



**LIVERMORE-PLEASANTON FIRE DEPARTMENT
JOINT POWERS AUTHORITY BOARD OF DIRECTORS**

**Special Meeting Notice and Agenda
Monday, April 21, 2025
3:30 p.m.**

Livermore-Pleasanton Fire Department Headquarters
Fire Chief's Conference Room
3560 Nevada Street, Pleasanton, CA 94566

1. Call to Order
 - Roll Call
2. Public Comment – *Comments are limited to items listed on this agenda*
3. Approve meeting minutes of November 13, 2024
4. Forward a recommendation to the partner City Councils authorizing Livermore-Pleasanton Fire Department to join the Bay Cities Joint Powers Insurance Authority effective July 1, 2025
5. Adopt a resolution approving the proposed two-year operating budget for fiscal years 2025/26 and 2026/27 and forward a recommendation to the partner City Councils to approve this budget and accept the 2024 State Mandated Fire Inspection Report
6. Adjournment

Notice

Under Government Code §54957.5, any writings/documents regarding an open session item on this agenda provided to a majority of the Board after distribution of the agenda packet will be available for public inspection by emailing the City Clerk's Office, at pleasantoncityclerk@cityofpleasantonca.gov.

Accessible Public Meetings

To make a request for a disability-related modification or accommodation, please contact the Livermore-Pleasanton Fire Department at 3560 Nevada Street, Pleasanton, CA 94566 or (925) 454-2361 at the earliest possible time. If you need sign language assistance, please provide at least two working days' notice prior to the meeting date.



**LIVERMORE-PLEASANTON FIRE DEPARTMENT
JOINT POWERS AUTHORITY BOARD OF DIRECTORS
Wednesday, November 13, 2024
Minutes**

1. Call to Order and Roll Call

Chair Brown called the special meeting of the Board of Directors of the Livermore-Pleasanton Fire Department Joint Powers Authority (LPFD JPA) to order at the hour of 3:00 p.m.

Present: Pleasanton: Karla Brown, Jack Balch
 Livermore: John Marchand
Absent: Livermore: Brittnei Kiick

2. Public Comment

There being no speakers, Chair Marchand closed public comment.

3. Approve meeting minutes of April 30, 2024

It was m/s by Marchand/Balch to approve the minutes as submitted. The motion carried unanimously.

4. Forward a recommendation to the partner City Councils authorizing LPFD to give notice of withdrawal to California Joint Powers Risk Management Authority (CJPRMA), and to explore replacement liability coverage

Recommendation: Forward a recommendation to the partner City Councils to approve LPFD sending a Notice of Withdrawal to CJPRMA on or before December 31, 2024.

MOTION: It was m/s by Marchand/Balch to approve the item as recommended. The motion carried unanimously.

5. Adjournment – The meeting adjourned at 3:13 p.m.

Jocelyn Kwong, Pleasanton City Clerk



DATE: April 21, 2025

TO: Honorable JPA Board Members

FROM: Joint Executive Directors Beaudin and Burch
Fire Chief Testa
Assistant City Attorney Harryman

SUBJECT: FORWARD A RECOMMENDATION TO THE PARTNER CITY COUNCILS AUTHORIZING LIVERMORE PLEASANTON FIRE DEPARTMENT (LPFD) TO JOIN THE BAY CITIES JOINT POWERS INSURANCE AUTHORITY EFFECTIVE JULY 1, 2025

SUMMARY

On November 1, 2024, this Board forwarded a recommendation to the City Councils of Livermore and Pleasanton to withdraw from California Joint Powers Risk Management Authority (“CJPRMA”) and to explore replacement liability coverage. Both Councils approved the withdrawal in December 2024. Over the next three months, staff and a consultant identified and analyzed various options for LPFD for the upcoming program year which begins July 1, 2025. This report summarizes the various options and recommends that LPFD complete an application and join the Bay Cities Joint Powers Insurance Authority (BCJPIA) for General Liability, Auto Liability and Employment Practices Liability.

