

MONTECITO FIRE PROTECTION DISTRICT

Finance Committee Meeting Agenda

Wednesday, August 19, 2020 at 2:00 p.m.

The Finance Committee meeting will be held via teleconference connection as permitted under the Governor's Executive Order N-29-20, dated March 17, 2020 due to concerns of COVID-19 ("Executive Order").

Members of the public will be able to observe the Finance Committee meeting and provide public comments via Zoom: <https://zoom.us/j/99315539727>, or by calling 1-669-900-6833, meeting ID: 993-1553-9727. Any member of the public who would like to provide public input on an item listed on the agenda may utilize the "Raise Hand" feature through the Zoom App or enter "*9" if participating by telephone only. The host will be notified and you will be recognized to speak on the agenda item in the order such requests are received by the District.

Agenda Items May Be Taken Out of the Order Shown

1. Public comment: Any person may address the Finance Committee at this time on any non-agenda matter that is within the subject matter jurisdiction of the Montecito Fire Protection District; 30 minutes total time is allotted for this discussion.
2. Receive presentation from PARS/Highmark representatives, Mitch Barker and Tory Milazzo, regarding the District's post-retirement benefits trust investment plans.
3. Review PARS Post-Employment Benefits Trust statements for May and June 2020.
4. Review and make recommendation for approval of Financial Summary for FY 2019-20.
5. Review the recommended Final Budget for FY 2020-21.
 - a. Provide amendments, if any, to be addressed at the Board meeting.
6. Receive presentation on Vehicle Replacement Schedule.
7. Fire Chief's Report.
8. Requests for items to be included in the next Finance Committee Meeting.
9. Adjournment. The next meeting is scheduled for Monday, October 19, 2020 at 2:00 p.m.

This agenda is posted pursuant to the provisions of the Government Code commencing at Section 54950. The date of the posting is August 13, 2020.



Kevin Taylor, Fire Chief

Agenda

Item #2

PUBLIC
AGENCY
RETIREMENT
SERVICES

PARS

TRUSTED SOLUTIONS. LASTING RESULTS.



MONTECITO FIRE PROTECTION DISTRICT

OPEB Pre-Funding Trust &
Pension Rate Stabilization Program (PRSP) Trust Client Review
August 19, 2020

CONTACTS



Mitch Barker
Executive Vice President
(800) 540-6369 x116
mbarker@pars.org

Tory Milazzo, CFA
Senior Portfolio Manager
(805) 564-6219
salvatore.milazzo@highmarkcapital.com

Angela Tang
Client Services Coordinator
(800) 540-6369 x159
atang@pars.org

PARS 115 TRUST TEAM

Trust Administrator & Consultant



- Recordkeeping
- Sub-trust accounting
- Monitors plan compliance
- Processes contributions/disbursements
- Hands-on, dedicated support teams
- Coordinates all agency services

36

Years of Experience
(1984-2020)

1,500+

Plans under
Administration

1,000+

Public Agency
Clients

500K+

Plan Participants

\$4.2B

Assets under
Administration

Trustee



- 5th largest commercial bank and one of the nation's largest trustees for Section 115 trusts.
- Safeguard plan assets,
- Oversight protection as plan fiduciary
- Custodian of assets

157

Years of Experience
(1863-2020)

\$5.0T

Assets under
Administration

Investment Manager



- Investment sub-advisor to trustee U.S. Bank
- Investment policy assistance
- Uses open architecture
- Active and passive platform options
- Customized portfolios (with minimum asset level)

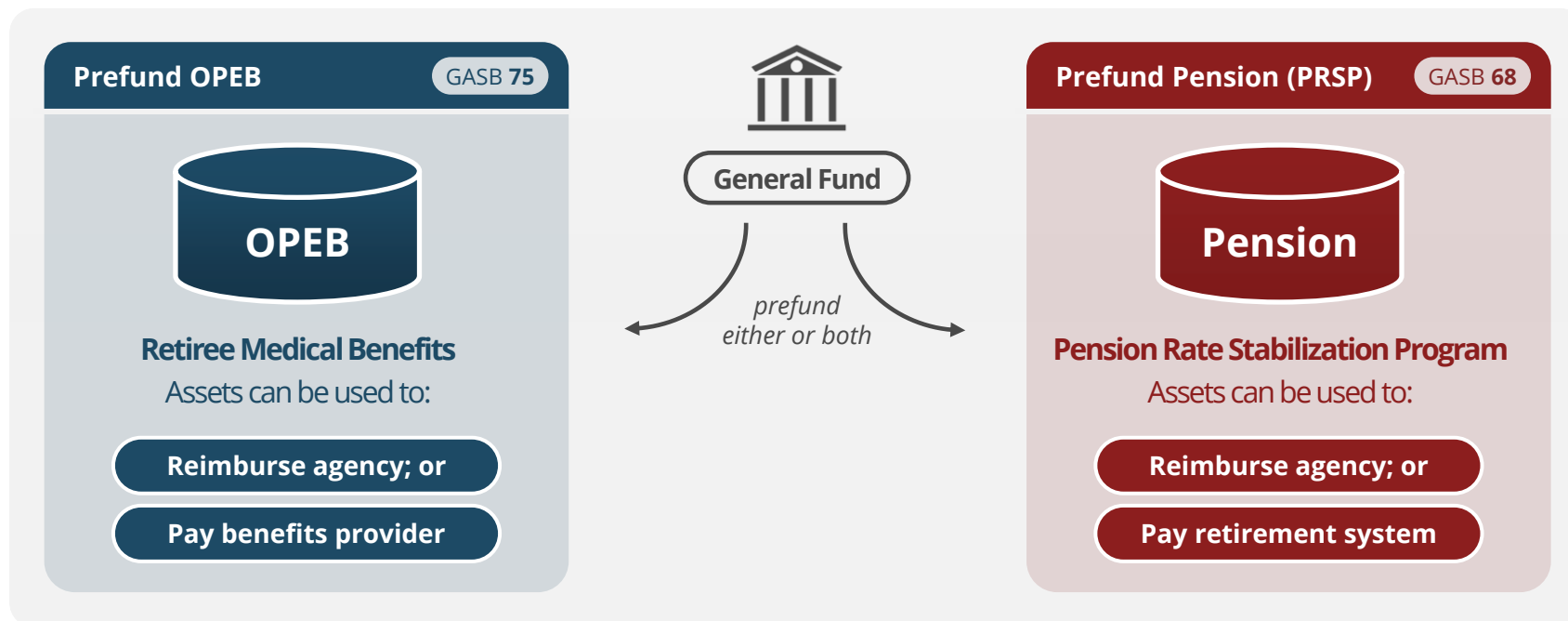
101

Years of Experience
(1919-2020)

\$16.2B

Assets under
Management

PARS IRS-APPROVED SECTION 115 TRUST



Subaccounts
 OPEB and pension assets are individually sub-accounted, and can be divided by dept., bargaining group, or cost center

Financial Stability
 Assets in the PARS Section 115 Combination Trust can be used to address unfunded liabilities.

Flexible Investing
 Allows separate investment strategies for OPEB and pension subaccounts.

Anytime Access
 Trust funds are available anytime; OPEB for OPEB and pension for pension.

Economies-of-Scale
 OPEB and pension assets aggregate and reach lower fees on tiered schedule sooner – saving money!

No Set Up Cost or Minimums
 No set-up costs, no minimum annual contribution amounts, and no fees until assets are added.

SUMMARY OF AGENCY'S OPEB PLAN

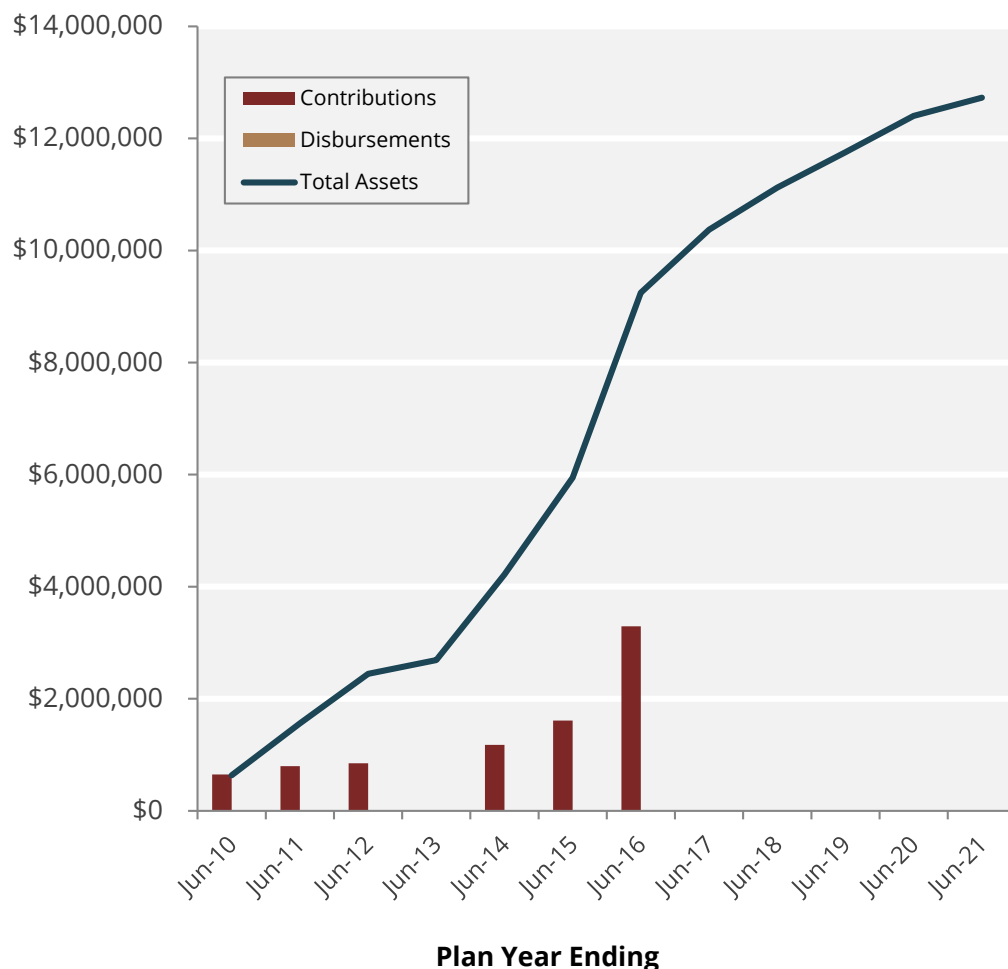
Plan Type:	IRC Section 115 Irrevocable Exclusive Benefit Trust
Trustee Approach:	Discretionary
Plan Effective Date:	October 19, 2009
Plan Administrator:	Fire Chief
Current Investment Strategy:	Moderately Conservative HighMark Plus (Active) Strategy; Individual Account <i>*From February 2014 to December 2019, in the Balanced HighMark Plus Strategy</i> <i>**Prior to February 2014, in Moderate HighMark Plus Strategy</i>

AS OF JULY 31, 2020:

Initial Contribution:	January 2010: \$650,000
Additional Contributions:	\$7,725,803
Total Contributions:	\$8,375,803
Disbursements:	\$0
Total Investment Earnings:	\$4,679,944
Account Balance:	\$12,728,417

SUMMARY OF AGENCY'S OPEB PLAN

CONTRIBUTIONS, DISBURSEMENTS, AND TOTAL ASSETS AS OF JULY 31, 2020:



Year	Contributions	Disbursements	Total Assets
Jun-10*	\$650,000	\$0	\$633,471
Jun-11	\$796,000	\$0	\$1,559,356
Jun-12	\$849,899	\$0	\$2,443,688
Jun-13	\$0	\$0	\$2,690,912
Jun-14	\$1,175,856	\$0	\$4,217,056
Jun-15	\$1,610,136	\$0	\$5,946,091
Jun-16	\$3,293,912	\$0	\$9,247,387
Jun-17	\$0	\$0	\$10,372,284
Jun-18	\$0	\$0	\$11,123,664
Jun-19	\$0	\$0	\$11,754,374
Jun-20	\$0	\$0	\$12,402,086
Jun-21**	\$0	\$0	\$12,728,417

*Plan Year Ending June 2010 is based on 6 months of activity.
 **Plan Year Ending June 2021 is based on 1 month of activity.

OPEB ACTUARIAL RESULTS

- We have received the actuarial report by Demsey Filliger & Associates, LLC with a valuation date as of June 30, 2018. In the table below, we have summarized the results.

Demographic Study Valuation: June 30, 2018	
Actives	45
Retirees	49
Total	94
Average Active Age	45.0
Average Active Agency Service	11.0

OPEB ACTUARIAL RESULTS

Valuation Date: June 30, 2018	Discount Rate: 6.50%
Total OPEB Liability (TOL) <i>Actuarial Accrued Liability (AAL)</i>	\$13,538,041
Fiduciary Net Position <i>Actuarial Value of Assets</i>	\$11,123,664
Net OPEB Liability (NOL) <i>Unfunded Actuarial Accrued Liability (UAAL)</i>	\$2,414,377
Funded Ratio (%)	82.2%
Actuarially Determined Contribution (ADC)	\$573,607
Annual Benefit Payments (Pay-as-you-Go)	\$775,586

Rule of thumb: For every one percent increase in the discount rate, the unfunded liability is lowered by 10-12%.

SUMMARY OF AGENCY'S PENSION PLAN

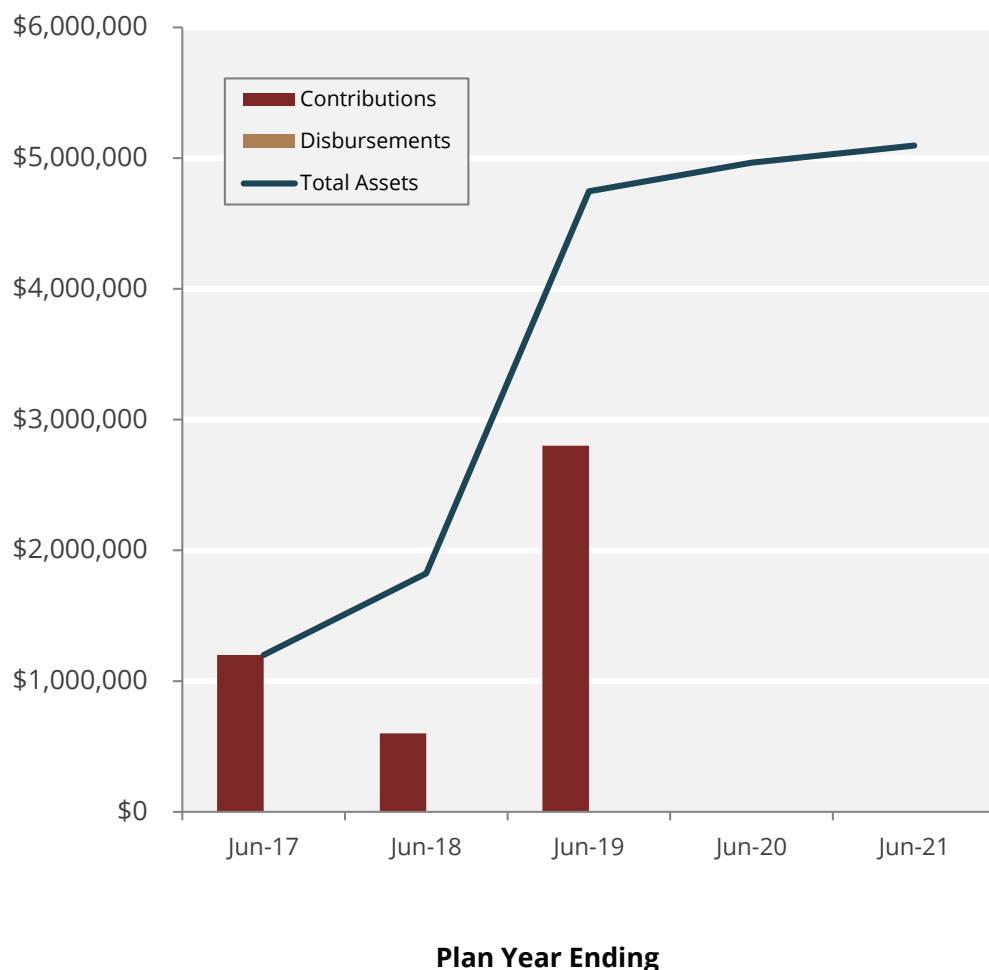
Plan Type:	IRC Section 115 Irrevocable Exclusive Benefit Trust
Trustee Approach:	Discretionary
Plan Effective Date:	May 22, 2017
Plan Administrator:	Fire Chief
Current Investment Strategy:	Moderately Conservative HighMark Plus (Active) Strategy; Individual Account

AS OF JULY 31, 2020:

Initial Contribution:	June 2017: \$1,200,000
Additional Contributions:	\$3,400,000
Total Contributions:	\$4,600,000
Disbursements:	\$0
Total Investment Earnings:	\$535,650
Account Balance:	\$5,095,923

SUMMARY OF AGENCY'S PENSION PLAN

CONTRIBUTIONS, DISBURSEMENTS, AND TOTAL ASSETS AS OF JULY 31, 2020:



Year	Contributions	Disbursements	Total Assets
Jun-17*	\$1,200,000	\$0	\$1,200,026
Jun-18	\$600,000	\$0	\$1,823,878
Jun-19	\$2,800,000	\$0	\$4,746,027
Jun-20	\$0	\$0	\$4,965,271
Jun-21**	\$0	\$0	\$5,095,923

*Plan Year Ending June 2017 is based on 1 month of activity.
 **Plan Year Ending June 2021 is based on 1 month of activity.

