Hired before 4/1/09:</p> <ul style="list-style-type: none"> • Currently covered - 100% • Currently waived - 90% <p>■ Hired on or after 4/1/09:</p> <table border="0"> <tr> <td style="padding-right: 20px;"><u>Service</u></td> <td><u>Participation</u></td> </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>	<u>Service</u>	<u>Participation</u>	< 10	60%	10-14	90%	15-19	95%	≥ 20	100%	<p>■ Same</p>
<u>Service</u>	<u>Participation</u>											
< 10	60%											
10-14	90%											
15-19	95%											
≥ 20	100%											
<p>■ Medicare Eligibility</p>	<p>■ Actives and pre-65 retirees: 100%</p> <p>■ Post-65 retirees: Current Medicare status</p> <p>■ Everyone eligible for Medicare will elect Part B coverage</p>	<p>■ Same</p>										



EXHIBITS - ACTUARIAL ASSUMPTIONS

	June 30, 2017 Valuation	June 30, 2019 Valuation
<p>■ Marital Status at Retirement</p>	<p>■ Actives:</p> <ul style="list-style-type: none"> • Currently covered - current marital status • Currently waived - 80% married <p>■ Retirees - current marital status</p>	<p>■ Same</p>
<p>■ Spouse Age</p>	<p>■ Actives: Males 3 years older than females</p> <p>■ Retirees: Males 3 years older than females if spouse birth date not available</p>	<p>■ Same</p>
<p>■ Dependents at Retirement</p>	<p>■ % electing family coverage at retirement</p> <ul style="list-style-type: none"> • Misc: 10% • Safety: 20% <p>■ No family coverage ≥ 65</p>	<p>■ % electing family coverage at retirement</p> <ul style="list-style-type: none"> • Misc: 10% • Safety: 30% <p>■ No family coverage ≥ 65</p>



EXHIBITS - ACTUARIAL ASSUMPTIONS

June 30, 2019 Valuation											
■ HMO Medical Claims Cost 2020	■ Sample estimated monthly claims costs: <u>Bay Area Region - Medicare Eligible</u>										
		<u>Anthem Select</u>		<u>Anthem Traditional</u>		<u>Blue Shield Access+</u>		<u>Kaiser</u>		<u>United Healthcare</u>	
	<u>Age</u>	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>
	25	\$322	\$564	\$429	\$751	\$375	\$657	\$281	\$492	\$337	\$591
	35	410	696	547	928	479	812	358	607	430	730
	45	586	854	781	1,139	684	997	512	745	614	896
	55	973	1,132	1,296	1,511	1,135	1,322	849	988	1,020	1,188
	60	1,227	1,287	1,635	1,716	1,431	1,502	1,071	1,122	1,286	1,350
	64	1,367	1,374	1,822	1,832	1,595	1,604	1,194	1,198	1,433	1,441
	65	351	349	351	349	n/a	n/a	308	309	303	300
	70	374	369	374	369	n/a	n/a	328	327	322	318
	75	393	388	393	388	n/a	n/a	345	344	339	334
	80	413	408	413	408	n/a	n/a	362	361	356	351
85	452	446	452	446	n/a	n/a	396	395	389	384	



EXHIBITS - ACTUARIAL ASSUMPTIONS

June 30, 2019 Valuation										
■ PPO Medical Claims Cost 2020	■ Sample estimated monthly claims costs: <u>Bay Area Region - Medicare Eligible</u>									
		<u>PERS Choice</u>		<u>PERS Select</u>		<u>PERSCare</u>		<u>PORAC</u>		
	<u>Age</u>	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>	
	25	\$252	\$471	\$175	\$341	\$326	\$596	\$308	\$557	
	35	332	592	235	432	425	746	399	694	
	45	495	738	359	545	625	925	582	860	
	55	861	1,001	642	747	1,072	1,245	987	1,154	
	60	1,105	1,149	831	862	1,369	1,424	1,256	1,317	
	64	1,241	1,234	937	929	1,533	1,526	1,405	1,410	
	65	282	344	282	344	293	358	404	489	
	70	307	376	307	376	319	391	439	533	
	75	322	394	322	394	334	410	461	560	
	80	337	413	337	413	351	430	483	588	
85	368	451	368	451	382	469	527	642		