RECOMMENDATION

Staff recommends the Board review the information provided in this report and forward a recommendation to the City Councils authorizing LPFD to complete an application and join the Bay Cities Joint Powers Insurance Authority (BCJPIA). If the Board recommends approval, the City Council for Livermore will hear this matter at their April 28, 2025 meeting and the Pleasanton City Council will hear this matter at their May 6, 2025 meeting.

FISCAL STATEMENT

The primary reason why LPFD made the decision to leave CJPRMA was because of the negative net position of the pool, the recent implementation of assessments that applied to all members (even ones like LPFD with exceptional loss histories), and the anticipated future of large premium increases. For the

24/25 program year, LPFD paid \$702,262 in premiums to CJPRMA for general liability, auto liability, and employment practices coverage. The estimated premium from CJPRMA for 25/26 increased by 50% to \$1,050,000.

If the Board agrees with staff's recommendation to join the Bay Cities Joint Powers Insurance Authority (BCJPIA) the indication for General Liability is \$1,031,706 and \$91,279 for employment practices coverage for a total estimated premium of \$1,122,985. Staff recognizes that BCJPIA's estimates are approximately \$73,000 more than CJPRMA's estimates, but notes that the coverage offered by BCJPIA is superior (\$250k Self-Insured Retention ("SIR") for employment practices liability and \$1m for general and auto liability, compared to CJPRMA's SIR of \$1.5m for all claims. The financial health of each pool is also different with CJPRMA having a deficit of \$46m and BCJPIA having net equity of \$43m. (These differences are analyzed in more detail below.)

It is important to note that the figures that pools provide are considered "indications" or estimates of premiums. Pools are unable to provide final numbers until the insurance markets provide their figures, and then the pools confirm each member's selected SIR and finalize their budgets. This typically occurs in late May. Here, BCJPIA provided an indication based on what it would have cost LPFD to be a member during the 24/25 program year.

Taking a closer look at SIRs, note that by lowering the SIR for these coverages increases the premium amount because LPFD is transferring risk to the pool. In other words, LPFD would have less out of pocket costs should a claim arise because the pool covers the cost at lower levels, e.g., at \$1m and \$250,000 per incident rather than at \$1,500,000 per incident as was provided by CJPRMA. Staff also notes that there is considerable volatility in California's insurance markets at present, and some of the additional premium expenses may be related to this volatility in re-insurance markets, where excess coverage is calculated and provided for extraordinary and/or geographically diverse events. Finally, as discussed later in this report, staff anticipates that LPFD will have to pay assessments to CJPRMA even after it leaves the pool. Because no assessments have yet been imposed at this time, staff does not recommend budgeting any money for assessments for the 25/26 program year.

BACKGROUND

On July 1, 2018, LPFD joined the California Joint Powers Risk Management Authority (CJPRMA) to obtain coverage for general liability, auto liability, and employment practices liability. LPFD has coverage with CJPRMA that runs through June 30, 2025. In December 2024, the Cities of Livermore and Pleasanton approved withdrawal from CJPRMA and authorized staff to begin the process of finding replacement coverage for LPFD.

DISCUSSION

Staff from the City Attorney's Office in Pleasanton worked closely with consultant Jean Bonander to analyze replacement coverage options for LPFD, including other public-agency risk pools, excess insurance in the private market, and self-insurance. Because the upcoming program year begins July 1,

2025, it is important for LPFD to determine which pool it would like to join and to promptly move forward in finalizing its application.

Below is a summary of various options analyzed by staff and the consultant, including coverage in the commercial market, self-insurance, and numerous risk pools. Staff narrowed down the options to two pools (PRISM and BCJPIA) which are more thoroughly analyzed in the chart attached to this report.