PENSION FUNDING STATUS

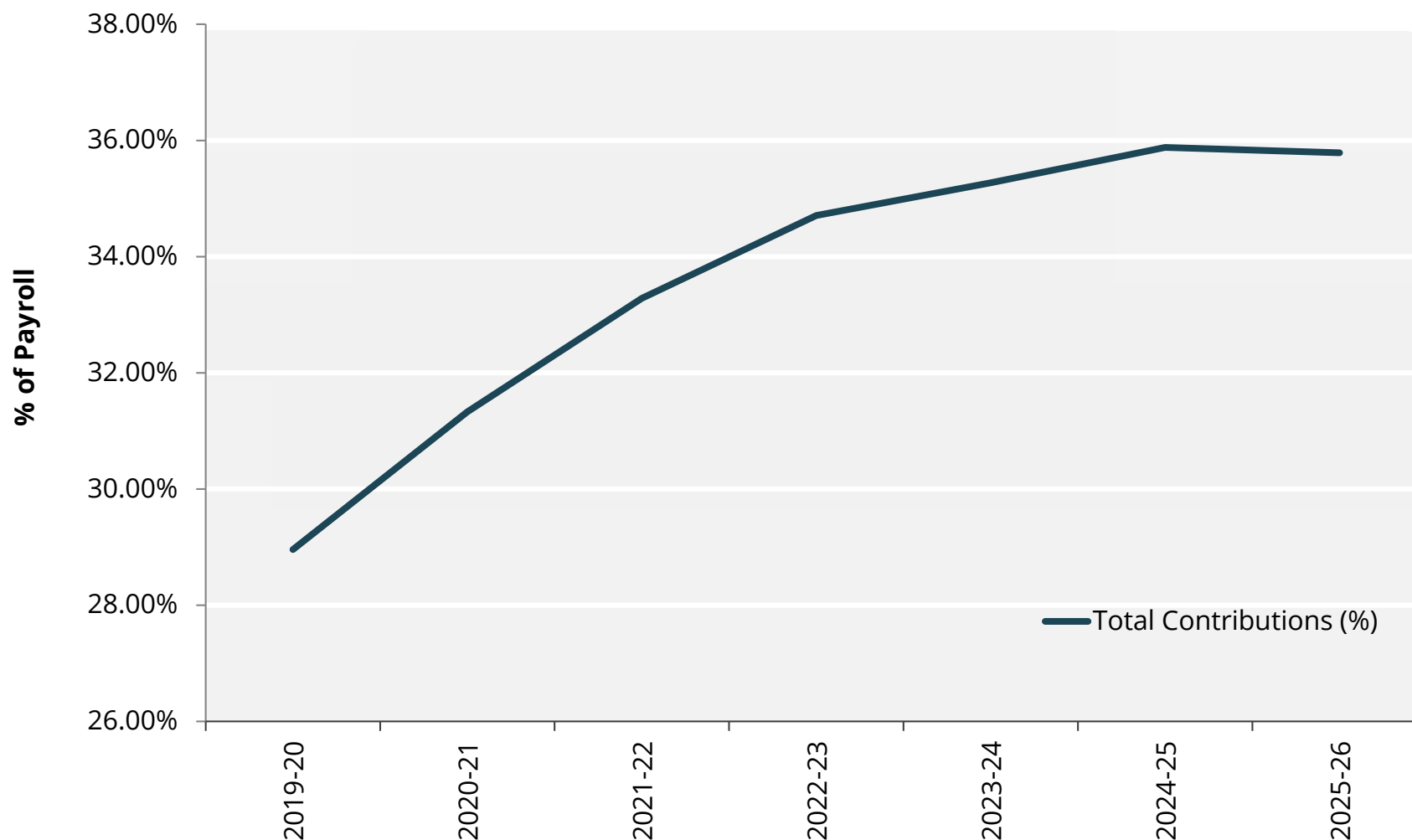
As of June 30, 2018, Montecito Fire Protection District's CalPERS pension plan is funded as follows*:

Combined Miscellaneous & Safety Groups	Valuation as of June 30, 2017	Valuation as of June 30, 2018	Change
Actuarial Liability	\$89.3 M	\$98.3 M	10.08% ↑
Assets	\$68.2 M	\$73.9 M	8.36% ↑
Unfunded Liability	\$21.2 M	\$24.4 M	15.09% ↑
Funded Ratio	76.3%	75.2%	1.44% ↓
Employer Contribution Amount	\$2.6 M (FY 18-19)	\$2.9 M (FY 19-20)	11.54% ↑
Employer Contribution Amount (FY 25-26)	---	\$5.1 M	75.9% ↑

* Data through 2025-26 from Agency's latest CalPERS actuarial valuation.

PROJECTED EMPLOYER CONTRIBUTIONS (MISC.)

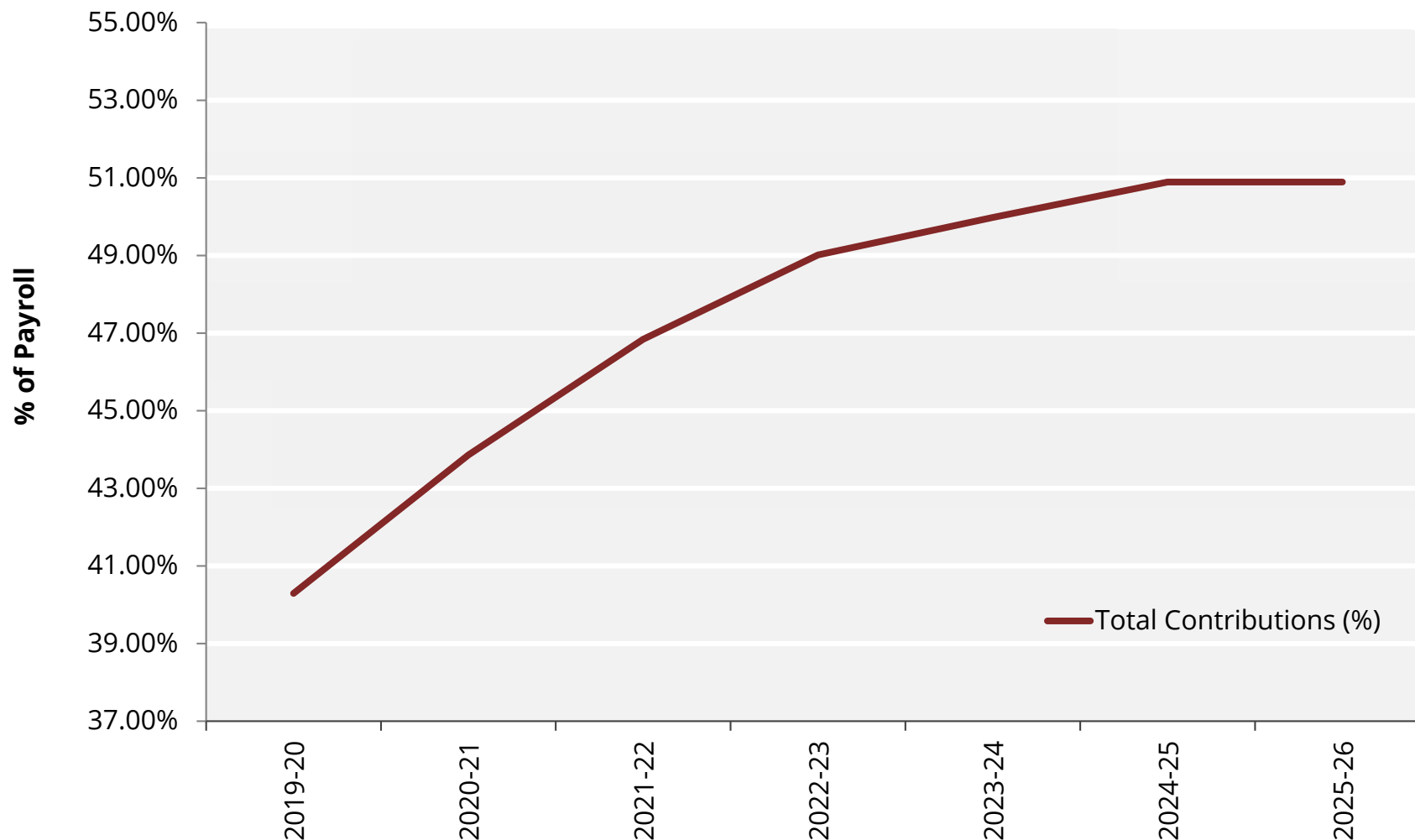
Projected misc. contributions increase from \$313.4K to \$542.9K* (73.3% ↑)



* Data through 2025-26 from Agency's latest CalPERS actuarial valuation.

PROJECTED EMPLOYER CONTRIBUTIONS (SAFETY)

Projected safety contributions increase from \$2.6M to \$3.9M* (50.7% ↑)



* Data through 2025-26 from Agency's latest CalPERS actuarial valuation.

PARS: Montecito Fire Protection District July 31, 2020

Presented by:
Tory Milazzo, CFA, Senior Portfolio Manager, Director

DISCUSSION HIGHLIGHTS – Montecito Fire Protection District

Investment Objective – Moderately Conservative HighMark Plus (Active)

Asset Allocation (as of 07/31/2020)

- Stocks 30.6% (40%-60%); Bonds 64.7% (40%-60%); Cash 4.7% (0%-20%)
- Equity Allocation: Large cap 18.5%, Mid cap 2.1%, Small Cap 3%, International 6.4%

Performance (as of 07/31/2020) *Gross of investment fees, net of fund level fees*

- Montecito OPEB
 - At December 2019 reduced risk to Moderately Conservative strategy from previous Balanced strategy.
 - One Year time period: 8.2%, Since Individual Account Inception (2/2010) : 7.75%
- Montecito Pension
 - One Year time period: 7.7%. Since Inception (July 2017): 5.87%
- General Performance Commentary
 - Fixed Income holdings have out performed their benchmark during the most recent 3-4 months as asset values have rebounded. During the twelve month period our tilt toward credit exposure and underweight to U.S. Treasury bonds along with a corresponding underweight to interest rate risk had driven underperformance vs. the Barclays Aggregate benchmark.
 - Domestic large cap equity has outperformed during the YTD and market rebound time period, while modestly trailing the S&P500 benchmark for the 12 month time period. The mid-cap allocation reflects a passive index investment, while our small cap active managers have trailed in the 12 month time period, they continue to demonstrate strong long term out performance. International equities have shown good relative performance during recent volatility, and also demonstrate outperformance vs. their benchmark for the 1 year and 3 year time periods.

	2020	2020	2021
	Previous Assumptions	Revised Assumptions	Assumptions
GDP	1.9% - 2.5%	-4.3% - -6.3%	2.5% - 4.0%
S&P500 earnings	\$172 – \$178	\$120 – \$130	\$145 – \$155
Unemployment	3.70%	7 – 10%	5.5%
Core PCE Inflation	1.7% - 2.0%	1.6% - 1.9%	1.75% - 2.00%
Fed Funds Target	1.25% - 1.75%	0% - 0.25%	0% -0.5%

ASSET ALLOCATION - PARS/MONTECITO FPD

As of July 31, 2020

Current Asset Allocation		Investment Vehicle		
Equity		Range: 20%-40%		30.56%
Large Cap Core	COFYX	Columbia Contrarian Core Inst3		3.40%
	VGIAX	Vanguard Growth & Income Adm		7.67%
Large Cap Value	DODGX	Dodge & Cox Stock Fund		2.46%
	IVE	iShares S&P 500 Value ETF		0.97%
Large Cap Growth	HNACX	Harbor Capital Appreciation Retirement		2.04%
	PRUFX	T. Rowe Price Growth Stock I		1.94%
Mid Cap Core	IWR	iShares Russell Mid-Cap ETF		2.13%
Small Cap Value	UBVFX	Undiscovered Managers Behavioral Val R6		1.47%
Small Cap Growth	RSEJX	Victory RS Small Cap Growth R6		1.57%
International Core	DFALX	DFA Large Cap International I		1.75%
International Value	DODFX	Dodge & Cox International Stock Fund		1.15%
International Growth	MGRDX	MFS® International Growth R6		1.17%
Emerging Markets	HHHFX	Hartford Schrodgers Emerging Mkts Eq F		2.31%
Real Estate	VNQ	Vanguard Real Estate ETF		0.53%
Fixed Income		Range: 50%-80%		64.70%
Short-Term	VFSUX	Vanguard Short-Term Investment-Grade Adm		11.61%
Intermediate-Term	DBLFX	DoubleLine Core Fixed Income I		17.68%
	PTTRX	PIMCO Total Return Instl Fund		17.47%
	PTRQX	Prudential Total Return Bond Fund Class Q		17.95%
Cash		Range: 0%-20%		4.73%
	FGZXX	First American Government Oblig Z		4.73%
TOTAL				100.00%

Account Name: Montecito FPD OPEB

As of: July 31, 2020

Performance Report

	Market Value	1 Month	3 Months	Year to Date (7 Months)	1 Year	3 Years	Inception to Date 02/01/2010
Cash Equivalents	602,055	.01	.02	.35	1.09	1.51	.50
Lipper Money Market Funds Index		.01	.04	.40	1.11	1.45	.46
Total Fixed Income	8,245,847	1.71	4.67	5.68	7.73	4.79	4.05
BBG Barclays US Aggregate Bd Index (USD)		1.49	2.61	7.72	10.12	5.69	4.15
Total Equities	3,818,539	5.22	14.31	-1.92	5.73	7.73	10.63
Large Cap Funds	2,349,344	5.56	13.96	2.66	11.49	11.25	12.46
S&P 500 Composite Index		5.64	12.87	2.38	11.96	12.01	13.52
Mid Cap Funds	270,623	5.91	15.41	-3.85	2.26	7.27	10.62
Russell Midcap Index		5.87	15.36	-3.79	2.04	7.30	12.48
Small Cap Funds	387,263	2.30	14.05	-11.42	-7.76	5.42	12.70
Russell 2000 Index (USD)		2.77	13.32	-10.57	-4.59	2.69	10.45
International Equities	811,309	5.45	15.13	-5.66	3.48	1.91	4.44
MSCI EAFE Index (Net)		2.33	10.42	-9.28	-1.67	.63	4.71
MSCI EM Free Index (Net USD)		8.94	17.84	-1.72	6.55	2.84	3.90
Wilshire REIT Index		4.38	6.42	-14.17	-9.88	1.30	10.34
Total Managed Portfolio	12,734,075	2.67	7.18	4.06	8.17	7.05	7.75

Returns are gross of account level investment advisory fees and net of any fees including fees to manage mutual fund or exchange traded fund holdings. Returns for periods over one year are annualized. The information presented has been obtained from sources believed to be accurate and reliable. Past performance is not indicative of future returns. Securities are not FDIC insured have no bank guarantee and may lose value.