EXHIBITS - ACTUARIAL ASSUMPTIONS

June 30, 2019 Valuation	
<p>■ Basis for Assumptions</p>	<ul style="list-style-type: none"> ■ CalPERS January 2017 experience study based on 1997 to 2015 demographic experience ■ Mortality improvement based on most recent Society of Actuaries table ■ Inflation based on our estimate for the Plan's very long time horizon ■ Discount rate based on 2017 Bartel Associates stochastic analysis, taking into account capital market assumptions of investment advisory firms ■ Age-based claims were developed by Axene Health Partners based on demographic data for the CalPERS health plans provided by CalPERS and Axene's proprietary AHP cost model. ■ Participation and coverage assumptions based in part on Plan experience ■ Medical Trend: <ul style="list-style-type: none"> ● Short-term trend was developed in consultation with Axene Health Partners' healthcare actuaries ● Long-term trend was developed using Society of Actuaries' Getzen Model of Long-Run Medical Cost Trends



EXHIBITS - DEFINITIONS

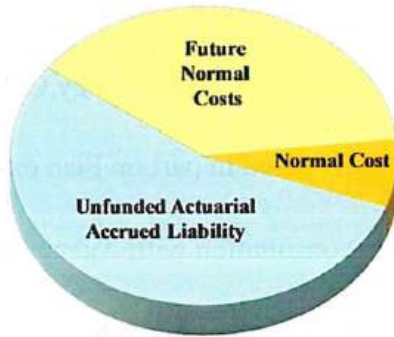
<p>■ OPEB Actuarial Valuation</p>	<ul style="list-style-type: none"> ■ Project future employer-provided benefit cash flows for current active employees and current retirees ■ Discount projected cash flow to valuation date using discount rate (assumed return on assets used to pay benefits) and other actuarial assumptions to determine present value of projected future benefits (PVB) ■ Allocate PVB to past, current, and future periods using the actuarial cost method ■ Actuarial cost method used for this valuation is the Entry Age Normal Cost method which determines Normal Cost as a level percentage of payroll (same method used by CalPERS) ■ Normal Cost is amount allocated to current fiscal year ■ Actuarial Accrued Liability (AAL) is amount allocated to prior service with employer ■ Unfunded AAL (UAAL) is AAL less plan assets pre-funded in a segregated and restricted trust
<p>■ PayGo Cost</p>	<ul style="list-style-type: none"> ■ Cash subsidy is the pay-as-you-go employer benefit payments for retirees ■ Implied subsidy is the difference between the actual cost of retiree benefits and retiree premiums subsidized by active employee premiums



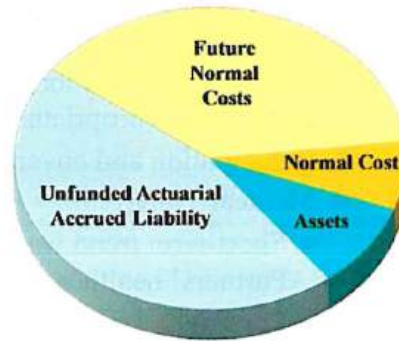
EXHIBITS - DEFINITIONS

Present Value of Benefits

**Present Value of Benefits
(Without Plan Assets)**



**Present Value of Benefits
(With Plan Assets)**



EXHIBITS - DEFINITIONS

**Acronyms
Used in
Report**

- AAL - Actuarial Accrued Liability
- ADC - Actuarially Determined Contribution
- AVA - Actuarial Value of Assets
- EAN - Entry Age Normal Cost Method
- GASBS 75 - Governmental Accounting Standards Board Statement No. 75
- NC - Normal cost
- OPEB - Other (than pensions) Post Employment Benefits
- PVB - Present Value of Projected Benefits
- UAAL - Unfunded Actuarial Accrued Liability