Options not recommended:

- **Commercial Insurance:** The commercial insurance market can and has changed rapidly. Historically, there are dips in the market where private insurance may be less expensive for a public entity, but when the market hardens, premiums can rise significantly, and coverage can be canceled, sometimes with little notice. This disruption to local government insurance coverage happened in the 1980s when the commercial insurance market withdrew from insuring public agencies, purportedly due to natural disaster damage to civic infrastructure, which resulted in the creation of the risk pools we see today.

Risk pools are consistent, more predictable, and more adaptable, e.g., public agencies can determine how much risk the combined agencies wish to assume, and can design coverage to mitigate those risks, such as inverse condemnation. In addition, local agency pools provide services geared towards public agencies, e.g., claims administrators, litigation managers, training in changes in law, best practices, contract and insurance review that are best provided by expert consultant staff on an as needed basis rather than by permanent full-time employees of each organization.

- **Self-Insurance:** Staff explored whether it would make sense to have LPFD fully self-insure its liabilities (general, auto, and employment). We reached out to Bickmore Actuarial and were advised that in spite of LPFD's history of very low claims and costs, "pricing for risk without any excess coverage would theoretically need to be at a very high confidence level (maybe 99%) to cover the cost of a catastrophic claim or claims. With nuclear verdicts and social inflation currently running rampant in California, it could be within the realm of possibility that a claim in this category could reach \$40 or \$50 million." This means that the two cities (Livermore and Pleasanton) would need to quickly set aside up to \$50 million to account for the possible claim payment. The cities are currently unable to commit such a sizable amount to be fully self-insured, and consequently, staff determined that self-insurance is not a financially feasible option.
- **Fire Risk Management Services (FRMS):** This pool only provides workers comp and employee health coverage. It does not offer general liability, so we removed it from consideration.
- **Fire Agencies Insurance Risk Authority (FAIRA):** This fire-agency pool has over one hundred members and LPFD would have no representation on the Board. The FAIRA board of directors is comprised of fire chiefs only, where other pools typically have more diversified board representing the full array of local government services, e.g., the BCJPIA board is represented by

city managers, city attorneys, finance directors, human resources directors, etc. which allows for broad expertise.

- **Golden State Risk Management Authority (GSRMA):** This pool is comprised of more than 325 members, including cities, one county, community service districts, school districts, cemetery districts, fire districts, and other special districts. For general liability, GSRMA has first-dollar coverage and their in-house staff controls and processes all claims. This is vastly different than what LPFD has had in the past and is different from how most other pools work. Also, GSRMA attaches to PRISM which results in differences in how claims would be managed, and the attachment point between GSRMA and PRISM would provide unnecessary complications in managing coverage for LPFD. Because GSRMA has first-dollar coverage (i.e., no deductible) and attaches to PRISM, staff spent more time analyzing PRISM as a potential pool with SIRs at \$500k or \$750k. See the analysis below and in Attachment 1.
- **Special District Risk Management Authority (SDRMA):** This pool has too broad of a membership, consisting of housing trusts, reclamation districts, watershed authorities, courthouses, community services districts, sanitary districts, flood management agencies, emergency radio authority, etc. LPFD would be an anomaly agency in this pool. Representative of its smaller and less noticeable agencies, SDRMA has dollar one coverage whereas staff recommends that LPFD maintain a higher SIR (around \$750k).
- **Authority for California Cities Excess Liability (ACCEL):** This is a pool with thirteen cities, most of them are very large, with one member, the City of Anaheim, having a payroll of over \$350m. While we believe this is a well-run and financially sound pool, the pool manager told staff that ACCEL has never approved having a district become a member. Further, the minimum SIR offered is \$1m and staff believes LPFD should maintain an SIR between \$500k and \$750k.
- **Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA):** This pool was formed under the auspices of the Association for Bay Area Governments (ABAG) and has only municipalities as members (28 cities). While PLAN JPA appears to be a viable pool for several Bay Area cities and towns, their leadership did not appear interested in entertaining an application from a two-city JPA. Staff was unable to confirm whether an application from LPFD would be welcome and/or would be effectively analyzed by LPFD's coverage deadline of July 1, 2025. Finally, PLAN JPA funds at a 65% confidence level and they have experienced an unfavorable loss run which affects the financial health of the pool.
- **CJPRMA:** As you know, the Board and Councils previously approved leaving this pool due primarily to the pool's loss-run history and its poor financial health. We also anticipated that premiums would continue to increase significantly and that more assessments would be levied against members.