Account Name: PARS/MONTECITO FPD 115P - PENSION

Account ID: -----4501

As of: July 31, 2020

Performance Report

	Market Value	1 Month	3 Months	Year to Date (7 Months)	1 Year	3 Years	Inception to Date 07/01/2017
Cash Equivalents	240,989	.01	.02	.35	1.09	1.50	1.48
Lipper Money Market Funds Index		.01	.04	.40	1.11	1.45	1.43
Total Fixed Income	3,301,287	1.71	4.67	5.68	7.71	4.74	4.76
BBG Barclays US Aggregate Bd Index (USD)		1.49	2.61	7.72	10.12	5.69	5.68
Total Equities	1,528,810	5.22	14.31	-1.92	5.66	7.59	7.76
Large Cap Funds	940,578	5.56	13.96	2.66	11.47	11.17	11.29
S&P 500 Composite Index		5.64	12.87	2.38	11.96	12.01	12.41
Mid Cap Funds	108,374	5.91	15.41	-3.85	2.06	7.22	7.56
Russell Midcap Index		5.87	15.36	-3.79	2.04	7.30	7.60
Small Cap Funds	155,044	2.30	14.05	-11.42	-7.76	5.16	5.28
Russell 2000 Index (USD)		2.77	13.32	-10.57	-4.59	2.69	2.86
International Equities	324,813	5.45	15.13	-5.66	3.40	1.84	2.49
MSCI EAFE Index (Net)		2.33	10.42	-9.28	-1.67	.63	1.55
MSCI EM Free Index (Net USD)		8.94	17.84	-1.72	6.55	2.84	4.71
Wilshire REIT Index		4.38	6.42	-14.17	-9.88	1.30	1.63
Total Managed Portfolio	5,098,188	2.67	7.18	4.06	7.69	5.93	5.87

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Morningstar Fund Performance

As of July 31, 2020

Fund Name	LARGE CAP			EQUITY FUNDS			
	1-Month Return	3-Month Return	Year-to-Date	1-Year Return	3-Year Return	5-Year Return	10-Year Return
Columbia Contrarian Core Inst3	5.95	12.79	4.48	14.11	10.86	10.65	14.08
Vanguard Growth & Income Adm	5.64	13.41	2.14	11.19	11.52	10.99	13.78
Dodge & Cox Stock	2.55	7.87	-12.81	-5.82	3.24	6.23	11.21
iShares S&P 500 Value ETF	3.65	5.91	-12.47	-2.84	4.36	6.50	10.34
Harbor Capital Appreciation Retirement	8.16	26.26	28.12	40.20	23.27	17.54	18.07
T. Rowe Price Growth Stock I	6.81	19.35	16.50	24.58	17.83	15.21	17.09
S&P 500 TR USD	5.64	12.87	2.38	11.96	12.01	11.49	13.84
MID CAP EQUITY FUNDS							
iShares Russell Mid-Cap ETF	5.87	15.33	-3.85	1.92	7.17	7.67	12.04
SMALL CAP EQUITY FUNDS							
Undiscovered Managers Behavioral Val R6	2.02	8.05	-26.87	-23.08	-5.90	0.53	8.74
Victory RS Small Cap Growth R6	2.56	20.34	5.69	8.61	15.41	10.05	15.33
Russell 2000 TR USD	2.77	13.32	-10.57	-4.59	2.69	5.10	10.07
REAL ESTATE FUNDS							
Vanguard Real Estate ETF	3.58	7.94	-10.84	-5.16	2.98	4.94	9.07
INTERNATIONAL EQUITY FUNDS							
Fund Name	1-Month Return	3-Month Return	Year-to-Date	1-Year Return	3-Year Return	5-Year Return	10-Year Return
Dodge & Cox International Stock	1.49	10.74	-17.22	-7.38	-4.74	-0.60	3.91
DFA Large Cap International I	2.17	11.31	-9.46	-1.14	0.46	2.31	4.80
MFS International Growth R6	5.78	14.71	0.70	10.63	8.44	8.25	7.98
MSCI EAFE NR USD	2.33	10.42	-9.28	-1.67	0.63	2.10	5.02
Hartford Schroders Emerging Mkts Eq F	9.47	20.93	0.36	9.36	4.86	7.91	4.36
MSCI EM NR USD	8.94	17.84	-1.72	6.55	2.84	6.15	3.33
BOND FUNDS							
DoubleLine Core Fixed Income I	1.79	5.13	3.76	5.43	4.19	3.83	4.99
PGIM Total Return Bond R6	2.50	6.39	6.34	9.18	6.15	5.42	5.39
PIMCO Total Return Instl	1.50	3.54	7.75	9.97	5.53	4.47	4.22
Vanguard Short-Term Investment-Grade Adm	0.75	3.15	4.04	5.58	3.65	3.14	2.75
BBgBarc US Agg Bond TR USD	1.49	2.61	7.72	10.12	5.69	4.47	3.87

Source: SEI Investments, Morningstar Investments

Returns less than one year are not annualized. Past performance is no indication of future results. The information presented has been obtained from sources believed to be accurate and reliable. Securities are not FDIC insured, have no bank guarantee and may lose value.

Disclosures

HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFG Union Bank, N.A. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, public and private retirement plans, and personal trusts of all sizes. It may also serve as sub-adviser for mutual funds, common trust funds and collective investment funds. MUB, a subsidiary of MUFG Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. **Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.**



PARS DIVERSIFIED PORTFOLIOS CONSERVATIVE

Q2 2020

WHY THE PARS DIVERSIFIED CONSERVATIVE PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

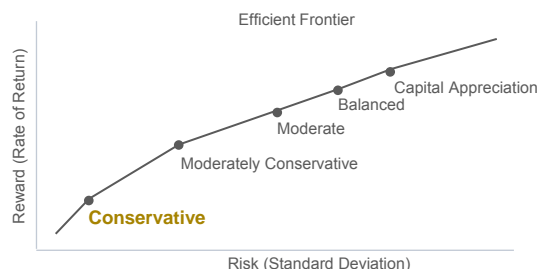
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

To provide a consistent level of inflation-protected income over the long-term. The major portion of the assets will be fixed income related. Equity securities are utilized to provide inflation protection.



ASSET ALLOCATION — CONSERVATIVE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	5 – 20%	15%	15%
Fixed Income	60 – 95%	80%	81%
Cash	0 – 20%	5%	4%

ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)		Index Plus Composite (Passive)	
Current Quarter*	7.21%	Current Quarter*	5.60%
Blended Benchmark*,**	4.99%	Blended Benchmark*,**	4.99%
Year To Date*	2.61%	Year To Date*	3.74%
Blended Benchmark*,**	2.98%	Blended Benchmark*,**	2.98%
1 Year	5.78%	1 Year	7.00%
Blended Benchmark**	6.19%	Blended Benchmark**	6.19%
3 Year	4.93%	3 Year	5.05%
Blended Benchmark**	4.87%	Blended Benchmark**	4.87%
5 Year	4.41%	5 Year	4.32%
Blended Benchmark**	4.22%	Blended Benchmark**	4.22%
10 Year	4.75%	10 Year	4.49%
Blended Benchmark**	4.26%	Blended Benchmark**	4.26%

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: From 10/1/2012 - Present: 7.5% S&P500, 1.5% Russell Mid Cap, 2.5% Russell 2000, 1% MSCI EM (net), 2% MSCI EAFE (net), 52.25% BBG Barclays US Agg, 25.75% ICE BofA 1-3 Yr US Corp/Gov't, 2% ICE BofA US High Yield Master II, 0.5% Wilshire REIT, and 5% FTSE 1 Mth T-Bill. From 4/1/2007 - 9/30/2012, the blended benchmark was 12% S&P 500; 1% Russell 2000, 2% MSCI EAFE (net), 40% ICE BofA 1-3 Year Corp./Gov't, 40% BBG Barclays US Agg, 5% FTSE 1 Mth T-Bill. Prior to April 2007: the blended benchmark was 15% S&P 500, 40% ICE BofA 1-3Yr Corp/Gov, 40% BBG Barclays US Agg, and 5% FTSE 1 Mth T-Bill.

ANNUAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)		Index Plus Composite (Passive)	
2008	-9.04%	2008	-6.70%
2009	15.59%	2009	10.49%
2010	8.68%	2010	7.67%
2011	2.19%	2011	3.70%
2012	8.45%	2012	6.22%
2013	3.69%	2013	3.40%
2014	3.88%	2014	4.32%
2015	0.29%	2015	0.06%
2016	4.18%	2016	3.75%
2017	6.73%	2017	5.52%
2018	-1.35%	2018	-1.09%
2019	11.05%	2019	10.37%

PORTFOLIO FACTS

HighMark Plus (Active)		Index Plus (Passive)	
Composite Inception Date	07/2004	Composite Inception Date	07/2004
No of Holdings in Portfolio	19	No of Holdings in Portfolio	12

HOLDINGS

HighMark Plus (Active)

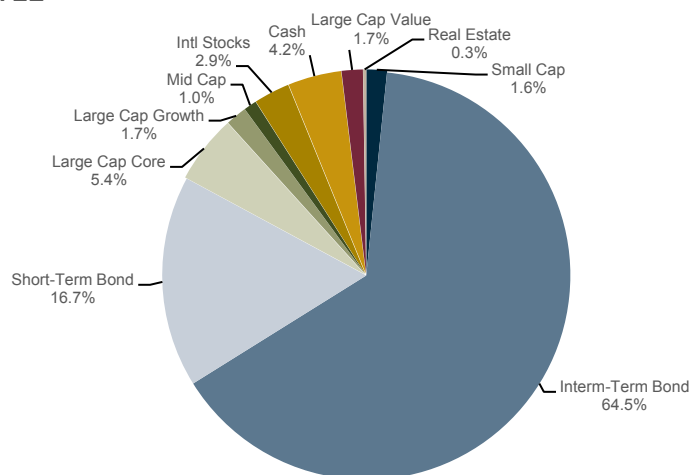
Columbia Contrarian Core I3
 Vanguard Growth & Income Adm
 Dodge & Cox Stock Fund
 iShares S&P 500 Value ETF
 Harbor Capital Appreciation - Retirement
 T. Rowe Price Growth Stock - I
 iShares Russell Mid-Cap ETF
 Vanguard Real Estate ETF
 Undiscovered Managers Behavioral Value-R6
 Victory RS Small Cap Growth - R6
 DFA Large Cap International Portfolio
 Dodge & Cox International Stock
 MFS International Growth - R6
 Hartford Schrodgers Emerging Markets Eq
 Vanguard Short-Term Invest-Grade Adm
 PIMCO Total Return Fund - Inst
 PGIM Total Return Bond - R6
 DoubleLine Core Fixed Income - I
 First American Government Obligations Z

Index Plus (Passive)

iShares Core S&P 500 ETF
 iShares S&P 500 Value ETF
 iShares S&P 500 Growth ETF
 iShares Russell Mid-Cap ETF
 Vanguard Real Estate ETF
 iShares Russell 2000 Value ETF
 iShares Russell 2000 Growth ETF
 iShares MSCI EAFE ETF
 Vanguard FTSE Emerging Markets ETF
 Vanguard Short-Term Invest-Grade Adm
 iShares Core U.S. Aggregate
 First American Government Obligations Z

Holdings are subject to change at the discretion of the investment manager.

STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Accounts are managed by HighMark Capital Advisors (HCA) with full investment authority according to the PARS Conservative active and passive objectives.

The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 0.36% paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio's returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a \$10 million initial value would grow to \$12.53 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The ICE BofA US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg Barclays U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The ICE BofA 1-3 Year U.S. Corporate & Government Index tracks the bond performance of the ICE BofA U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged FTSE 1-Month Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFG Union Bank, N.A. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, and public and private retirement plans. MUB, a subsidiary of MUFG Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.

HIGHMARK CAPITAL MANAGEMENT

350 California Street
 Suite 1600
 San Francisco, CA 94104
 800-582-4734

ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has 100 years (including predecessor organizations) of institutional money management experience with \$8.6 billion in assets under management and \$8.1 billion in assets under advisement*. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

ABOUT THE PORTFOLIO MANAGEMENT TEAM

Andrew Brown, CFA®

Senior Portfolio Manager
 Investment Experience: since 1994
 HighMark Tenure: since 1997
 Education: MBA, University of Southern California; BA, University of Southern California

Salvatore "Tory" Milazzo III, CFA®

Senior Portfolio Manager
 Investment Experience: since 2004
 HighMark Tenure: since 2014
 Education: BA, Colgate University

J. Keith Stribling, CFA®

Senior Portfolio Manager
 Investment Experience: since 1985
 HighMark Tenure: since 1995
 Education: BA, Stetson University

Christiane Tsuda

Senior Portfolio Manager
 Investment Experience: since 1987
 HighMark Tenure: since 2010
 Education: BA, International Christian University, Tokyo

Anne Wimmer, CFA®

Senior Portfolio Manager
 Investment Experience: since 1987
 HighMark Tenure: since 2007
 Education: BA, University of California, Santa Barbara

Randy Yurchak, CFA®

Senior Portfolio Manager
 Investment Experience: since 2002
 HighMark Tenure: since 2017
 Education: MBA, Arizona State University; BS, University of Washington

Asset Allocation Committee

Number of Members: 17
 Average Years of Experience: 26
 Average Tenure (Years): 14

Manager Review Group

Number of Members: 7
 Average Years of Experience: 17
 Average Tenure (Years): 8

*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. Assets under advisement ("AUA") include assets for which HighMark provides certain investment advisory services (including, but not limited to, investment research and strategies) for client assets of its parent company, MUFG Union Bank, N.A.



PARS DIVERSIFIED PORTFOLIOS MODERATELY CONSERVATIVE

Q2 2020

WHY THE PARS DIVERSIFIED MODERATELY CONSERVATIVE PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

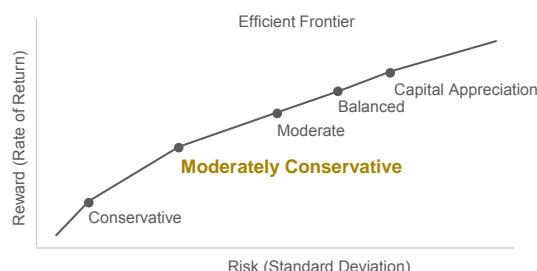
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

To provide current income, with capital appreciation as a secondary objective. The major portion of the assets is committed to income-producing securities. Market fluctuations should be expected.



ASSET ALLOCATION — MODERATELY CONSERVATIVE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	20 - 40%	30%	29%
Fixed Income	50 - 80%	65%	67%
Cash	0 - 20%	5%	4%

ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)		Index Plus Composite (Passive)	
Current Quarter*	9.68%	Current Quarter*	7.78%
Blended Benchmark**, **	7.73%	Blended Benchmark**, **	7.73%
Year To Date*	0.85%	Year To Date*	1.80%
Blended Benchmark**, **	1.56%	Blended Benchmark**, **	1.56%
1 Year	4.87%	1 Year	6.05%
Blended Benchmark**	5.87%	Blended Benchmark**	5.87%
3 Year	5.22%	3 Year	5.41%
Blended Benchmark**	5.52%	Blended Benchmark**	5.52%
5 Year	4.90%	5 Year	4.98%
Blended Benchmark**	5.07%	Blended Benchmark**	5.07%
10 Year	5.97%	10 Year	5.80%
Blended Benchmark**	5.79%	Blended Benchmark**	5.79%

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: From 10/1/2012 - Present: 15.5% S&P500, 3% Russell Mid Cap, 4.5% Russell 2000, 2% MSCI EM (net), 4% MSCI EAFE (net), 49.25% BBG Barclays US Agg, 14% ICE BofA 1-3 Yr US Corp/Gov't, 1.75% ICE BofA US High Yield Master II, 1% Wilshire REIT, and 5% FTSE 1 Mth T-Bill. From 4/1/2007 - 9/30/2012: the blended benchmark was 25% S&P 500; 1.5% Russell 2000, 3.5% MSCI EAFE (net), 25% ICE BofA 1-3 Year Corp./Gov't, 40% BBG Barclays US Agg, 5% FTSE 1 Mth T-Bill. Prior to April 2007, the blended benchmark was 30% S&P 500, 25% ICE BofA 1-3Yr Corp/Gov't, 40% BBG Barclays US Agg, and 5% FTSE 1 Mth T-Bill.

ANNUAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)		Index Plus Composite (Passive)	
2008	-15.37%	2008	-12.40%
2009	18.71%	2009	11.92%
2010	10.46%	2010	9.72%
2011	1.75%	2011	3.24%
2012	10.88%	2012	8.24%
2013	7.30%	2013	6.78%
2014	4.41%	2014	5.40%
2015	0.32%	2015	-0.18%
2016	4.94%	2016	5.42%
2017	9.56%	2017	8.08%
2018	-2.60%	2018	-2.33%
2019	13.73%	2019	13.53%

PORTFOLIO FACTS

HighMark Plus (Active)		Index Plus (Passive)	
Composite Inception Date	08/2004	Composite Inception Date	05/2005
No of Holdings in Portfolio	19	No of Holdings in Portfolio	12

HOLDINGS

HighMark Plus (Active)

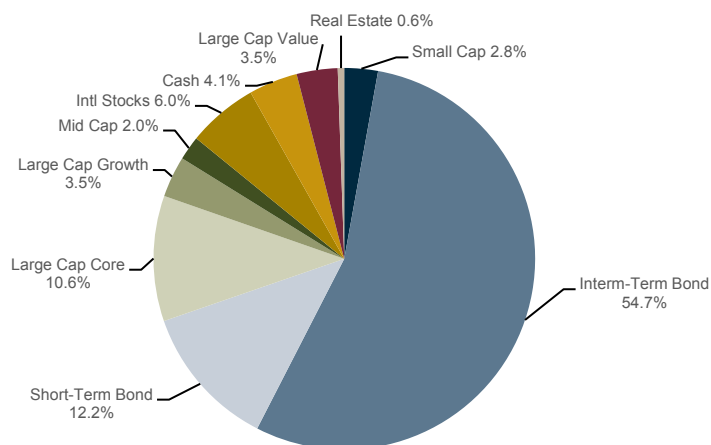
Columbia Contrarian Core I3
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 Vanguard Real Estate ETF
 Undiscovered Managers Behavioral Value-R6
 Victory RS Small Cap Growth - R6
 DFA Large Cap International Portfolio
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 MFS International Growth - R6
 Hartford Schroders Emerging Markets Eq
 Vanguard Short-Term Invest-Grade Adm
 PIMCO Total Return Fund - Inst
 PGIM Total Return Bond - R6
 DoubleLine Core Fixed Income - I
 First American Government Obligations Z

Index Plus (Passive)

iShares Core S&P 500 ETF
 iShares S&P 500 Value ETF
 iShares S&P 500 Growth ETF
 iShares Russell Mid-Cap ETF
 Vanguard Real Estate ETF
 iShares Russell 2000 Value ETF
 iShares Russell 2000 Growth ETF
 iShares MSCI EAFE ETF
 Vanguard FTSE Emerging Markets ETF
 Vanguard Short-Term Invest-Grade Adm
 iShares Core U.S. Aggregate
 First American Government Obligations Z

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STYLE



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Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The ICE BofA US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg Barclays U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The ICE BofA 1-3 Year U.S. Corporate & Government Index tracks the bond performance of the ICE BofA U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged FTSE 1-Month Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

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HIGHMARK CAPITAL MANAGEMENT

350 California Street
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 800-582-4734

ABOUT THE ADVISER

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Andrew Brown, CFA®

Senior Portfolio Manager
 Investment Experience: since 1994
 HighMark Tenure: since 1997
 Education: MBA, University of Southern California; BA, University of Southern California

Salvatore "Tory" Milazzo III, CFA®

Senior Portfolio Manager
 Investment Experience: since 2004
 HighMark Tenure: since 2014
 Education: BA, Colgate University

J. Keith Stribling, CFA®

Senior Portfolio Manager
 Investment Experience: since 1985
 HighMark Tenure: since 1995
 Education: BA, Stetson University

Christiane Tsuda

Senior Portfolio Manager
 Investment Experience: since 1987
 HighMark Tenure: since 2010
 Education: BA, International Christian University, Tokyo

Anne Wimmer, CFA®

Senior Portfolio Manager
 Investment Experience: since 1987
 HighMark Tenure: since 2007
 Education: BA, University of California, Santa Barbara

Randy Yurchak, CFA®

Senior Portfolio Manager
 Investment Experience: since 2002
 HighMark Tenure: since 2017
 Education: MBA, Arizona State University; BS, University of Washington

Asset Allocation Committee

Number of Members: 17
 Average Years of Experience: 26
 Average Tenure (Years): 14

Manager Review Group

Number of Members: 7
 Average Years of Experience: 17
 Average Tenure (Years): 8

*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. Assets under advisement ("AUA") include assets for which HighMark provides certain investment advisory services (including, but not limited to, investment research and strategies) for client assets of its parent company, MUFJ Union Bank, N.A.



PARS DIVERSIFIED PORTFOLIOS MODERATE

Q2 2020

WHY THE PARS DIVERSIFIED MODERATE PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

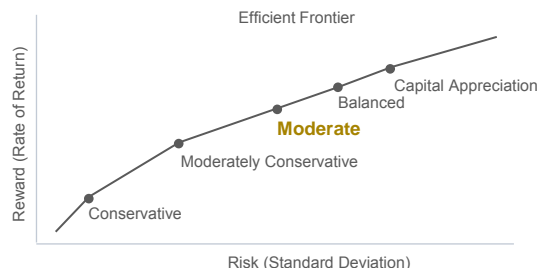
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

To provide current income and moderate capital appreciation. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important.



ASSET ALLOCATION — MODERATE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	40 - 60%	50%	48%
Fixed Income	40 - 60%	45%	48%
Cash	0 - 20%	5%	4%

ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)

Current Quarter*	12.73%
Blended Benchmark*,**	11.27%
Year To Date*	-1.32%
Blended Benchmark*,**	-0.85%
1 Year	3.96%
Blended Benchmark**	4.75%
3 Year	5.77%
Blended Benchmark**	6.03%
5 Year	5.67%
Blended Benchmark**	5.91%
10 Year	7.48%
Blended Benchmark**	7.59%

Index Plus Composite (Passive)

Current Quarter*	10.92%
Blended Benchmark*,**	11.27%
Year To Date*	-0.94%
Blended Benchmark*,**	-0.85%
1 Year	4.54%
Blended Benchmark**	4.75%
3 Year	5.69%
Blended Benchmark**	6.03%
5 Year	5.60%
Blended Benchmark**	5.91%
10 Year	7.39%
Blended Benchmark**	7.59%

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: From 10/1/2012 – Present: 26.5% S&P500, 5% Russell Mid Cap, 7.5% Russell 2000, 3.25% MSCI EM (net), 6% MSCI EAFE (net), 33.50% BBG Barclays US Agg, 10% ICE BofA 1-3 Yr US Corp/Govt, 1.50% ICE BofA US High Yield Master II, 1.75% Wilshire REIT, and 5% FTSE 1 Mth T-Bill. From 4/1/2007 – 9/30/2012: the blended benchmark was 43% S&P 500; 2% Russell 2000, 5% MSCI EAFE (net), 15% ICE BofA 1-3 Year Corp./Govt, 30% BBG Barclays US Agg, 5% FTSE 1 Mth T-Bill. Prior to April 2007: the blended benchmark was 50% S&P 500, 15% ICE BofA 1-3Yr Corp/Govt, 30% BBG Barclays US Agg, and 5% FTSE 1 Mth T-Bill.

ANNUAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)

2008	-22.88%
2009	21.47%
2010	12.42%
2011	0.55%
2012	12.25%
2013	13.06%
2014	4.84%
2015	0.14%
2016	6.45%
2017	13.19%
2018	-4.03%
2019	17.71%

Index Plus Composite (Passive)

2008	-18.14%
2009	16.05%
2010	11.77%
2011	2.29%
2012	10.91%
2013	12.79%
2014	5.72%
2015	-0.52%
2016	7.23%
2017	11.59%
2018	-4.03%
2019	17.52%

PORTFOLIO FACTS

HighMark Plus (Active)

Composite Inception Date	10/2004
No of Holdings in Portfolio	19

Index Plus (Passive)

Composite Inception Date	05/2006
No of Holdings in Portfolio	12
	August 19, 2020

HOLDINGS

HighMark Plus (Active)

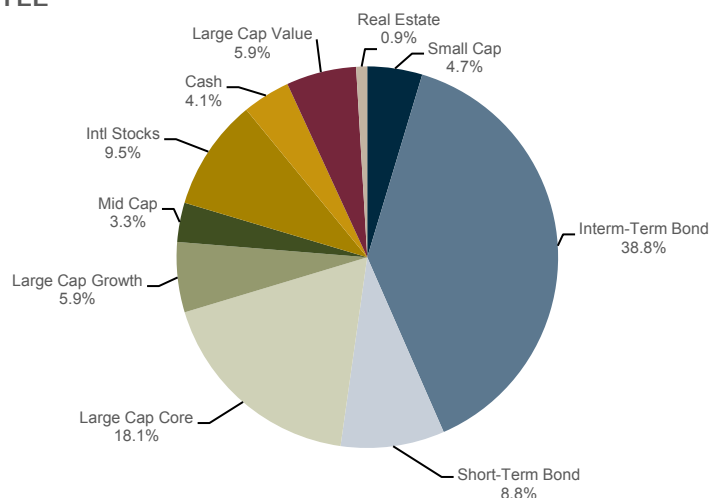
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 First American Government Obligations Z

Index Plus (Passive)

iShares Core S&P 500 ETF
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 iShares Russell 2000 Value ETF
 iShares Russell 2000 Growth ETF
 iShares MSCI EAFE ETF
 Vanguard FTSE Emerging Markets ETF
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 First American Government Obligations Z

Holdings are subject to change at the discretion of the investment manager.

STYLE



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Number of Members: 17
 Average Years of Experience: 26
 Average Tenure (Years): 14

Manager Review Group

Number of Members: 7
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 Average Tenure (Years): 8

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PARS DIVERSIFIED PORTFOLIOS BALANCED

Q2 2020

WHY THE PARS DIVERSIFIED BALANCED PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

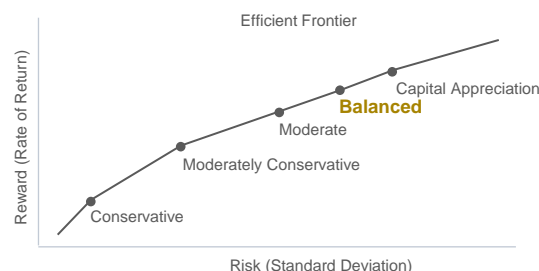
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

To provide growth of principal and income. While dividend and interest income are an important component of the objective's total return, it is expected that capital appreciation will comprise a larger portion of the total return.



ASSET ALLOCATION — BALANCED PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	50 – 70%	60%	58%
Fixed Income	30 – 50%	35%	38%
Cash	0 – 20%	5%	4%

ANNUALIZED TOTAL RETURNS

(Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)		Index Plus Composite (Passive)	
Current Quarter*	14.40%	Current Quarter*	12.53%
Blended Benchmark*, **	13.11%	Blended Benchmark*, **	13.11%
Year To Date*	-2.36%	Year To Date*	-2.24%
Blended Benchmark*, **	-2.02%	Blended Benchmark*, **	-2.02%
1 Year	3.51%	1 Year	3.90%
Blended Benchmark**	4.23%	Blended Benchmark**	4.23%
3 Year	6.07%	3 Year	5.79%
Blended Benchmark**	6.28%	Blended Benchmark**	6.28%
5 Year	6.01%	5 Year	5.90%
Blended Benchmark**	6.33%	Blended Benchmark**	6.33%
10 Year	8.24%	10 Year	8.10%
Blended Benchmark**	8.52%	Blended Benchmark**	8.52%

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: From 10/1/2012 – Present: 32% S&P500, 6% Russell Mid Cap, 9% Russell 2000, 4% MSCI EM (net), 7% MSCI EAFE (net), 27% BBG Barclays US Agg, 6.75% ICE BofA 1-3 Yr US Corp/Gov't, 1.25% ICE BofA US High Yield Master II, 2% Wilshire REIT, and 5% FTSE 1 Mth T-Bill. From 4/1/2007 – 9/30/2012: the blended benchmark was 51% S&P 500, 3% Russell 2000, 6% MSCI EAFE (net), 5% ICE BofA 1-3 Year Corp./Gov't, 30% BBG Barclays US Agg, 5% FTSE 1 Mth T-Bill. Prior to April 2007: the blended benchmark was 60% S&P 500, 5% ICE BofA 1-3 Yr Corp/Gov't, 30% BBG Barclays US Agg, and 5% FTSE 1 Mth T-Bill.

ANNUAL RETURNS

(Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)		Index Plus Composite (Passive)	
2008	-25.72%	2008	-23.22%
2009	21.36%	2009	17.62%
2010	14.11%	2010	12.76%
2011	-0.46%	2011	1.60%
2012	13.25%	2012	11.93%
2013	16.61%	2013	15.63%
2014	4.70%	2014	6.08%
2015	0.04%	2015	-0.81%
2016	6.81%	2016	8.25%
2017	15.46%	2017	13.39%
2018	-4.88%	2018	-5.05%
2019	19.85%	2019	19.59%

PORTFOLIO FACTS

HighMark Plus (Active)		Index Plus (Passive)	
Composite Inception Date	10/2006	Composite Inception Date	10/2007
No of Holdings in Portfolio	19	No of Holdings in Portfolio	12

August 19, 2020

HOLDINGS

HighMark Plus (Active)

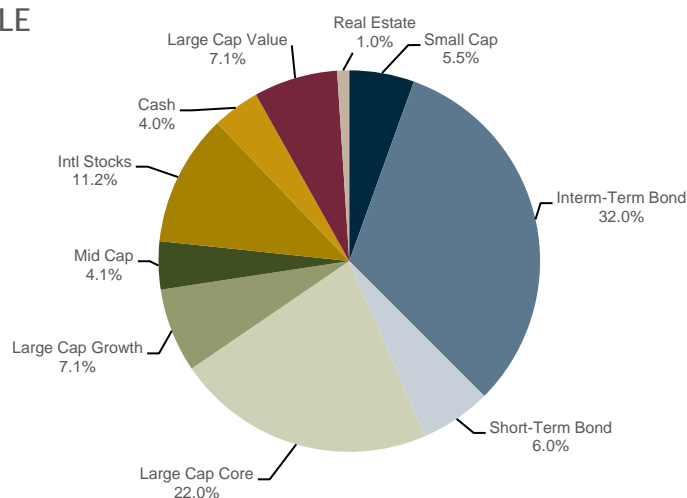
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 DFA Large Cap International Portfolio
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 MFS International Growth - R6
 Hartford Schroders Emerging Markets Eq
 Vanguard Short-Term Invest-Grade Adm
 PIMCO Total Return Fund - Inst
 PGIM Total Return Bond - R6
 DoubleLine Core Fixed Income - I
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Index Plus (Passive)

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 iShares S&P 500 Growth ETF
 iShares Russell Mid-Cap ETF
 Vanguard Real Estate ETF
 iShares Russell 2000 Value ETF
 iShares Russell 2000 Growth ETF
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 Vanguard FTSE Emerging Markets ETF
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PARS DIVERSIFIED PORTFOLIOS CAPITAL APPRECIATION

Q2 2020

WHY THE PARS DIVERSIFIED CAPITAL APPRECIATION PORTFOLIO?

Comprehensive Investment Solution

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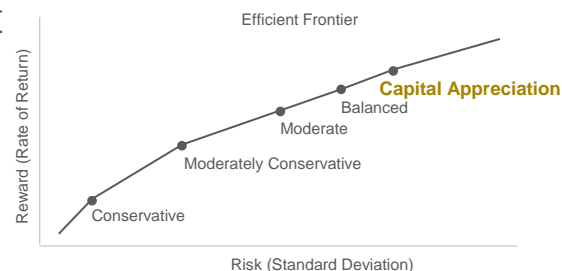
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INVESTMENT OBJECTIVE

To provide growth of principal. The major portion of the assets are invested in equity securities and market fluctuations are expected.



ASSET ALLOCATION — CAPITAL APPRECIATION PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	65 - 85%	75%	72%
Fixed Income	10 - 30%	20%	24%
Cash	0 - 20%	5%	4%

ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

Consolidated Composite

Current Quarter*	15.95%
Blended Benchmark*, **	15.76%
Year To Date*	-4.09%
Blended Benchmark*, **	-3.94%
1 Year	2.66%
Blended Benchmark**	3.18%
3 Year	6.26%
Blended Benchmark**	6.46%
5 Year	6.42%
Blended Benchmark**	6.77%
10 Year	9.06%
Blended Benchmark**	9.48%

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: 39.5% S&P500, 7.5% Russell Mid Cap, 10.5% Russell 2000, 5.25% MSCI EM (net), 10.25% MSCI EAFE (net), 16% BCG Barclays US Agg, 3% ICE BofA 1-3 Yr US Corp/Gov't, 1% ICE BofA US High Yield Master II, 2% Wilshire REIT, and 5% FTSE 1 Mth T-Bill.

ANNUAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

Consolidated Composite

2008	N/A
2009	23.77%
2010	12.95%
2011	-1.35%
2012	13.87%
2013	20.33%
2014	6.05%
2015	-0.27%
2016	8.81%
2017	16.72%
2018	-5.82%
2019	22.62%

PORTFOLIO FACTS

Consolidated Composite

Composite Inception Date	01/2009
No of Holdings in Portfolio	19

August 19, 2020

HOLDINGS

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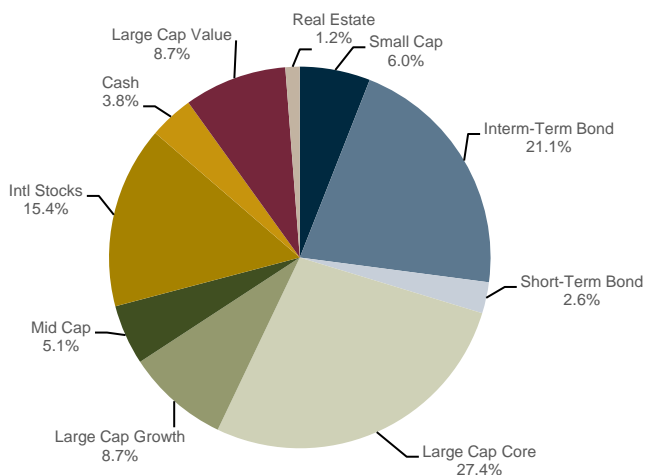
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Agenda

Item #3

**MONTECITO FIRE PROTECTION DISTRICT
PARS Post-Employment Benefits Trust**

OPEB Account

Month	Beginning Balance	Contributions	Earnings	Expenses	Ending Balance	1-M % (net)	3-M % (net)
July 2019	11,754,374.03	-	78,677.61	4,829.24	11,828,222.40	0.63%	1.45%
August 2019	11,828,222.40	-	(124,513.49)	4,784.47	11,698,924.44	-1.09%	3.97%
September 2019	11,698,924.44	-	105,468.29	4,740.43	11,799,652.30	0.86%	0.39%
October 2019	11,799,652.30	-	154,650.67	4,665.59	11,949,637.38	1.27%	1.03%
November 2019	11,949,637.38	-	238,394.84	4,709.18	12,183,323.04	1.96%	4.14%
December 2019	12,183,323.04	-	99,488.67	4,772.26	12,278,039.45	0.78%	4.05%
January 2020	12,278,039.45	-	116,312.24	4,801.69	12,389,550.00	0.91%	3.68%
February 2020	12,389,550.00	-	(185,791.44)	4,827.52	12,198,931.04	-1.54%	0.13%
March 2020	12,198,931.04	-	(886,580.40)	4,778.63	11,307,572.01	-7.31%	-7.90%
April 2020	11,307,572.01	-	586,080.88	4,547.58	11,889,105.31	5.14%	-4.04%
May 2020	11,889,105.31	-	305,386.02	4,687.46	12,189,803.87	2.53%	-0.07%
June 2020	12,189,803.87	-	217,042.41	4,760.78	12,402,085.50	1.74%	9.68%
Total		-	704,616.30	56,904.83			

Total Contributions to the Plan = 8,376,000

Total OPEB Liability at 6/30/2018 = 13,538,041

PARS OPEB balance at 6/30/2018 = 11,123,664

Net OPEB Liability at 6/30/2018 = **2,414,377**

Funded status = 82.17%

Pension Account

Month	Beginning Balance	Contributions	Earnings	Expenses	Ending Balance	1-M % (net)	3-M % (net)
July 2019	4,746,026.53	-	14,036.81	1,322.65	4,758,740.69	0.27%	2.33%
August 2019	4,758,740.69	-	17,513.57	1,616.56	4,774,637.70	0.33%	4.31%
September 2019	4,774,637.70	-	13,555.69	1,627.19	4,786,566.20	0.25%	0.85%
October 2019	4,786,566.20	-	38,585.36	1,898.66	4,823,252.90	0.77%	1.36%
November 2019	4,823,252.90	-	45,506.22	1,898.55	4,866,860.57	0.90%	1.93%
December 2019	4,866,860.57	-	50,602.00	1,902.94	4,915,559.63	1.00%	2.69%
January 2020	4,915,559.63	-	46,564.11	1,922.28	4,960,201.46	0.91%	2.84%
February 2020	4,960,201.46	-	(74,376.41)	1,932.62	4,883,892.43	-1.54%	0.35%
March 2020	4,883,892.43	-	(354,899.31)	1,913.05	4,527,080.07	-7.31%	-7.90%
April 2020	4,527,080.07	-	234,807.24	1,820.64	4,760,066.67	5.15%	-4.03%
May 2020	4,760,066.67	-	122,265.78	1,876.70	4,880,455.75	2.53%	-0.07%
June 2020	4,880,455.75	-	86,721.57	1,906.05	4,965,271.27	1.74%	9.68%
Total		-	240,882.63	21,637.89			

Total Contributions to the Plan = 4,600,000

Total Accrued Pension Liability at 6/30/2018 = 98,297,203

CalPERS and PARS total assets at 6/30/2018 = 78,624,439

Net Pension Liability at 6/30/2018 = **19,672,764**

Funded status = 79.99%

MONTECITO FIRE PROTECTION DISTRICT
PARS Post-Employment Benefits Trust

Account Report for the Period
5/1/2020 to 5/31/2020

Kevin Taylor
Fire Chief
Montecito Fire Protection District
595 San Ysidro Rd.
Santa Barbara, CA 93108

Account Summary

Source	Balance as of 5/1/2020	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 5/31/2020
OPEB	\$11,889,105.31	\$0.00	\$305,386.02	\$4,687.46	\$0.00	\$0.00	\$12,189,803.87
PENSION	\$4,760,066.67	\$0.00	\$122,265.78	\$1,876.70	\$0.00	\$0.00	\$4,880,455.75
Totals	\$16,649,171.98	\$0.00	\$427,651.80	\$6,564.16	\$0.00	\$0.00	\$17,070,259.62

Investment Selection

Source	
OPEB	Montecito Fire Protection District - OPEB
PENSION	Montecito Fire Protection District - PENSION

Investment Objective

Source	
OPEB	Individual account based on Moderately Conservative HighMark PLUS. The dual goals of the Moderately Conservative Strategy are current income and moderate capital appreciation. The major portion of the assets is committed to income-producing securities. Market fluctuations should be expected.
PENSION	Individual account based on Moderately Conservative HighMark PLUS. The dual goals of the Moderately Conservative Strategy are current income and moderate capital appreciation. The major portion of the assets is committed to income-producing securities. Market fluctuations should be expected.

Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
OPEB	2.57%	0.04%	8.85%	6.25%	5.78%	7.39%	1/19/2010
PENSION	2.57%	0.05%	5.93%	4.29%	-	-	6/29/2017

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value

Past performance does not guarantee future results. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.
Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return.
Account balances are inclusive of Trust Administration, Trustee and Investment Management fees

MONTECITO FIRE PROTECTION DISTRICT
PARS Post-Employment Benefits Trust

Account Report for the Period
6/1/2020 to 6/30/2020

Kevin Taylor
Fire Chief
Montecito Fire Protection District
595 San Ysidro Rd.
Santa Barbara, CA 93108

Account Summary

Source	Balance as of 6/1/2020	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 6/30/2020
OPEB	\$12,189,803.87	\$0.00	\$217,042.41	\$4,760.78	\$0.00	\$0.00	\$12,402,085.50
PENSION	\$4,880,455.75	\$0.00	\$86,721.57	\$1,906.05	\$0.00	\$0.00	\$4,965,271.27
Totals	\$17,070,259.62	\$0.00	\$303,763.98	\$6,666.83	\$0.00	\$0.00	\$17,367,356.77

Investment Selection

Source

OPEB	Montecito Fire Protection District - OPEB
PENSION	Montecito Fire Protection District - PENSION

Investment Objective

Source

OPEB	Individual account based on Moderately Conservative HighMark PLUS. The dual goals of the Moderately Conservative Strategy are current income and moderate capital appreciation. The major portion of the assets is committed to income-producing securities. Market fluctuations should be expected.
PENSION	Individual account based on Moderately Conservative HighMark PLUS. The dual goals of the Moderately Conservative Strategy are current income and moderate capital appreciation. The major portion of the assets is committed to income-producing securities. Market fluctuations should be expected.

Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
OPEB	1.78%	9.80%	6.02%	6.67%	6.39%	7.70%	1/19/2010
PENSION	1.78%	9.81%	5.10%	4.88%	-	-	6/29/2017

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value

Past performance does not guarantee future results. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.
Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return.
Account balances are inclusive of Trust Administration, Trustee and Investment Management fees

Agenda

Item #4



STAFF REPORT

To: Montecito Fire Protection District Finance Committee
From: Kevin Taylor, Fire Chief *KT*
Prepared by: Araceli Nahas, Accountant *AN*
Date: August 19, 2020
Topic: Financial Summary for Fiscal Year 2019-20

Summary

The District ended the 2019-20 fiscal year in a favorable financial position in the three main funds: General, Capital Outlay and Land & Building. This report provides an overview of the District's Balance Sheet and Financial Status reports for the year ending June 30, 2020, and provides explanations for significant variances from the budget.

The full Balance Sheet and Financial Status reports are provided as attachments for additional review.

Balance Sheet Summary

General Fund (3650)

Balance sheet snapshot on June 30, 2020 and June 30, 2019

	2020	2019
Total assets:	\$ 13,022,164	\$ 14,585,322
Total liabilities:	388,047	4,057,871
Total fund balance:	\$ 12,634,117	\$ 10,527,451

Assets include cash in treasury, accounts receivable from fire assignments, interest receivable (from the County) and tax impound receivable. Liabilities include salaries and benefits payable, accounts payable and accruals for unpaid expenses at year-end.

Fund Balance increased \$2,106,666 from June 30, 2019. The increase is mainly due to funds received from the SCE Thomas Fire/Debris Flow settlement (\$1.2 million) and pension contribution funds that were committed for FY21 (\$1 million). The District's Fund Balance at June 30, 2020 was \$2,634,117, designated as follows:

Nonspendable - \$ 123,260 (Property tax impounds posted by the SB County Auditor)
 Restricted - \$ 85,919 (Treasury FMV adjustment by the SB County Auditor)
 Committed - \$ 2,768,500 (Contingency/Disaster Reserve and petty cash of \$500)
 Committed - \$ 4,110,000 (Economic Uncertainties Reserve)
 Committed - \$ 1,000,000 (Pension Contributions)
 Residual - \$ 4,546,437 (Funds without designation)

Capital Outlay Fund (3652)

Balance sheet snapshot on June 30, 2020 and June 30, 2019

	2020	2019
Total assets:	\$ 2,637,173	\$ 3,570,637
Total liabilities:	18,440	-0-
Total fund balance:	\$ 2,618,733	\$ 3,570,637

The assets include cash in treasury and interest receivable (from the County). The total fund balance decreased \$933,464 from June 30, 2020. The decrease is due to scheduled purchases of vehicles totaling \$1.5 million, partially offset by funds transferred from the General Fund (\$440,000).

Land & Building Fund (3653)

Balance sheet snapshot on June 30, 2020 and June 30, 2019

	2020	2019
Total assets:	\$ 6,426,215	\$ 6,382,674
Total liabilities:	2,175	-0-
Total fund balance:	\$ 6,424,040	\$ 6,382,674

The assets include cash in treasury and interest receivable (from the County). The total fund balance increased \$41,366 from June 30, 2019. The increase is due to interest income (\$125,000) exceeding expenses towards the rental property rebuild (80,000).

Financial Status Summary: General Fund**Revenue**

	Budgeted	Actual	Variance
Property taxes	\$ 17,896,000	\$ 18,022,106	\$ 126,106
Other revenue	2,712,528	2,677,758	(34,770)
Total revenue	\$ 20,608,528	\$ 20,699,864	\$ 91,336

Property taxes were 87% of total revenue in fiscal year 2019-20, and came in over budget by \$126,000.

Other revenue sources made up the remaining 13%, and fell under budget by \$35,000. These revenue sources include interest, Homeowners Property Tax Relief, Federal and State reimbursements, EMS medical response payments, rental income, CSFPD dispatch payments, and the SCE settlement.

Overall, total revenues were \$91,000 over the budget amount.

Expenditures

	Budgeted	Actual	Variance
Salaries and Benefits	\$ 16,161,400	\$ 15,196,734	\$ 964,666
Services and Supplies	2,122,500	2,128,949	(6,449)
Capital Assets	842,500	827,516	14,984
Transfers	440,000	440,000	-0-
Total expenses	\$ 19,566,400	\$ 18,593,199	\$ 973,201

Salaries and Employee Benefits: Total expenditures were \$15,196,734, or \$964,666 under budget.

- 6100 – Regular salaries: under budget \$735,000
Variance explanation: Mid-year retirements of long-time employees.
- 6301 – Overtime (Reimbursable): under budget \$120,000
Variance explanation: Our employees engaged in less mutual aid assignments than expected.
- 6310 – Overtime (Constant Staffing): over budget \$164,000
Variance explanation: Long-term vacancies led to an increase in overtime to meet minimum staffing needs. Additionally, COVID-related overtime totaled \$75,000
- 6600 – Health Insurance Contributions: under budget \$208,000
Variance explanation: Mid-year decreases to health and dental premiums.

Services and Supplies: Total expenditures were \$2,128,949, or \$6,449 under budget.

- COVID-19 related expenses totaled \$36,000 in various services and supplies line items.
- 7200 – Structure & Ground Maintenance: over budget \$33,000
Variance explanation: Unexpected costs of \$30,000 for mold removal to various offices in the Headquarters' building.
- 7650 – Special Departmental Expense: under budget \$32,000
Variance explanation: In March of 2020, Cal Fire issued the District a refund of \$28,000 due to and adjustment to the Thomas Fire cost apportionment. The refund was applied to this line item.
- 7671 – Special Projects: under budget 14,000
Variance explanation: Savings occurred because the annual weed abatement flyer was included in the Ready, Set, Go publication, therefore eliminating the production and postage expenses.

Capital Assets: Total expenditures were \$827,516, or \$14,984 under budget.

Net Financial Impact: The District will carry over \$1.07 million dollars - included in the Residual Fund balance at year-end.

Conclusion

The Finance Committee has the option to:

- a. Recommend that the Board approve the report as presented.
- b. Recommend that the Board amend, modify or reject above option.