**ALAMEDA COUNTY FIRE DEPARTMENT
RETIREE HEALTHCARE PLAN**

BARTEL
ASSOCIATES, LLC

**Illustration of Side Fund for Union City
Agency Pre-Funding Examples**

Based on the June 30, 2019 Actuarial Valuation

Doug Pryor
Catherine A. Wandro
Bartel Associates, LLC

November 6, 2020

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Side Funds Methodology	2
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(Gains)/Losses Allocation Illustration	7
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SIDE FUNDS PURPOSE

Purpose of Side Funds

- 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 (currently 6.75%)
- Represents the amount of unfunded liability for each agency due to past service, based on ACFD retiree medical benefit
- ACFD set up account in CalPERS California Employers Retiree Benefit Trust (CERBT), separate sub-accounts for each agency
- 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, however agency would still accrue future liability due to Normal Cost for active employees, demographic and investment experience gains/losses, assumptions changes, or plan changes
- Even if paid off, there could still be a liability upon withdrawal from ACFD.



SIDE FUNDS METHODOLOGY

Calculation of Side Funds

- 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 (NC) 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 FTEs, 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 reduced by any assets in their sub-account due to contributions made:
 - (Agency end of year side fund)
 - (Agency end of year assets in CERBT sub-account)



NORMAL COST ALLOCATION ILLUSTRATION

Illustration of Normal Cost Allocation¹

Step 1 – Determine Normal Cost per Active Position (Amounts in \$000s)

	2019/20 ²			2020/21		
	Safety	Misc ³	Total	Safety	Misc ³	Total
(1) Allocated FTE Positions	321	19	340	312	19	331
(2) Allocated Shared Positions	<u>29</u>	<u>24</u>	<u>53</u>	<u>29</u>	<u>24</u>	<u>53</u>
(3) Total # of Active Positions	350	43	393	341	43	384
(4) Normal Cost at 6.75%	\$4,030	\$353	\$4,383	\$3,902	\$333	\$4,235
(5) Normal Cost per Active Position [(4)/(3)]	\$11.514	\$8.209	n/a	\$11.443	\$7.744	n/a

¹ For illustration of methodology only.

² 2019/20 Normal Cost comes from the June 30, 2017 OPEB valuation.

³ Excluding Dispatch.



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NORMAL COST ALLOCATION ILLUSTRATION

Illustration of Normal Cost Allocation⁴

Step 2 – Allocate Portion of Normal Cost to Union City (Amounts in \$000s)

	2019/20 ⁵		2020/21	
	Total ACFD (Excl. Dispatch)	Union City	Total ACFD (Excl. Dispatch)	Union City
(6) Allocation %	100%	11.43%	100%	8.82%
(7) Allocated FTE Positions				
a) Safety	321	37	312	28
b) Misc (excluding Dispatch)	19	1	19	1
(8) Allocate Normal Cost to Union City:				
a) Safety FTE [(7a)*Safety(5)]	\$3,696	\$426	\$3,570	\$320
b) Misc FTE [(7b)*Misc(5)]	156	8	147	8
c) Safety Shared [(6)*Safety(2)*Safety(5)]	334	38	332	29
d) Misc Shared [(6)*Misc(2)*Misc(5)]	<u>197</u>	<u>23</u>	<u>186</u>	<u>16</u>
e) Total	4,383	495	4,235	373

⁴ For illustration of methodology only.

⁵ 2019/20 Normal Cost comes from the June 30, 2017 OPEB valuation.