CJPRMA estimates that premiums for 2025/2026 will increase by 50%. If LPFD were to stay another year in CJPRMA, the estimated premium is \$1,050,000. BCJPIA's estimated premium (addressed in detail below) is \$1,122,985. While the total premiums to CJPRMA are

approximately \$73,000 less than BCJPIA's estimate, the SIRs for CJPRMA are significantly higher than BCJPIA's. In other words, for less than \$100k, LPFD will get significantly better coverage because CJPRMA's coverage requires LPFD to pay up to \$1.5m on any loss (general, auto, and employment liability while BCJPIA has a \$250k for losses related to employment practices liability and a \$1m SIR for general and auto liability losses. Moreover, CJPRMA has a current deficit of \$46m which means that more assessments are likely to be imposed on members. In contrast, BCJPIA has a positive net position of \$43m.

Regarding assessments, LPFD is expected to be subject to post-membership assessments for the seven years that LPFD has been a member of this pool. Staff received an estimate of \$736,000 for assessments that could be imposed on LPFD. This is due to CJPRMA's current deficit of \$46m and the fact that LPFD makes up 1.6% of CJPRMA's current payroll. If CJPRMA's deficit continues to increase, then LPFD's assessments will also increase above the \$736k estimate. Finally, if LPFD decided to stay another year with CJPRMA, it would be exposing itself to another potential year of assessments. For all of these reasons, staff is recommending that LPFD join BCJPIA.

Options Considered for Recommendation (Details in Attachment 1):

- **Public Risk, Innovation, Solutions and Management (PRISM):** This pool offers coverage primarily for California counties (55 of the 58 counties in the state are members). In 2001, PRISM began accepting applications from cities, educational organizations, special districts, housing authorities and JPAs. PRISM has approximately 300 members and also provides coverage to about 2,000 subsets of its member agencies. PRISM's initial non-binding, low range premium estimates start at about \$1.8 million for a \$750K SIR, then rise to about \$2 million for a \$500K SIR (followed by a \$3.6M premium for a \$250K SIR). PRISM also provided a high range of about 10% more in premium for each of these categories. Finally, staff notes that PRISM provides \$25M per occurrence coverage, which BCJPIA, the other pool under consideration, offers \$34.5M in coverage.

If LPFD chose to join PRISM, it would be among the smaller of its member agencies and would be unlikely to have a seat on the Board of Directors. While the range of services offered would be acceptable, LPFD would likely have little influence over service delivery and attention to the nuances of its claims, litigation strategies, or other elements of the management of its services.

Finally, staff notes that the cities of Sausalito and Stockton, both cities with troubled loss histories that resulted in being expelled from other risk pools, have been offered membership with PRISM. Perhaps a pool as large as PRISM is more comfortable with a higher level of risk-related issues engendered by its member agencies. However, this membership practice of accepting higher risk entities may be uncomfortable for other agencies with lower risk histories such as LPFD.

- **Bay Cities Joint Powers Insurance Authority (BCJPIA):** This pool offers coverage to 20 cities, towns, and JPAs primarily in the Bay Area, including the City of Pleasanton. With BCJPIA, LPFD would have a seat on the Board which allows LPFD to be an active participant in coverage and

liability issues, membership determinations, calculations of experience modifications, the setting and use of reserves and dividend calculations and distributions, etc. If BCJPIA is selected, staff is already well versed in BCJPIA's practices, and the learning curve and time commitment would be minimal. When LPFD was a member of BCJPIA, the City Attorney's Office for Pleasanton served on the board as a representative for both Pleasanton and LPFD and would resume that role.