Attachments

1. Balance Sheet Report for June 30, 2020
2. Financial Status Report for June 30, 2020

Strategic Plan Reference

Strategic Plan Goal #9, Ensure Financial Accountability & Transparency

Balance Sheet

Selection Criteria: Fund = 3650, 3652, 3653

Layout Options: Summarized By = Fund; Page Break At = Fund

Fund 3650 -- Montecito Fire Protection Dist

	Beginning Balance 7/1/2019	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 6/30/2020
Assets & Other Debits				
Assets				
0110 -- Cash in Treasury	13,920,068.19	38,106,104.40	39,668,301.47	12,357,871.12
0115 -- Treasury FMV Adjustment	49,393.22	72,467.24	35,941.19	85,919.27
0120 -- Imprest Cash	500.00	0.00	0.00	500.00
0130 -- Cash with Fiscal Agents	23,913.80	2,554.13	17,486.47	8,981.46
0211 -- Prop Tax Impounds Receivable	206,229.00	0.00	0.00	206,229.00
0230 -- Accounts Receivable	300,349.00	323,696.00	300,349.00	323,696.00
0240 -- Interest Receivable	84,868.88	145,790.47	191,692.59	38,966.76
Total Assets	14,585,322.09	38,650,612.24	40,213,770.72	13,022,163.61
Total Assets & Other Debits	14,585,322.09	38,650,612.24	40,213,770.72	13,022,163.61
Liabilities, Equity & Other Credits				
Liabilities				
1010 -- Warrants Payable	0.00	4,913,372.71	4,913,372.71	0.00
1015 -- EFT Payable	36,240.93	8,349,472.11	8,313,231.18	0.00
1020 -- Salaries & Benefits Payable	25,313.00	25,313.00	29,424.00	29,424.00
1210 -- Accounts Payable	119,341.71	13,229,424.72	13,463,444.00	353,360.99
1240 -- Accrued Expenses	3,875,975.00	3,875,975.00	5,262.00	5,262.00
1400 -- Deposits	1,000.00	1,000.00	0.00	0.00
1730 -- Unidentified Deposits	0.00	2,365,157.01	2,365,157.01	0.00
Total Liabilities	4,057,870.64	32,759,714.55	29,089,890.90	388,046.99
Equity				
2110 -- Fund Balance-Nonspendable	123,260.00	0.00	0.00	123,260.00
2120 -- Fund Balance-Restricted	49,393.22	35,941.19	72,467.24	85,919.27
2130 -- Fund Balance-Committed	6,070,500.00	0.00	1,808,000.00	7,878,500.00
2200 -- Fund Balance-Residual	4,284,298.23	69,198,398.25	69,460,537.37	4,546,437.35
Total Equity	10,527,451.45	69,234,339.44	71,341,004.61	12,634,116.62

Balance Sheet

Selection Criteria: Fund = 3650, 3652, 3653

Layout Options: Summarized By = Fund; Page Break At = Fund

Fund 3650 -- Montecito Fire Protection Dist

	Beginning Balance 7/1/2019	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 6/30/2020
Total Liabilities, Equity & Other Credits	14,585,322.09	101,994,053.99	100,430,895.51	13,022,163.61

Balance Sheet

Selection Criteria: Fund = 3650, 3652, 3653

Layout Options: Summarized By = Fund; Page Break At = Fund

Fund 3652 -- Montecito Fire Cap Outlay Res

	Beginning Balance 7/1/2019	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 6/30/2020
Assets & Other Debits				
Assets				
0110 -- Cash in Treasury	2,320,539.06	488,149.99	196,579.18	2,612,109.87
0115 -- Treasury FMV Adjustment	8,234.08	15,345.06	5,418.20	18,160.94
0240 -- Interest Receivable	9,586.44	37,665.99	40,349.99	6,902.44
0550 -- Deposits with Others	1,232,277.26	0.00	1,232,277.26	0.00
Total Assets	3,570,636.84	541,161.04	1,474,624.63	2,637,173.25
Total Assets & Other Debits	3,570,636.84	541,161.04	1,474,624.63	2,637,173.25
Liabilities, Equity & Other Credits				
Liabilities				
1010 -- Warrants Payable	0.00	54,815.43	54,815.43	0.00
1015 -- EFT Payable	0.00	141,763.75	141,763.75	0.00
1210 -- Accounts Payable	0.00	196,579.18	215,019.62	18,440.44
1730 -- Unidentified Deposits	0.00	7,800.00	7,800.00	0.00
Total Liabilities	0.00	400,958.36	419,398.80	18,440.44
Equity				
2110 -- Fund Balance-Nonspendable	1,232,277.26	1,232,277.26	0.00	0.00
2120 -- Fund Balance-Restricted	8,234.08	5,418.20	15,345.06	18,160.94
2140 -- Fund Balance-Assigned	2,320,539.06	0.00	280,032.81	2,600,571.87
2200 -- Fund Balance-Residual	9,586.44	3,363,858.95	3,354,272.51	0.00
Total Equity	3,570,636.84	4,601,554.41	3,649,650.38	2,618,732.81
Total Liabilities, Equity & Other Credits	3,570,636.84	5,002,512.77	4,069,049.18	2,637,173.25

Balance Sheet

Selection Criteria: Fund = 3650, 3652, 3653

Layout Options: Summarized By = Fund; Page Break At = Fund

Fund 3653 -- Montecito Fire Land & Building

	Beginning Balance 7/1/2019	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 6/30/2020
Assets & Other Debits				
Assets				
0110 -- Cash in Treasury	6,328,822.22	115,287.26	81,737.39	6,362,372.09
0115 -- Treasury FMV Adjustment	22,456.85	43,811.82	22,033.67	44,235.00
0240 -- Interest Receivable	31,394.87	103,499.80	115,287.26	19,607.41
Total Assets	6,382,673.94	262,598.88	219,058.32	6,426,214.50
Total Assets & Other Debits	6,382,673.94	262,598.88	219,058.32	6,426,214.50
Liabilities, Equity & Other Credits				
Liabilities				
1010 -- Warrants Payable	0.00	62,161.49	62,161.49	0.00
1015 -- EFT Payable	0.00	19,568.19	19,568.19	0.00
1210 -- Accounts Payable	0.00	81,729.68	83,904.68	2,175.00
Total Liabilities	0.00	163,459.36	165,634.36	2,175.00
Equity				
2120 -- Fund Balance-Restricted	22,456.85	22,033.67	43,811.82	44,235.00
2140 -- Fund Balance-Assigned	6,328,822.22	0.00	50,982.28	6,379,804.50
2200 -- Fund Balance-Residual	31,394.87	1,466,587.16	1,435,192.29	0.00
Total Equity	6,382,673.94	1,488,620.83	1,529,986.39	6,424,039.50
Total Liabilities, Equity & Other Credits	6,382,673.94	1,652,080.19	1,695,620.75	6,426,214.50

Financial Status

Selection Criteria: Fund = 3650, 3652, 3653

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

Fund 3650 -- Montecito Fire Protection Dist

Line Item Account	6/30/2020 Fiscal Year Adjusted Budget	6/30/2020 Year-To-Date Actual	6/30/2020 Fiscal Year Variance	6/30/2020 Fiscal Year Pct of Budget
Revenues				
Taxes				
3010 -- Property Tax-Current Secured	16,813,000.00	16,807,493.70	-5,506.30	99.97 %
3011 -- Property Tax-Unitary	144,500.00	158,854.33	14,354.33	109.93 %
3015 -- PT PY Corr/Escapes Secured	0.00	-2,596.04	-2,596.04	--
3020 -- Property Tax-Current Unsecd	601,500.00	625,735.53	24,235.53	104.03 %
3023 -- PT PY Corr/Escapes Unsecured	0.00	12,262.39	12,262.39	--
3040 -- Property Tax-Prior Secured	0.00	870.25	870.25	--
3050 -- Property Tax-Prior Unsecured	21,500.00	86,597.25	65,097.25	402.78 %
3054 -- Supplemental Pty Tax-Current	315,500.00	330,527.94	15,027.94	104.76 %
3056 -- Supplemental Pty Tax-Prior	0.00	2,360.86	2,360.86	--
Taxes	17,896,000.00	18,022,106.21	126,106.21	100.70 %
Fines, Forfeitures, and Penalties				
3057 -- PT-506 Int, 480 CIOS/CIC Pen	0.00	1,933.24	1,933.24	--
Fines, Forfeitures, and Penalties	0.00	1,933.24	1,933.24	--
Use of Money and Property				
3380 -- Interest Income	180,000.00	156,760.16	-23,239.84	87.09 %
3381 -- Unrealized Gain/Loss Invstmnts	36,528.00	36,526.05	-1.95	99.99 %
3409 -- Other Rental of Bldgs and Land	20,000.00	12,900.00	-7,100.00	64.50 %
Use of Money and Property	236,528.00	206,186.21	-30,341.79	87.17 %
Intergovernmental Revenue-State				
3750 -- State-Emergency Assistance	500,000.00	559,720.49	59,720.49	111.94 %
4160 -- State Aid for Disaster	0.00	0.00	0.00	--
4220 -- Homeowners Property Tax Relief	79,500.00	77,742.66	-1,757.34	97.79 %
Intergovernmental Revenue-State	579,500.00	637,463.15	57,963.15	110.00 %

Financial Status

Selection Criteria: Fund = 3650, 3652, 3653

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

Fund 3650 -- Montecito Fire Protection Dist

Line Item Account	6/30/2020 Fiscal Year Adjusted Budget	6/30/2020 Year-To-Date Actual	6/30/2020 Fiscal Year Variance	6/30/2020 Fiscal Year Pct of Budget
Intergovernmental Revenue-Federal				
4476 -- Federal Emergency Assistance	250,000.00	183,469.61	-66,530.39	73.39 %
4610 -- Federal Aid for Disaster	0.00	0.00	0.00	--
Intergovernmental Revenue-Federal	250,000.00	183,469.61	-66,530.39	73.39 %
Charges for Services				
5105 -- Reimb for District Services	202,500.00	201,162.08	-1,337.92	99.34 %
Charges for Services	202,500.00	201,162.08	-1,337.92	99.34 %
Miscellaneous Revenue				
5768 -- Safety Member Reimbursement	65,000.00	67,014.99	2,014.99	103.10 %
5769 -- State Reimbursements	195,000.00	195,000.00	0.00	100.00 %
5894 -- Other-Payment for Damages	1,176,500.00	1,176,284.41	-215.59	99.98 %
5895 -- Other-Donations	0.00	1,250.00	1,250.00	--
5909 -- Other Miscellaneous Revenue	7,500.00	7,993.86	493.86	106.58 %
Miscellaneous Revenue	1,444,000.00	1,447,543.26	3,543.26	100.25 %
Revenues	20,608,528.00	20,699,863.76	91,335.76	100.44 %
Expenditures				
Salaries and Employee Benefits				
6100 -- Regular Salaries	8,961,100.00	8,226,295.58	734,804.42	91.80 %
6300 -- Overtime	175,000.00	160,015.54	14,984.46	91.44 %
6301 -- Overtime - Reimbursable	500,000.00	379,756.96	120,243.04	75.95 %
6310 -- Overtime - Constant Staffing	850,000.00	1,013,662.25	-163,662.25	119.25 %
6400 -- Retirement Contribution	2,838,500.00	2,824,115.37	14,384.63	99.49 %
6450 -- Supp Retirement Contribution	0.00	0.00	0.00	--
6550 -- FICA/Medicare	165,700.00	138,761.71	26,938.29	83.74 %
6600 -- Health Insurance Contrib	2,199,100.00	1,991,187.42	207,912.58	90.55 %
6700 -- Unemployment Ins Contribution	7,000.00	5,805.18	1,194.82	82.93 %

Financial Status

Selection Criteria: Fund = 3650, 3652, 3653

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

Fund 3650 -- Montecito Fire Protection Dist

Line Item Account	6/30/2020 Fiscal Year Adjusted Budget	6/30/2020 Year-To-Date Actual	6/30/2020 Fiscal Year Variance	6/30/2020 Fiscal Year Pct of Budget
6900 -- Workers Compensation	465,000.00	457,133.80	7,866.20	98.31 %
Salaries and Employee Benefits	16,161,400.00	15,196,733.81	964,666.19	94.03 %
Services and Supplies				
7030 -- Clothing and Personal	76,000.00	87,967.78	-11,967.78	115.75 %
7050 -- Communications	125,000.00	119,318.01	5,681.99	95.45 %
7060 -- Food	2,500.00	1,828.74	671.26	73.15 %
7070 -- Household Supplies	59,000.00	54,264.43	4,735.57	91.97 %
7090 -- Insurance	33,000.00	32,345.00	655.00	98.02 %
7120 -- Equipment Maintenance	38,500.00	49,799.88	-11,299.88	129.35 %
7200 -- Structure & Ground Maintenance	34,550.00	67,665.67	-33,115.67	195.85 %
7205 -- Fire Defense Zone	250,000.00	238,405.21	11,594.79	95.36 %
7322 -- Consulting & Mgmt Fees	2,000.00	1,310.00	690.00	65.50 %
7324 -- Audit and Accounting Fees	27,000.00	28,625.00	-1,625.00	106.02 %
7348 -- Instruments & Equip. < \$5000	89,000.00	83,973.14	5,026.86	94.35 %
7363 -- Equipment Maintenance	121,500.00	139,503.28	-18,003.28	114.82 %
7400 -- Medical, Dental and Lab	67,900.00	71,624.84	-3,724.84	105.49 %
7430 -- Memberships	14,000.00	15,670.23	-1,670.23	111.93 %
7450 -- Office Expense	27,500.00	41,388.09	-13,888.09	150.50 %
7460 -- Professional & Special Service	430,500.00	423,766.56	6,733.44	98.44 %
7507 -- ADP Payroll Fees	7,500.00	9,819.07	-2,319.07	130.92 %
7510 -- Contractual Services	126,500.00	130,327.91	-3,827.91	103.03 %
7530 -- Publications & Legal Notices	6,000.00	1,687.96	4,312.04	28.13 %
7540 -- Rents/Leases-Equipment	14,000.00	20,935.53	-6,935.53	149.54 %
7546 -- Administrative Expense	245,000.00	244,914.00	86.00	99.96 %
7580 -- Rents/Leases-Structure	9,500.00	9,466.50	33.50	99.65 %
7630 -- Small Tools & Instruments	14,000.00	14,977.59	-977.59	106.98 %
7650 -- Special Departmental Expense	25,500.00	-6,966.37	32,466.37	-27.32 %

Financial Status

Selection Criteria: Fund = 3650, 3652, 3653

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

Fund 3650 -- Montecito Fire Protection Dist

Line Item Account	6/30/2020 Fiscal Year Adjusted Budget	6/30/2020 Year-To-Date Actual	6/30/2020 Fiscal Year Variance	6/30/2020 Fiscal Year Pct of Budget
7671 -- Special Projects	38,000.00	24,382.95	13,617.05	64.17 %
7730 -- Transportation and Travel	35,000.00	39,490.61	-4,490.61	112.83 %
7731 -- Gasoline-Oil-Fuel	60,000.00	53,743.87	6,256.13	89.57 %
7732 -- Training	98,050.00	85,553.53	12,496.47	87.26 %
7760 -- Utilities	45,500.00	43,160.01	2,339.99	94.86 %
Services and Supplies	2,122,500.00	2,128,949.02	-6,449.02	100.30 %
Capital Assets				
8200 -- Structures&Struct Improvements	590,000.00	586,375.10	3,624.90	99.39 %
8300 -- Equipment	252,500.00	241,140.66	11,359.34	95.50 %
Capital Assets	842,500.00	827,515.76	14,984.24	98.22 %
Expenditures	19,126,400.00	18,153,198.59	973,201.41	94.91 %
Other Financing Sources & Uses				
Other Financing Uses				
7901 -- Oper Trf (Out)	440,000.00	440,000.00	0.00	100.00 %
Other Financing Uses	440,000.00	440,000.00	0.00	100.00 %
Other Financing Sources & Uses	-440,000.00	-440,000.00	0.00	100.00 %
Changes to Fund Balances				
Decrease to Restricted				
9797 -- Unrealized Gains	35,942.00	35,941.19	-0.81	100.00 %
Decrease to Restricted	35,942.00	35,941.19	-0.81	100.00 %
Increase to Restricted				
9797 -- Unrealized Gains	72,470.00	72,467.24	2.76	100.00 %
Increase to Restricted	72,470.00	72,467.24	2.76	100.00 %
Increase to Committed				
9850 -- Salary & Retirement Offset	1,000,000.00	1,000,000.00	0.00	100.00 %

Financial Status

Selection Criteria: Fund = 3650, 3652, 3653

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

Fund 3650 -- Montecito Fire Protection Dist

Line Item Account	6/30/2020 Fiscal Year Adjusted Budget	6/30/2020 Year-To-Date Actual	6/30/2020 Fiscal Year Variance	6/30/2020 Fiscal Year Pct of Budget
Increase to Committed	1,000,000.00	1,000,000.00	0.00	100.00 %
Changes to Fund Balances	-1,036,528.00	-1,036,526.05	1.95	100.00 %
Montecito Fire Protection Dist	5,600.00	1,070,139.12	1,064,539.12	19,109.63 %

Financial Status

Selection Criteria: Fund = 3650, 3652, 3653

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

Fund 3652 -- Montecito Fire Cap Outlay Res

Line Item Account	6/30/2020 Fiscal Year Adjusted Budget	6/30/2020 Year-To-Date Actual	6/30/2020 Fiscal Year Variance	6/30/2020 Fiscal Year Pct of Budget
Revenues				
Use of Money and Property				
3380 -- Interest Income	32,500.00	37,665.99	5,165.99	115.90 %
3381 -- Unrealized Gain/Loss Invstmnts	9,926.00	9,926.86	0.86	100.01 %
Use of Money and Property	42,426.00	47,592.85	5,166.85	112.18 %
Revenues	42,426.00	47,592.85	5,166.85	112.18 %
Expenditures				
Capital Assets				
8300 -- Equipment	1,595,000.00	1,447,296.88	147,703.12	90.74 %
Capital Assets	1,595,000.00	1,447,296.88	147,703.12	90.74 %
Expenditures	1,595,000.00	1,447,296.88	147,703.12	90.74 %
Other Financing Sources & Uses				
Other Financing Sources				
5910 -- Oper Trf (In)-General Fund	440,000.00	440,000.00	0.00	100.00 %
5919 -- Sale Capital Assets-Prsnl Prop	0.00	7,800.00	7,800.00	--
Other Financing Sources	440,000.00	447,800.00	7,800.00	101.77 %
Other Financing Sources & Uses	440,000.00	447,800.00	7,800.00	101.77 %
Changes to Fund Balances				
Decrease to Restricted				
9797 -- Unrealized Gains	5,420.00	5,418.20	-1.80	99.97 %
Decrease to Restricted	5,420.00	5,418.20	-1.80	99.97 %
Increase to Restricted				
9797 -- Unrealized Gains	15,346.00	15,345.06	0.94	99.99 %
Increase to Restricted	15,346.00	15,345.06	0.94	99.99 %