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BENEFIT PAYMENT ALLOCATION ILLUSTRATION

**Illustration of Benefit Payment Allocation⁶
 Allocate Benefit Payments using Allocation %
 (Amounts in \$000s)**

	ALCO <small>(Excl Dispatch)</small>	San Leandro	Dublin	LBNL	LLNL	Newark	Union City	Emery- ville	Total
(1) Allocation %	29.53%	20.00%	11.43%	3.81%	9.52%	8.57%	11.43%	5.71%	100%
(2) 19/20 Benefit Payments	\$5,044								
(3) Allocated Benefit Payments [(1) * (2)]	\$1,489	\$1,009	\$577	\$192	\$480	\$432	\$577	\$288	\$5,044

⁶ For illustration of methodology only.



BENEFIT PAYMENT ALLOCATION ILLUSTRATION

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GAINS/LOSSES ALLOCATION ILLUSTRATION

Illustration of (Gains)/Losses Allocation⁷

Step 1 – Determine (Gain)/Loss Amount per Participant (Amounts in \$000s)

	Safety	Misc (Excl. Dispatch)	Total
(1) Allocated FTE Positions	321	19	340
(2) Shared Positions	29	24	53
(3) Retirees	<u>283</u>	<u>7</u>	<u>290</u>
(4) Total # of Participants	633	50	683
(5) 2019/20 Estimated (Gains)/Losses	\$(358.50)	\$(12.27)	\$(370.77)
(6) 2019/20 Estimated (Gains)/Losses per Participant [(5)/(4)]	\$(0.566)	\$(0.245)	n/a

⁷ For illustration of methodology only.



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GAINS/LOSSES ALLOCATION ILLUSTRATION

Illustration of (Gains)/Losses Allocation⁸

Step 2 – Allocate Portion of (Gains)/Losses to Union City (Amounts in \$000s)

	Total ACFD (Excl. Dispatch)	Union City
(7) 2019/20 Allocation %	100%	11.43%
(8) Allocated FTE Positions		
a) Safety	321	37
b) Misc (excluding Dispatch)	19	1
(9) Allocate 2019/20 (Gains)/Losses to Union City:		
a) Safety FTE [(8a)*Safety(6)]	\$(182)	\$(21)
b) Misc FTE [(8b)*Misc(6)]	(5)	(0)
c) Safety Shared [(7)*Safety(2)*Safety(6)]	(16)	(2)
d) Misc Shared [(7)*Misc(2)*Misc(6)]	(6)	(1)
e) Safety Retirees [(7)*Safety(3)*Safety(6)]	(160)	(18)
f) Misc Retirees [(7)*Misc(3)*Misc(6)]	<u>(2)</u>	<u>(0)</u>
g) Total	(371)	(42)

⁸ For illustration of methodology only.



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PRE-FUNDING EXAMPLES

Illustration of Side Fund Calculations⁹ 2019/20 Fiscal Year – 6.75% Discount Rate (Amounts in \$000s)

	ALCO		San Leandro	Dublin	LBNL	LLNL	Newark	Union City	Emeryville	Total
	Dis-patch	Non Dispatch								
■ Allocation %	0.00%	29.53%	20.00%	11.43%	3.81%	9.52%	8.57%	11.43%	5.71%	100%
■ Side Fund BOY	\$1,836	\$49,234	\$28,563	\$12,950	\$2,099	\$2,101	\$6,055	\$7,289	\$3,583	\$113,710
• Normal Cost	214	1,354	851	495	159	396	376	495	257	4,597
• Benefit Pmts	(60)	(1,489)	(1,009)	(577)	(192)	(480)	(432)	(577)	(288)	(5,103)
• Interest	122	3,274	1,895	855	135	126	394	473	232	7,506
• (Gain)/Loss	(46)	(111)	(73)	(42)	(14)	(35)	(32)	(42)	(22)	(417)
■ Side Fund EOY	2,066	52,262	30,227	13,681	2,187	2,108	6,361	7,638	3,763	120,293

⁹ For illustration of methodology only.