BCJPIA's initial non-binding premium estimate (which is based on what LPFD would have paid in the current program year) is approximately \$1.15 million for a \$750K SIR, and \$1,031,706 for a \$1m SIR. Staff is recommending a \$1m SIR. (BCJPIA notes that should LPFD continue its historic low loss history, LPFD's experience modification factor would continue to reduce, thereby providing greater financial benefit in future years. The experience modification factor utilizes five years of losses with the larger loss from 2019 dropping out of the calculation in 2026/27). In addition to the GL coverage estimated premium shown above, LPFD would also join the Employment Risk Management Authority (ERMA), a separate and related entity to BCJPIA, for employment practices liability (EPL) coverage. Estimated premiums for this coverage range from \$138,422 per year with a \$100K SIR to \$91,279 per year with a \$250K SIR with \$1m maximum coverage. Staff recommends the \$250k SIR for EPL.

In conclusion, staff recommends that LPFD join BCJPIA. The total estimated premiums for 25/26 are \$1,122,985 (compared to CJPRMA's estimated total of \$1,050,000 which comes with significantly higher SIR exposure, \$10m less in maximum coverage, plus anticipated additional assessments if LPFD remains in the pool another year.)

CONCLUSION

Staff recommends the Board forward a recommendation to the partner City Councils to authorize LPFD to complete the application process and join BJCPIA beginning with the 2025/26 program year.

ATTACHMENTS

1. Attachment 1: Chart comparing BCJPIA and PRISM
2. Resolution No. 2025-01: A Resolution Authorizing the Livermore Pleasanton Fire Department (LPFD) to complete the application process and join the Bay Cities Joint Powers Insurance Authority (BCJPIA)

ATTACHMENT 1---COMPARISON CHART OF PRISM & BCJPIA

Risk Pool	PRISM (GL1)	BCJPIA																							
Membership / Size of pool	<p>All public entity types with 130 members spread over the state, including counties, municipalities, schools, and JPAs</p> <p>The total payroll for all members is around \$9B with \$2.3B in premiums paid.</p>	<p>20 Bay Area Members (18 cities/towns, 1 police authority, 1 fire authority)</p> <p>Total payroll for all members is around \$575m with \$43m in premiums paid.</p>																							
Board Representation	<p>PRISM is governed by a 62-member Board of Directors, composed of one representative from each member county and seven members elected by the public entity membership. LPFD would be unlikely to have any direct board representation and limited indirect representation based on its size and the overall size of the pool.</p>	<p>There are 20 members; all members have a seat on board with equal voting (one vote per member), so LPFD would have direct representation.</p>																							
Member Services	<p>There is no litigation manager or third-party claims adjuster.</p> <p>PRISM has a risk control department with 8 employees focusing on different areas of risk. PRISM has a vast vendor partner library with free and paid services. Services are generally provided when requested by members. All PRISM clients also receive services from Alliant as their broker representative.</p>	<p>Litigation Manager (Sedgwick) provides oversight of litigated claims</p> <p>Third-Party Claims Adjuster (AIMS) to oversee or handle all claims</p> <p>Risk control resources (Sedgwick), e.g., contract and insurance review, training online and in person</p>																							
Net Position/Equity	<p>Net position for General Liability (GL) as of 6/30/24 was negative \$8.2m. GL includes Employee Practices Liability (EPL) and Auto liability.</p> <p>Total net position is \$221m.</p> <table border="1"> <thead> <tr> <th rowspan="2">Program</th> <th colspan="2">Target Equity Range (in millions)</th> <th>Program Net Position (in millions)</th> </tr> <tr> <th>Low</th> <th>High</th> <th>As of June 30, 2024</th> </tr> </thead> <tbody> <tr> <td>Primary Workers' Compensation</td> <td>\$7.6</td> <td>\$41.0</td> <td>\$55.5</td> </tr> <tr> <td>Excess Workers' Compensation</td> <td>33.6</td> <td>109.9</td> <td>28.8</td> </tr> <tr> <td>General Liability 1</td> <td>126.1</td> <td>137.9</td> <td>(8.2)</td> </tr> <tr> <td>Medical Malpractice</td> <td>11.1</td> <td>23.8</td> <td>22.9</td> </tr> </tbody> </table>	Program	Target Equity Range (in millions)		Program Net Position (in millions)	Low	High	As of June 30, 2024	Primary Workers' Compensation	\$7.6	\$41.0	\$55.5	Excess Workers' Compensation	33.6	109.9	28.8	General Liability 1	126.1	137.9	(8.2)	Medical Malpractice	11.1	23.8	22.9	<p>Net Position for General Liability \$20,823,632. (GL includes auto.)</p> <p>Total net position is \$42,981,559.</p>
Program	Target Equity Range (in millions)		Program Net Position (in millions)																						
	Low	High	As of June 30, 2024																						
Primary Workers' Compensation	\$7.6	\$41.0	\$55.5																						
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Medical Malpractice	11.1	23.8	22.9																						
Dividends & Assessments	<p>Must be in program for 3 years before eligible for dividends or assessments. Dividends and assessments are based on each member's percentage of participation over the prior ten years. Dividends and assessments are based on overall PRISM financials, not tracked by program/program year participation.</p> <p>Withdrawn members are not eligible for dividends but are required to pay any assessments.</p>	<p>Dividends are based on each member's percentage of participation in the program years from which the dividend is to be released.</p> <p>Assessments may be levied once it is actuarially determined that a Program Year is not adequately funded and are based on each member's percentage of participation in the program year that is</p>																							