Financial Status

Selection Criteria: Fund = 3650, 3652, 3653

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

Fund 3652 -- Montecito Fire Cap Outlay Res

Line Item Account	6/30/2020 Fiscal Year Adjusted Budget	6/30/2020 Year-To-Date Actual	6/30/2020 Fiscal Year Variance	6/30/2020 Fiscal Year Pct of Budget
Changes to Fund Balances	-9,926.00	-9,926.86	-0.86	100.01 %
Montecito Fire Cap Outlay Res	-1,122,500.00	-961,830.89	160,669.11	85.69 %

Financial Status

Selection Criteria: Fund = 3650, 3652, 3653

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

Fund 3653 -- Montecito Fire Land & Building

Line Item Account	6/30/2020 Fiscal Year Adjusted Budget	6/30/2020 Year-To-Date Actual	6/30/2020 Fiscal Year Variance	6/30/2020 Fiscal Year Pct of Budget
Revenues				
Use of Money and Property				
3380 -- Interest Income	80,000.00	103,499.80	23,499.80	129.37 %
3381 -- Unrealized Gain/Loss Invstmnts	21,777.00	21,778.15	1.15	100.01 %
Use of Money and Property	101,777.00	125,277.95	23,500.95	123.09 %
Revenues	101,777.00	125,277.95	23,500.95	123.09 %
Expenditures				
Capital Assets				
8100 -- Land	200,000.00	3,785.50	196,214.50	1.89 %
8200 -- Structures&Struct Improvements	1,000,000.00	80,126.89	919,873.11	8.01 %
Capital Assets	1,200,000.00	83,912.39	1,116,087.61	6.99 %
Expenditures	1,200,000.00	83,912.39	1,116,087.61	6.99 %
Changes to Fund Balances				
Decrease to Restricted				
9797 -- Unrealized Gains	22,035.00	22,033.67	-1.33	99.99 %
Decrease to Restricted	22,035.00	22,033.67	-1.33	99.99 %
Increase to Restricted				
9797 -- Unrealized Gains	43,812.00	43,811.82	0.18	100.00 %
Increase to Restricted	43,812.00	43,811.82	0.18	100.00 %
Changes to Fund Balances	-21,777.00	-21,778.15	-1.15	100.01 %
Montecito Fire Land & Building	-1,120,000.00	19,587.41	1,139,587.41	-1.75 %
Net Financial Impact	-2,236,900.00	127,895.64	2,364,795.64	-5.72 %

Agenda

Item #5



STAFF REPORT

To: Montecito Fire Protection District Finance Committee
From: Kevin Taylor, Fire Chief *KT*
Prepared by: Araceli Nahas, Accountant *AN*
Date: August 19, 2020
Topic: Recommended Final Budget for Fiscal Year 2020-21

Summary

The proposed Final Budget is presented with some changes from the Preliminary Budget that was approved in June. We will review the proposed changes to all three funds: General Fund, Capital Reserves, and Land & Building.

This budget is presented to you during the COVID-19 public health emergency that has caused significant uncertainties globally and in our local market. We have considered the possible effects that this may have on District property tax revenues and investment returns in the next several years. We will continue to focus on our current priorities – community safety, firefighter health and safety, contractual labor obligations and capital improvements – while monitoring our budget progress frequently and presenting modifications as necessary.

Budget Summary

The following table provides an overview of the revenues and expenses for all three funds. The Land & Building fund will use existing funds to support the negative financial impact for the fiscal year.

	GENERAL FUND	CAPITAL RESERVES	LAND & BUILDING	TOTAL
PROPERTY TAXES	18,690,000	-0-	-0-	18,690,000
OTHER REVENUE	<u>1,439,000</u>	<u>507,500</u>	<u>95,000</u>	<u>2,041,500</u>
TOTAL REVENUE	20,129,000	507,500	95,000	20,731,500
SALARIES AND BENEFITS	17,212,000	-0-	-0-	17,212,000
SERVICES AND SUPPLIES	2,453,000	-0-	-0-	2,453,000
CAPITAL ASSETS	847,000	94,000	1,479,500	2,420,500
TRANSFERS	<u>475,000</u>	<u>-0-</u>	<u>-0-</u>	<u>475,000</u>
LESS: TOTAL EXPENSES	20,987,000	94,000	1,479,500	22,560,500
RELEASED FUNDS (INCOME)	<u>1,000,000</u>	<u>-0-</u>	<u>-0-</u>	<u>1,000,000</u>
NET FINANCIAL IMPACT	142,000	413,500	(1,384,500)	(829,000)

Discussion

The proposed Final Budget has been updated with anticipated revenues and expenses for fiscal year 2020-21, and it is presented along side the Preliminary Budget adopted in June, and actual figures from fiscal year 2019-20 for comparison purposes. Below are explanations for updates made to the proposed Final Budget (which appear in blue text on the budget documents).

General Fund Revenues

- 3010-3054 – Property Taxes Revenue: The preliminary assessed property tax value increased to 4.9% (from the 3.4% estimate provided in April). Accordingly, Secured property taxes were calculated using the new increase rate. All property tax line items were recalculated using last year’s actual numbers as the base. The total property tax increase from the prior year is \$668,000, or 3.7%.
- 3380 – Interest Income: Increased by \$30,000 to more closely reflect the income revenue from FY20.
- 3409 – Rental Property Income: Decreased by \$10,000 because the two existing properties will remain vacant until repairs are completed.
- 4310 – State Grant: Increased to \$150,000 because the District was awarded a Cal Fire grant for fire prevention work totaling \$450,000 over the next 3 years.
- 4610 – Federal Aid for Disaster: Increased to \$82,500 because the District expects to recover 75% of eligible COVID expenses through the FEMA Public Assistance program.

General Fund Expenditures – Salaries & Employee Benefits

- 6310 – Overtime (Staffing) – Increased by \$57,500 to support long-term vacancies that require overtime hires to meet minimum staffing needs.

General Fund Expenditures – Services and Supplies

Every expense line item has an “Operational” budget, which is the amount required to continue operating at the current level of service. Other descriptions are included to show one-time expenses presented for approval in the budget, and to provide detail on the line item funding fluctuations.

- 7050 - Communications: Increased by \$7,500 to support additional iPads/accessories for field operations.
- 7090 – Insurance: Increased by \$9,000 due to an increase in this year’s annual premium.
- 7120 – Equipment Maintenance: Increased by \$11,500 to match average actual expenses for the last two years.
- 7200 – Structure and Ground Maintenance: Increased by \$30,000 to support integration of the generator to the approved solar project.
- 7348 – Instruments & Equipment: Increased by \$42,000 for equipment needed to fully outfit the new E91 – these funds were carried over from last fiscal year.
- 7540 – Rents & Leases – Equipment: Increased to \$4,000 to support a new lease for the copy machine at Station 1.

Capital Reserves (Fund 3652) – This fund maintains reserves for vehicle and apparatus replacements based on a service schedule.

- 8300 – Capital Assets: Increased by \$14,000 to support the installation of the compressor on the mechanic’s vehicle (Repair 91) – these funds were carried over from last fiscal year.

Land & Building (Fund 3653) – This fund maintains reserves for additional station acquisitions, structure improvements and the rebuilding project on the rental unit.

- 3380 – Interest Income: Increased by \$15,000 to more closely reflect the income revenue from FY20.
- 8200 – Structures and Improvements: Increased by \$279,500 to support the infrastructure purchase for the approved solar project.

Reserves

Based on the Board-approved Reserve Policy that established reserve categories and identified the process for calculating each reserve, the following reserve levels are presented in the General Fund Final Budget for approval:

RESERVE CATEGORIES	RESERVES 7/1/20	LESS RESERVES AT 7/1/19	ADD'L RESERVES NEEDED
CATASTROPHIC EVENT	2,710,000	(2,768,000)	(58,000)
ECON. UNCERTAINTIES	<u>4,330,000</u>	<u>(4,110,000)</u>	<u>220,000</u>
TOTALS	7,040,000	(6,878,000)	162,000

Reserve levels are funded by transferring undesignated funds from the Residual Fund Balance and designating them to the Committed Fund Balance.

Conclusion

The Finance Committee has the option to make recommendations to the Board, prior to approval in September.

Attachments

1. Proposed Final Budgets for Fiscal Year 2020-21

Strategic Plan Reference

Strategic Plan Goal #9, Ensure Financial Accountability & Transparency

**Montecito Fire Protection District
Final Budget for Fiscal Year 2020-21**

FUND 3650 - GENERAL FUND

	Proposed Final Budget FY 2020-21	Preliminary Budget FY 2020-21	Difference from Prelim	Actuals FY 2019-20	Difference from Actual
REVENUES					
Property Taxes					
3010 Property Tax - Secured (4.9%)	\$ 17,631,000	\$ 17,384,500	\$ 246,500	\$ 16,807,494	\$ 823,506
3011 Property Tax - Unitary	159,000	144,500	14,500	158,854	146
3015 Property Tax - Escapes Secured	-	-	-	(2,596)	2,596
3020 Property Tax - Unsecured (4.9%)	669,500	643,500	26,000	625,736	43,764
3023 Property Tax - PY Corrections/Escapes	-	-	-	12,262	(12,262)
3040 Property Tax - Prior Secured	-	-	-	870	(870)
3050 Property Tax - Prior Unsecured	65,000	21,500	43,500	86,597	(21,597)
3054 Supplemental Property Tax - Current	165,500	158,000	7,500	330,528	(165,028)
3056 Supplemental Property Tax - Prior	-	-	-	2,361	(2,361)
Total Taxes Revenue	18,690,000	18,352,000	338,000	18,022,106	667,894
Fines, Forfeitures, and Penalties					
3057 Property Tax 506 Interest/480 Penalties	-	-	-	1,933	(1,933)
Total Use of Money and Property	-	-	-	1,933	(1,933)
Use of Money and Property					
3380 Interest Income	150,000	120,000	30,000	156,760	(6,760)
3381 Unrealized Gain/Loss Investments (County)	-	-	-	36,526	(36,526)
3409 Rental Property Income	10,000	20,000	(10,000)	12,900	(2,900)
Total Use of Money and Property	160,000	140,000	20,000	206,186	(46,186)
Intergovernmental Revenue - State					
3750 State-Emergency Assistance (Fire Asgmt)	500,000	500,000	-	559,720	(59,720)
4160 State Aid for Disaster	-	-	-	-	-
4220 Homeowners Property Tax Relief	79,500	79,500	-	77,743	1,757
4310 State Grant (Cal Fire - Prevention)	150,000	-	150,000	-	150,000
Total Intergovernmental Revenue - State	729,500	579,500	150,000	637,463	92,037

**Montecito Fire Protection District
Final Budget for Fiscal Year 2020-21**

FUND 3650 - GENERAL FUND

	Proposed Final Budget FY 2020-21	Preliminary Budget FY 2020-21	Difference from Prelim	Actuals FY 2019-20	Difference from Actual
Intergovernmental Revenue - Federal					
4476 Federal Emergency Assistance (Fire Asgmt)	250,000	250,000	-	183,470	66,530
4610 Federal Aid for Disaster (COVID)	<u>82,500</u>	-	<u>82,500</u>	-	<u>82,500</u>
Total Intergovernmental Revenue - Federal	332,500	250,000	82,500	183,470	149,030
Charges for Services					
5105 Reimbursement for District Services	<u>208,500</u>	<u>208,500</u>	-	<u>201,162</u>	<u>7,338</u>
Total Charges for Services	208,500	208,500	-	201,162	7,338
Miscellaneous Revenue					
5768 Safety Member Reimbursement	-	-	-	67,015	(67,015)
5769 State Reimbursements (911 system)	-	-	-	195,000	(195,000)
5894 Other - Payment for Damages	-	-	-	1,176,284	(1,176,284)
5894 Other - Donations	-	-	-	1,250	(1,250)
5909 Other - Miscellaneous Revenue	<u>8,500</u>	<u>8,500</u>	-	<u>7,994</u>	<u>506</u>
Total Miscellaneous Revenue	8,500	8,500	-	1,447,543	(1,439,043)
TOTAL REVENUES	<u><u>\$ 20,129,000</u></u>	<u><u>\$ 19,538,500</u></u>	<u><u>\$ 590,500</u></u>	<u><u>\$ 20,699,864</u></u>	<u><u>\$ (570,864)</u></u>

Montecito Fire Protection District Final Budget for Fiscal Year 2020-21

FUND 3650 - GENERAL FUND

EXPENDITURES

Salaries & Employee Benefits

	Proposed Final Budget FY 2020-21	Preliminary Budget FY 2020-21	Difference from Prelim	Actuals FY 2019-20	Difference from Actual
6100 Regular Salaries	\$ 8,464,000	\$ 8,464,000	\$ -	\$ 8,226,296	\$ 237,704
6300 Overtime	184,000	184,000	-	160,016	23,984
6301 Overtime - Fire Reimbursable	500,000	500,000	-	379,757	120,243
6310 Overtime - Constant Staffing	950,000	892,500	57,500	1,013,662	(63,662)
6400 Retirement Contributions	3,280,000	3,280,000	-	2,824,115	455,885
6450 Supp Retirement Contribution	1,000,000	1,000,000	-	-	1,000,000
6550 FICA/Medicare	152,000	152,000	-	138,762	13,238
6600 Insurance Contributions	2,126,000	2,126,000	-	1,991,187	134,813
6700 Unemployment Insurance	6,000	6,000	-	5,805	195
6900 Workers Compensation Insurance	550,000	550,000	-	457,134	92,866
Total Salaries & Employee Benefits	\$ 17,212,000	17,154,500	57,500	15,196,734	2,015,266

Services & Supplies

7030 Clothing and PPE	153,000	153,000	-	87,968	65,032
Operational	51,000	51,000			
Turnout sets	72,000	72,000			
Class A Uniforms	30,000	30,000			
7050 Communications	132,500	125,000	7,500	119,318	13,182
Operational	115,000	115,000			
iPads/accessories for field operations	17,500	10,000			
7060 Food	2,500	2,500	-	1,829	671
7070 Household Supplies	33,000	33,000	-	54,264	(21,264)
7090 Insurance: Liability/Auto/Prop.	42,000	33,000	9,000	32,345	9,655
7120 Equipment Maintenance	50,000	38,500	11,500	49,800	200
7200 Structure and Ground Maintenance	103,500	73,500	30,000	67,666	35,834
Operational	38,500	38,500			
Rental unit repairs (1259 EVR)	35,000	35,000			
Solar/generator integration	30,000	-			

**Montecito Fire Protection District
Final Budget for Fiscal Year 2020-21**

FUND 3650 - GENERAL FUND	Proposed Final Budget FY 2020-21	Preliminary Budget FY 2020-21	Difference from Prelim	Actuals FY 2019-20	Difference from Actual
7205 Fire Defense Zone (Hazard Mitigation)	250,000	250,000	-	238,405	11,595
7322 Consulting and Management Fees	2,000	2,000	-	1,310	690
7324 Audit and Accounting Fees	30,000	27,000	3,000	28,625	1,375
7348 Instruments & Equipment	132,000	90,000	42,000	83,973	48,027
Hose equipment and maintenance	6,000	6,000			
Rope rescue equipment and maint	69,000	69,000			
Dosimeters	6,500	6,500			
Blower	5,000	5,000			
RAWS unit upgrade	3,500	3,500			
New E91 Equipment	42,000	-			
7363 Equipment Maintenance (Vehicles)	140,000	140,000	-	139,503	497
Operational	80,000	80,000			
Mechanic shop tools/equipment	40,500	40,500			
Engine nozzles	10,000	10,000			
Truck lift gate	7,000	7,000			
Extrication tool mounts	2,500	2,500			
Emergency lighting and keystones	-	-			
7400 Medical & First Aid Supplies	83,000	83,000	-	71,625	11,375
Operational	43,000	43,000			
AEDs (10)	20,000	20,000			
Advanced life support equipment	20,000	20,000			
7430 Memberships	14,000	14,000	-	15,670	(1,670)
7450 Office Expense	84,500	84,500	-	41,388	43,112
Operational	27,500	27,500			
Office furniture - Prevention	17,000	17,000			
Computers	40,000	40,000			