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PRE-FUNDING EXAMPLES

Pre-Funding Example #1¹⁰ Actual 2019/20 CERBT Contributions – 6.75% Discount Rate (Amounts in \$000s)

	ALCO		San Leandro	Dublin	LBNL	LLNL	Newark	Union City	Emeryville	Total
	Dis-patch	Non Dispatch								
■ Assets 2019/20:										
• Assets BOY	\$1,997	\$7,958	\$1,380	\$11,723	\$263	\$657	\$2,306	\$1,281	\$478	\$28,042
• Contributions	150	1,973	467	267	334	222	200	370	194	4,177
• Net Earnings	73	308	58	414	16	27	84	49	20	1,050
• Assets EOY	2,219	10,240	1,904	12,405	613	906	2,591	1,700	691	33,269
• AVA EOY	2,275	10,493	1,951	12,713	628	929	2,655	1,743	709	34,096
■ Funded Status										
• Side Fund EOY	\$2,066	\$52,262	\$30,227	\$13,681	\$2,187	\$2,108	\$6,361	\$7,638	\$3,763	\$120,293
• Assets EOY	(2,275)	(10,493)	(1,951)	(12,713)	(628)	(929)	(2,655)	(1,743)	(709)	(34,096)
• Unfunded SF	(209)	41,769	28,276	968	1,559	1,179	3,706	5,895	3,054	86,197
■ 2020/21 ADC ¹¹										
• Normal Cost	\$175	\$1,350	\$852	\$495	\$159	\$397	\$376	\$377	\$257	\$4,438
• Amortization	(15)	3,066	2,075	71	114	87	272	433	224	6,327
• Total	160	4,416	2,927	566	273	484	648	810	481	10,765

¹⁰ For illustration of methodology only.

¹¹ 2020/21 Normal Cost (including administrative expenses) plus 20-year amortization of 6/30/20 unfunded side fund with interest to EOY.



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PRE-FUNDING EXAMPLES

Pre-Funding Example #2¹²

If Union City had Contributed Full 2019/20 ADC in mid-2019/20 – 6.75% Discount Rate
(Amounts in \$000s)

	ALCO		San Leandro	Dublin	LBNL	LLNL	Newark	Union City	Emeryville	Total
	Dis-patch	Non Dispatch								
■ Assets 2019/20:										
• Assets BOY	\$1,997	\$7,958	\$1,380	\$11,723	\$263	\$657	\$2,306	\$1,281	\$478	\$28,042
• Contributions	150	1,973	467	267	334	222	200	936	194	4,743
• Net Earnings	<u>73</u>	<u>308</u>	<u>58</u>	<u>414</u>	<u>16</u>	<u>27</u>	<u>84</u>	<u>59</u>	<u>20</u>	<u>1,059</u>
• Assets EOY	2,219	10,240	1,904	12,405	613	906	2,591	2,276	691	33,845
• AVA EOY	2,275	10,493	1,951	12,713	628	929	2,655	2,326	709	34,679
■ Funded Status										
• Side Fund EOY	\$2,066	\$52,262	\$30,227	\$13,681	\$2,187	\$2,108	\$6,361	\$7,638	\$3,763	\$120,293
• Assets EOY	<u>(2,275)</u>	<u>(10,493)</u>	<u>(1,951)</u>	<u>(12,713)</u>	<u>(628)</u>	<u>(929)</u>	<u>(2,655)</u>	<u>(2,326)</u>	<u>(709)</u>	<u>(34,679)</u>
• Unfunded SF	(209)	41,769	28,276	968	1,559	1,179	3,706	5,312	3,054	85,614
■ 2020/21 ADC¹³										
• Normal Cost	\$175	\$1,350	\$852	\$495	\$159	\$397	\$376	\$377	\$257	\$4,438
• Amortization	<u>(15)</u>	<u>3,066</u>	<u>2,075</u>	<u>71</u>	<u>114</u>	<u>87</u>	<u>272</u>	<u>390</u>	<u>224</u>	<u>6,284</u>
• Total	160	4,416	2,927	566	273	484	648	767	481	10,722

¹² For illustration of methodology only.