ATTACHMENT 1---COMPARISON CHART OF PRISM & BCJPIA

	PRISM has not had assessments in their GL1 programs during the last ten years.	being assessed. BCJPIA has not issued any assessments in the past 10 years. Withdrawn members are eligible for dividends and are also responsible for assessments. Dividends were eligible to be released, but the Board voted to retain the funds due to hardening insurance market.
Confidence Level	Funds at 85%	Funds at 80%
SIR Reimbursement Coverage	Coverage is determined at the conclusion of a claim or lawsuit; Not a duty to defend coverage so member gets reimbursed for costs at the conclusion of a matter.	Duty to defend and pay for claims starts from \$0 with member reimbursing as the matter progresses until it reaches member's SIR. Coverage is determined by coverage counsel in situations where coverage may be unclear.
Employment Practices Liability (EPL)	Broad EPL coverage but there is a potential coverage gap when date of loss placed in last Memorandum Period if primary Memorandum of Coverage places date of loss in first Memorandum Period.	No EPL Coverage provided. Most BCJPIA Members participate in a separate pool, the Employment Risk Management Authority (ERMA) for EPL coverage. ***If LPFD joins BCJPIA, staff will analyze whether to add the LPFD employees to the City of Pleasanton's EPL policy (since all LPFD employees are considered Pleasanton employees.) With CJPRMA, LPFD had EPL coverage, but with a very high SIR (\$750k). LPFD may see some cost savings but it is too early to tell.
2024/25 Coverage Limits	\$25M through PRISM GL1 There is an option to purchase additional insurance up to \$50m through the Optional Excess Liability program.	BCJPIA covers the first \$1m then attaches to CARMA up to \$9m and then reinsurance to \$34.5m) ERMA max is \$1m with option to purchase excess to \$4m
Self-Insured Retention Options	\$10k, \$25k, \$50k, \$100k, \$200k, \$250k, \$300k, \$350k, \$500k, \$750k, \$1M	\$5k, \$10k, \$25k, \$100k, \$250k, \$500k, \$750k
Premium Indications	General Liability (covers GL, Auto, and EPL): \$500k SIR---\$2,023,000 to \$2,184,000 \$750k SIR---\$1,810,000 to \$1,956,000 Note that the premiums above are for maximum coverage up to \$24.5m (compared to a maximum of \$34.5m with BCJPIA.) Also, the SIR for EPL would be \$750k versus a lower SIR of \$250k quoted by BCJPIA.	General Liability (covers GL and auto): \$500k GL---\$1,257,900 \$750 GL---\$1,140,800 \$1m GL---\$1,031,706 Employment Practices Liability (EPL) \$100k SIR---\$138,422 \$250k SIR---\$91,279