**Montecito Fire Protection District
Final Budget for Fiscal Year 2020-21**

FUND 3650 - GENERAL FUND		Proposed Final Budget FY 2020-21	Preliminary Budget FY 2020-21	Difference from Prelim	Actuals FY 2019-20	Difference from Actual
7460	Professional and Special Services	460,500	460,500	-	423,767	36,733
	Operational	310,500	310,500			
	Debris Flow Risk Map update	60,000	60,000			
	Facilities Project Manager	20,000	20,000			
	Evacuation Analysis	50,000	50,000			
	Fire Station Location Study	20,000	20,000			
7507	ADP Payroll Fees	8,500	8,500	-	9,819	(1,319)
7510	Contractual Services	140,000	140,000	-	130,328	9,672
7530	Publications & Legal Notices	6,000	6,000	-	1,688	4,312
7540	Rents & Leases - Equipment	4,000	-	4,000	20,936	(16,936)
7546	Administrative Tax Expense	245,000	245,000	-	244,914	86
7580	Rents & Leases - Structure (Gibraltar)	9,500	9,500	-	9,467	34
7630	Small Tools & Instruments	14,000	14,000	-	14,978	(978)
7650	Special District Expense	65,500	65,500	-	(6,966)	72,466
	Operational (permits, fees, other)	25,500	25,500			
	Board Elections	15,000	15,000			
	Home Hardening Grant Program	25,000	25,000			
7671	Special Projects	17,500	17,500	-	24,383	(6,883)
	Prevention mailers	10,000	10,000			
	Public Education materials	7,500	7,500			
7730	Transportation and Travel	35,000	35,000	-	39,491	(4,491)
7731	Gasoline/Oil/Fuel	60,000	60,000	-	53,744	6,256
7732	Training	90,000	90,000	-	85,554	4,446
	Operational	80,000	80,000			
	New hire academy	10,000	10,000			
7760	Utilities	45,500	45,500	-	43,160	2,340
	Total Services & Supplies	2,453,000	2,346,000	107,000	2,128,949	324,051

**Montecito Fire Protection District
Final Budget for Fiscal Year 2020-21**

FUND 3650 - GENERAL FUND

		<u>Proposed Final Budget FY 2020-21</u>	<u>Preliminary Budget FY 2020-21</u>	<u>Difference from Prelim</u>	<u>Actuals FY 2019-20</u>	<u>Difference from Actual</u>
Capital Assets						
8200	Structures & Improvements	135,000	135,000	-	586,375	(451,375)
	Facility repairs: HVAC system, flooring	135,000	135,000			
8300	Equipment	712,000	712,000	-	241,141	470,859
	SCBA system replacement	617,000	617,000			
	Extractor	45,000	45,000			
	ALS equipment - cardiac monitor	30,000	30,000			
	Thermal imager cameras	20,000	20,000	-	-	-
	Total Capital Assets	847,000	847,000	-	827,516	19,484
	TOTAL EXPENDITURES	20,512,000	20,347,500	164,500	18,153,199	2,358,801
Other Financing Uses						
7901	Tfr To Capital Reserves Fund (3652)	475,000	475,000	-	440,000	35,000
	Total Other Financing Uses	475,000	475,000	-	440,000	35,000
Changes to Fund Balances						
Decrease to Restricted						
9797	Unrealized Gains (County)	-	-	-	35,941	(35,941)
	Decrease to Restricted	-	-	-	35,941	(35,941)
Increase to Restricted						
9797	Unrealized Gains (County)	-	-	-	72,467	(72,467)
	Increases to Restricted	-	-	-	72,467	(72,467)
Decrease to Committed Fund Balance						
9850	Salaries and Retirement Contribution	1,000,000	1,000,000	-	-	1,000,000
	Decreases to Committed	1,000,000	1,000,000	-	-	1,000,000

**Montecito Fire Protection District
Final Budget for Fiscal Year 2020-21**

FUND 3650 - GENERAL FUND

	Proposed Final Budget FY 2020-21	Preliminary Budget FY 2020-21	Difference from Prelim	Actuals FY 2019-20	Difference from Actual
Increase to Committed					
9850 Salary & Retirement offset	-	-	-	1,000,000	(1,000,000)
Increases to Committed	-	-	-	1,000,000	(1,000,000)
TOTAL CHANGES TO FUND BALANCES	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>	<u>(1,036,526)</u>	<u>1,036,526</u>
Net Financial Impact	<u>\$ 142,000</u>	<u>\$ (284,000)</u>	<u>\$ 426,000</u>	<u>\$ 1,070,139</u>	<u>\$ (1,354,139)</u>
Fund 3650 Fund Balance Detail					
Fund Balance - Nonspendable (County)	\$ 123,260	\$ 123,260	-	\$ 123,260	-
Fund Balance - Restricted (by County)	85,919	85,919	-	85,919	-
*Reserves: Catastrophic	2,710,000	2,768,000	(58,000)	2,768,000	(58,000)
*Reserves: Economic Uncertainties	4,330,000	4,110,000	220,000	4,110,000	220,000
Fund Balance - Committed (Pension)	-	-	-	1,000,000	(1,000,000)
Fund Balance - Unrestricted Residual	<u>4,526,937</u>	<u>4,262,937</u>	<u>264,000</u>	<u>4,546,937</u>	<u>(20,000)</u>
Projected Fund Balance at Year End	\$ 11,776,117	\$ 11,350,117	426,000	\$ 12,634,117	(858,000)

*Reserves Policy adopted as part of Capitol PFG Financial Analysis recommendations.

**Montecito Fire Protection District
Final Budget for Fiscal Year 2020-21**

FUND 3652 - CAPITAL RESERVES FUND	Proposed Final Budget FY 2020-21	Preliminary FY 2020-21	Difference from Prelim	Actuals FY 2019-20	Difference from Actual
REVENUES					
Use of Money and Property					
3380 Interest Income	\$ 32,500	\$ 32,500	\$ -	\$ 37,666	\$ (5,166)
3381 Unrealized Gain/Loss Investments (County)	-	-	-	9,927	(9,927)
Total Use of Money and Property	32,500	32,500	-	47,593	(15,093)
Other Financing Sources					
5910 Transfer from General Fund (3650)	475,000	475,000	-	440,000	35,000
Total Financing Sources	475,000	475,000	-	440,000	35,000
Other Financing Sources					
5919 Sale of Capital Assets	-	-	-	7,800	(7,800)
Total Other Financing Sources	-	-	-	7,800	(7,800)
TOTAL REVENUES	\$ 507,500	\$ 507,500	\$ -	\$ 495,393	\$ 12,107
EXPENDITURES					
Capital Assets					
8300 Equipment					
Vehicle (Battalion Chief 96)	\$ 80,000	\$ 80,000	\$ -	\$ -	\$ -
Vehicle compressor (Repair 91 - carryover)	14,000	-	14,000	-	-
Total Capital Assets	94,000	80,000	14,000	1,447,297	(1,353,297)
TOTAL EXPENDITURES	\$ 94,000	\$ 80,000	\$ 14,000	\$ 1,447,297	\$ (1,367,297)

Montecito Fire Protection District Final Budget for Fiscal Year 2020-21

FUND 3652 - CAPITAL RESERVES FUND	Proposed Final Budget FY 2020-21	Preliminary FY 2020-21	Difference from Prelim	Actuals FY 2019-20	Difference from Actual
Changes to Fund Balances					
Decrease to Restricted					
9797 Unrealized Gains (County)	-	-	-	5,418	(5,418)
Decrease to Restricted	-	-	-	5,418	(5,418)
Increase to Restricted					
9797 Unrealized Gains (County)	-	-	-	15,345	(15,345)
Increases to Restricted	-	-	-	15,345	(15,345)
TOTAL CHANGES TO FUND BALANCES	-	-	-	(9,927)	9,927
Net Financial Impact	\$ 413,500	\$ 427,500	\$ (14,000)	\$ (961,831)	\$ 1,389,331
Fund 3652 Fund Balance Detail					
Fund Balance - Restricted (by County)	18,161	18,161		18,161	
Fund Balance - Assigned	3,014,072	3,028,072		2,600,572	
Projected Fund Balance at Year End	3,032,233	3,046,233		2,618,733	

**Montecito Fire Protection District
Final Budget for Fiscal Year 2020-21**

FUND 3653 - LAND & BUILDING FUND*	Proposed Final Budget FY 2020-21	Preliminary FY 2020-21	Difference from Prelim	Actuals FY 2019-20	Difference from Actual
REVENUES					
Use of Money and Property					
3380 Interest Income	\$ 95,000	\$ 80,000	\$ 15,000	\$ 103,500	\$ (8,500)
3381 Unrealized Gain/Loss Investments (County)	-	-	-	21,778	(21,778)
Total Use of Money and Property	95,000	80,000	15,000	125,278	(30,278)
TOTAL REVENUES	\$ 95,000	\$ 80,000	\$ 15,000	\$ 125,278	\$ (30,278)
EXPENDITURES					
Capital Assets					
8100 Land	200,000	200,000	-	3,786	196,215
8200 Structures and Improvements					
Rental property rebuild	1,000,000	1,000,000	-	80,127	919,873
Solar project infrastructure	279,500	-	279,500	-	279,500
Total Capital Assets	1,479,500	1,200,000	279,500	83,912	1,395,588
TOTAL EXPENDITURES	\$ 1,479,500	\$ 1,200,000	\$ 279,500	\$ 83,912	\$ 1,395,588

**Montecito Fire Protection District
Final Budget for Fiscal Year 2020-21**

FUND 3653 - LAND & BUILDING FUND*	Proposed Final Budget FY 2020-21	Preliminary FY 2020-21	Difference from Prelim	Actuals FY 2019-20	Difference from Actual
Changes to Fund Balances					
Decrease to Restricted					
9797 Unrealized Gains (County)	-	-	-	22,034	(22,034)
Decrease to Restricted	-	-	-	22,034	(22,034)
Increase to Restricted					
9797 Unrealized Gains (County)	-	-	-	43,812	(43,812)
Increases to Restricted	-	-	-	43,812	(43,812)
TOTAL CHANGES TO FUND BALANCES	-	-	-	(21,778)	21,778
Net Financial Impact	\$ (1,384,500)	\$ (1,120,000)	\$ (264,500)	\$ 19,587	\$ (1,404,087)
Fund 3653 Fund Balance Detail					
Fund Balance - Restricted (by County)	44,235	44,235		44,235	
Fund Balance - Assigned	4,995,305	5,259,805		6,379,805	
Projected Fund Balance at Year End	5,039,540	5,304,040		6,424,040	

*Eastern Montecito property acquisition and fire station construction fund as recommended in the November 12, 2014 Standards of Coverage Study and Risk Assessment and adopted by the Board of Directors on January 21, 2015.

Agenda

Item #6

Montecito Fire Department Vehicle Replacement Schedule

Current Use	Vehicle ID License #	Years of Service	Upcoming Replacement	Upcoming Replacement Cost*	Future Replacement Date	Future Replacement Cost
Engines						
Engine 91	1185919	14,7	FY 34	1,079,000	FY 47	1,403,000
Engine 92	1315443	14,7	FY 23	875,000	FY 36	1,138,000
Engine 391	1446843	15	FY 35	650,000	FY 50	845,000
Engine 392	1371585	15	FY 28	616,000	FY 43	801,000
Squad 91	1327190	8	FY 22	230,000	FY 30	299,000
Engine 691	1471044	12	FY 26	201,500	FY 38	262,000
Engine 692	1392475	12	FY 28	215,000	FY 28	280,000
USAR 91	1170986	20	FY 24	408,000	FY 44	530,000
UTV 91	1502487		TBD			
Staff Vehicles						
Fire Chief 900	1442207	5	FY 25	81,500	FY 30	106,000
Division Chief 903	1393657	7	FY 22	80,000	FY 29	104,000
Battalion 93	1395128	10	FY 26	97,500	FY 36	127,000
Battalion 94	1395127	10	FY 26	97,500	FY 36	127,000
Battalion 95	1395794	10	FY 28	108,000	FY 38	140,500
Battalion 96	1324746	10	FY 21	80,000	FY 31	104,000
Prevention 94	1304944	10	FY 22	65,000	FY 32	84,500
Prevention 98	1591475	10	FY 30	71,500	FY 40	93,000
Prevention 99	1325319	10	FY 28	84,500	FY 30	110,000
Repair 91	1589419	10	FY 30	130,000	FY 30	169,000
Utility 91	1529911	10	FY 28	65,000	FY 38	84,500
Non-funded Vehicles**						
	Vehicle ID License #	Assignment Year				
Medic 91	1435723	FY 15				
Engine 191	1185919	FY 20				
Engine 192	039685	FY 09				
Utility 92	1529951	FY 18				
Utility 93	1303550	FY 18				
Utility 94	1442207	FY20				
Prevention 98 - reserve	1325319	To be excessed in 2020				
Repair 91 - reserve	1339160	To be excessed in 2020				

*Replacement costs are typically based on a 30% increase from the previous purchase price.

**Non-funded vehicles are usually replaced by existing vehicles, or donated.

Montecito Fire Department Vehicle Replacement Funding Schedule

Current Use	Vehicle ID	Date Purchased	Previous Purchase Cost	Yrs of Svc	Purchase Year	Projected Purchase Cost	Accumulated Funding June 30, 2020	FY21	FY22	FY23	FY24	FY25	FY26	FY27
Engines														
Engine 91	1576202	FY 20	830,000	14,7	FY 34	1,079,000	-	77,071	77,071	77,071	77,071	77,071	77,071	77,071
Engine 92	1315443	FY 09	580,000	14,7	FY 23	875,000	687,500	62,500	62,500	62,500	81,286	81,286	81,286	81,286
Engine 391	1446843	FY 20	440,000	15	FY 35	650,000	-	43,333	43,333	43,333	43,333	43,333	43,333	43,333
Engine 392	1371585	FY 13	365,000	15	FY 28	616,000	328,500	35,938	35,938	35,938	35,938	35,938	35,938	35,938
Squad 91	1327190	FY 14	151,500	8	FY 22	230,000	172,500	28,750	28,750	37,375	37,375	37,375	37,375	37,375
Engine 691	1471044	FY 14	155,000	12	FY 26	201,500	100,751	16,792	16,792	16,792	16,792	16,792	16,792	21,833
Engine 692	1392475	FY 16	165,000	12	FY 28	215,000	71,667	17,917	17,917	17,917	17,917	17,917	17,917	17,917
USAR 91	1170986	FY 04	291,000	20	FY 24	408,000	350,000	14,500	14,500	14,500	14,500	26,500	26,500	26,500
Engine 93 (Sta. 3, T1)	-	-	-	14,7	FY 24	875,000	560,000	78,750	78,750	78,750	78,750	-	-	-
UTV 91	1502487	FY18	20,000			-	-	-	-	-	-	-	-	-
Staff Vehicles														
Fire Chief 900	1590754	FY 20	62,500	5	FY 25	81,500	-	16,300	16,300	16,300	16,300	16,300	21,200	21,200
Division Chief 903	1393657	FY 15	50,000	7	FY 22	80,000	46,000	17,000	17,000	14,857	14,857	14,857	14,857	14,857
Battalion 93	1395128	FY 16	55,000	10	FY 26	97,500	39,000	9,750	9,750	9,750	9,750	9,750	9,750	12,700
Battalion 94	1395127	FY 16	75,000	10	FY 26	97,500	39,000	9,750	9,750	9,750	9,750	9,750	9,750	12,700
Battalion 95	1395794	FY 18	80,000	10	FY 28	108,000	21,600	14,050	14,050	14,050	14,050	14,050	14,050	14,050
Battalion 96	1324746	FY10	61,000	10	FY21	80,000	80,000	-	10,400	10,400	10,400	10,400	10,400	10,400
Prevention 94	1304944	FY 11	26,000	10	FY22	65,000	60,000	5,000	-	8,450	8,450	8,450	8,450	8,450
Prevention 98	1591475	FY 20	55,000	10	FY 30	71,500	-	7,150	7,150	7,150	7,150	7,150	7,150	7,150
Prevention 99	1529964	FY 18	84,500	10	FY 28	84,500	16,900	7,150	7,150	7,150	7,150	7,150	7,150	7,150
Repair 91	1589419	FY 20	100,000	10	FY 30	130,000	-	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Utility 91	1529911	FY18	61,000	10	FY 28	65,000	13,000	6,500	6,500	6,500	6,500	6,500	6,500	6,500

Total Funding	\$	2,586,418	481,200	486,600	501,532	520,318	453,568	458,468	469,410
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Account Reconciliation

Fund Balance at 6/30/20	\$	2,600,572
Outstanding Transfers In (+)		-
Outstanding Expenses (-)		
Repair 91 - Compressor	_____	14,000
	\$	2,586,572
Excess (Deficit) Funds		154