¹³ 2020/21 Normal Cost (including administrative expenses) plus 20-year amortization of 6/30/20 unfunded side fund with interest to EOY.



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PRE-FUNDING EXAMPLES

Pre-Funding Example #3¹⁴

If Union City had Contributed Unfunded 6/30/19 Side Fund in mid-2019/20 – 6.75% Discount Rate
(Amounts in \$000s)

	ALCO		San Leandro	Dublin	LBNL	LLNL	Newark	Union City	Emeryville	Total
	Dis-patch	Non Dispatch								
■ Assets 2019/20:										
• Assets BOY	\$1,997	\$7,958	\$1,380	\$11,723	\$263	\$657	\$2,306	\$1,281	\$478	\$28,042
• Contributions	150	1,973	467	267	334	222	200	6,006	194	9,813
• Net Earnings	<u>73</u>	<u>308</u>	<u>58</u>	<u>414</u>	<u>16</u>	<u>27</u>	<u>84</u>	<u>146</u>	<u>20</u>	<u>1,146</u>
• Assets EOY	2,219	10,240	1,904	12,405	613	906	2,591	7,433	691	39,002
• AVA EOY	2,275	10,493	1,951	12,713	628	929	2,655	7,548	709	39,901
■ Funded Status										
• Side Fund EOY	\$2,066	\$52,262	\$30,227	\$13,681	\$2,187	\$2,108	\$6,361	\$7,638	\$3,763	\$120,293
• Assets EOY	<u>(2,275)</u>	<u>(10,493)</u>	<u>(1,951)</u>	<u>(12,713)</u>	<u>(628)</u>	<u>(929)</u>	<u>(2,655)</u>	<u>(7,548)</u>	<u>(709)</u>	<u>(39,901)</u>
• Unfunded SF	(209)	41,769	28,276	968	1,559	1,179	3,706	90	3,054	80,392
■ 2020/21 ADC¹⁵										
• Normal Cost	\$175	\$1,350	\$852	\$495	\$159	\$397	\$376	\$377	\$257	\$4,438
• Amortization	<u>(15)</u>	<u>3,066</u>	<u>2,075</u>	<u>71</u>	<u>114</u>	<u>87</u>	<u>272</u>	<u>7</u>	<u>224</u>	<u>5,901</u>
• Total	160	4,416	2,927	566	273	484	648	384	481	10,339

¹⁴ For illustration of methodology only.

¹⁵ 2020/21 Normal Cost (including administrative expenses) plus 20-year amortization of 6/30/20 unfunded side fund with interest to EOY.



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DEFINITION OF TERMS

■ Side Fund

- Initial Side Fund = Liability for benefits based on past service when joining ACFD, using current actuarial methods & assumptions
- Side Fund EOY = (Side Fund BOY) + (Allocated Normal Costs, Interest & Gains/Losses) – (Allocated Benefit Payments)

■ Assets

- Funds set aside in a segregated and restricted trust (ACFD in CERBT) so they can only be used to pay plan benefits
- Assets EOY = (Assets BOY) + (Contributions) – (Benefit Payments paid from Trust) + (Investment Earnings)

■ Actuarial Value of Assets (AVA) – smoothed assets used for the actuarial valuation

■ Agency Unfunded Side Fund

- Agency Side Fund less Agency Assets in CERBT Sub-Account

■ Actuarial Accrued Liability (AAL)

- Liability for benefits “earned” for or attributed to past service using actuarial methods and assumptions

■ Normal Cost (NC)

- Value of benefits “earned” by actives during or attributed to the current year



ACTUARIAL ASSUMPTIONS

Assumption	Same as June 30, 2019 OPEB Valuation
■ Discount Rate	■ 6.75% - fully-funded rate
■ Inflation	■ 2.75%
■ Payroll Increases	■ Aggregate increase – 3.00%
■ Demographic Assumptions	<ul style="list-style-type: none"> ■ CalPERS 1997-2015 Experience Study (Mortality, Retirement, Termination, Disability) ■ Mortality projected fully generational with MP-2019
■ Healthcare Trend	<ul style="list-style-type: none"> ■ Actual 2019 and 2020 PEMHCA premiums used ■ Non-Medicare: 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076 ■ Medicare: 6.3% for 2021, decreasing to an ultimate rate of 4.0% in 2076
■ Participation at Retirement	<ul style="list-style-type: none"> ■ Hired before April 1, 2009 – 100% if currently covered, 90% if currently waived. ■ Hired on or after April 1, 2009: 60% if less than 10 years of service, 90% for 10-14, 95% for 15-19, and 100% for 20+





**ALAMEDA COUNTY FIRE DEPARTMENT
RETIREE HEALTHCARE PLAN**

BARTEL
ASSOCIATES, LLC

**Illustration of Methodology and
Sample Calculations for Withdrawal Liability
For the Cities of Newark and Union City**

**DOUG PRYOR
CATHY WANDRO
BARTEL ASSOCIATES, LLC
February 26, 2020**

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BACKGROUND

- City of Newark joined ACFD 5/1/10; Union City joined 7/1/10
- Employees of Newark and Union City needed a minimum of 5 years ACFD service to be eligible for a benefit
- Initial Side Funds established:
 - Newark (based on 29 actives) \$1,822,000
 - Union City (based on 34 actives) \$2,077,000
- Following Withdrawal Illustration is based on the June 30, 2017 OPEB valuation



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DEFINITION OF TERMS

- **Side Fund**
 - Initial Side Fund = Liability for benefits based on past service when joining ACFD, using current actuarial methods & assumptions
 - Side Fund at End of Year = (Side Fund at Beginning of Year) + (Allocated Normal Costs) – (Allocated Benefit Payments) + (Interest to End of Year)
- **Net Withdrawal Liability**
 - Withdrawing agency's share of pooled retiree healthcare benefits remaining with ACFD at termination of contract
 - Net Withdrawal Liability = (Side Fund Balance at Termination) less (Withdrawal Allowance)
 - Withdrawal Allowance is estimated reduction in ACFD active liability due to agency leaving ACFD
 - Net Withdrawal Liability calculated using a "walk-away" discount rate with no future agency participation or using the OPEB actuarial valuation full pre-funding discount rate with continued agency participation in future plan gains and losses
- **"Walk-Away" Discount Rate**
 - A rate dependent on actual market rates of return for risk-free securities on date of termination. Based on "walk-away" discount rate as defined in contract with ACFD.
 - For illustrative purposes in this exhibit, the 20-year U.S. Treasury yield rate as of 6/30/17 is used.
- **Actuarial Accrued Liability (AAL)**
 - Liability for benefits "earned" for or attributed to past service using actuarial methods and assumptions
- **Normal Cost (NC)**
 - Value of benefits "earned" during or attributed to the current year



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WITHDRAWAL METHODOLOGY

- **Methodology involves pro-rating the ACFD active AAL based on headcounts**
 - (1) **Estimate % of ACFD actives assumed to leave when agency withdraws:**
 - 100% of agency's allocated FTE positions (based on historical allocations)
 - % of agency's allocated shared positions (based on historical allocations):
 - 75% Safety
 - 25% Non-Safety
 - Separate %'s calculated for Safety vs Non-Safety
 - (2) **Multiply %'s calculated in (1) by ACFD active AAL to estimate liability reduction for withdrawing agency:**
 - Safety % x Safety Active AAL
 - Non-Safety % x Non-Safety Active AAL
 - Total is estimated ACFD liability reduction for withdrawing agency
 - (3) **Subtract proportionate liability calculated in (2) from side fund balance to determine Net Withdrawal Liability:**
 - Illustrative discount rate for ongoing liability participating in future gains and losses: 6.75% (June 30, 2017 OPEB valuation full pre-funding discount rate)
 - Illustrative "walk-away" discount rate: 2.61% (20-year Treasury on 6/30/17)



ILLUSTRATION OF CALCULATION

Estimated Net Withdrawal Liability Calculation on June 30, 2017¹

Step 1 – Estimate % of ACFD Actives Assumed to Leave when City Withdraws

	Total ACFD (Excl. Dispatch)	City of Newark	Union City
(1) 2016/17 Allocation %	100%	8.57%	11.43%
(2) 6/30/17 Actives			
a) FTE Safety	321.0	28.0	37.0
b) FTE Non-Safety	16.0	1.0	1.0
c) Shared Safety [(City 1)*(ACFD 2c)]	20.0	1.7	2.3
d) Shared Non-Safety [(City 1)*(ACFD 2d)]	17.0	1.5	1.9
(3) % of ACFD positions allocated to Cities assumed withdrawing			
a) FTE	n/a	100%	100%
b) Shared – Safety/Non-Safety	n/a	75%/25%	75%/25%
(4) % of ACFD actives assumed withdrawing			
a) Safety [(City 2a*3a+2c*3b)+(ACFD 2a+2c)]	n/a	8.59%	11.36%
b) Non-Safety [(City 2b*3a+2d*3b)+(ACFD 2b+2d)]	n/a	4.17%	4.47%

¹ For illustration of methodology only.



ILLUSTRATION OF CALCULATION

Estimated Net Withdrawal Liability Calculation on June 30, 2017 (Continued)²

Step 2 – Estimate AAL Reduction for Terminating Cities (Amounts in \$000s)

	Total ACFD (Excl. Dispatch)	City of Newark	Union City
(5) Allocated Withdrawing City Active AAL			
a) Safety [(City 4a) * (ACFD 5a)]	\$ 45,294	\$ 3,891	\$ 5,145
b) Non-Safety [(City 4b) * (ACFD 5b)]	<u>1,916</u>	<u>80</u>	<u>86</u>
c) Total Withdrawing Active AAL at 6.75%	47,210	3,971	5,231

² For illustration of methodology only. 2.61% and 6.75% discount rates are used for illustrative purposes only.



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ILLUSTRATION OF CALCULATION

Estimated Net Withdrawal Liability Calculation on June 30, 2017 (Continued)³

Step 3 – Calculate Net Withdrawal Liability for Withdrawing Cities (Amounts in \$000s)

	Total ACFD (Excl. Dispatch)	City of Newark	Union City
(6) 6/30/17 Side Fund Balances	\$ 104,501	\$ 5,853	\$ 7,125
(7) Withdrawal Allowance at 6.75% (City 5c)	n/a	<u>3,971</u>	<u>5,231</u>
(8) Net Withdrawal Liability at 6.75% [(City 6) – (City 7)]	n/a	1,882	1,894
(9) ACFD Active AAL at 2.61%	94,990	n/a	n/a
(10) “Walk-Away” Liability at 2.61% [(City 8) * (ACFD 9) ÷ (ACFD 5c)]	n/a	3,787	3,811

³ For illustration of methodology only. 2.61% and 6.75% discount rates are used for illustrative purposes only.



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ACTUARIAL ASSUMPTIONS

Assumption	Same as June 30, 2017 OPEB Valuation
■ Discount Rate	<ul style="list-style-type: none"> ■ Illustrative “walk-away” discount rate: 2.61% ■ Illustrative discount rate for ongoing participation in future gains and losses: 6.75%
■ Inflation	■ 2.75%
■ Payroll Increases	■ Aggregate increase – 3.00%
■ Demographic Assumptions	<ul style="list-style-type: none"> ■ CalPERS 1997-2015 Experience Study (Mortality, Retirement, Termination, Disability) ■ Post-retirement mortality improvement projected fully generational with Society of Actuaries Scale MP-2017
■ Healthcare Trend	<ul style="list-style-type: none"> ■ Pre Medicare: 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 ■ Post Medicare: 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076



ACTUARIAL ASSUMPTIONS

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