RESOLUTION NO. LPFD 2025-01

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LIVERMORE-
PLEASANTON FIRE DEPARTMENT JOINT POWERS AUTHORITY, FORWARDING
A RECOMMENDATION TO THE PARTNER CITY COUNCILS TO AUTHORIZE LPFD
TO JOIN THE BAY CITIES JOINT POWERS INSURANCE AUTHORITY EFFECTIVE
JULY 1, 2025**

WHEREAS, the cities of Livermore and Pleasanton formed a Joint Powers Authority to provide fire protection services; and

WHEREAS, the Livermore-Pleasanton Fire Department Joint Powers Authority Board approved the Amended and Restated Livermore-Pleasanton Fire Department Joint Powers Authority Agreement dated February 12, 2018; and

WHEREAS, the Amended and Restated Livermore-Pleasanton Fire Department Joint Powers Authority Agreement requires adjustments to insurance coverage to be approved by the JPA Board and recommended to the city councils for Livermore and Pleasanton.

**NOW, THEREFORE, BE IT RESOLVED THAT THE LIVERMORE-PLEASANTON
FIRE DEPARTMENT JOINT POWERS AUTHORITY DOES DECLARE, DETERMINE, AND
ORDER THE FOLLOWING:**

Section 1: Forward a recommendation to the partner City Councils to authorize LPFD to join the Bay Cities Joint Powers Insurance Authority for the program year effective July 1, 2025.

Section 2: This resolution shall become effective immediately upon its passage and adoption.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Livermore-Pleasanton Fire Department Joint Powers Authority at a meeting held on April 30, 2024.

I, Jocelyn Kwong, Clerk of the Board for the Livermore-Pleasanton Fire Department Joint Powers Authority, certify that the foregoing resolution was adopted by the Board of Directors at a meeting held on April 21, 2025, by the following vote:

Ayes:
Noes:
Absent:
Abstain:

Jocelyn Kwong, Clerk

APPROVED AS TO FORM:

Daniel G. Sodergren, Legal Counsel



DATE: April 21, 2025

TO: Honorable JPA Board Members

FROM: Joint Executive Directors
Fire Chief

SUBJECT: ADOPT A RESOLUTION APPROVING THE PROPOSED TWO-YEAR OPERATING BUDGET FOR FISCAL YEARS 2025/26 AND 2026/27 AND FORWARD A RECOMMENDATION TO THE PARTNER CITY COUNCILS TO APPROVE THIS BUDGET AND ACCEPT THE 2024 STATE MANDATED FIRE INSPECTION REPORT

SUMMARY

Staff are presenting for the Board's consideration the proposed two-year operating budget for the Livermore-Pleasanton Fire Department for Fiscal Years 2025/26 and 2026/27. All JPA shared costs related to personnel, maintenance, materials, goods, services, and asset management are included in the Operating Budget.

RECOMMENDATION

Staff recommend the Board adopt a resolution approving this report, and forward a recommendation to the partner City Councils, to approve the two-year LPFD Operating Budget for Fiscal Years 2025/26 and 2026/27 and accept the 2024 State Mandated Fire Inspection Report.

FISCAL STATEMENT

Fiscal Year 2025/26

The proposed LPFD Operating Budget for Fiscal Year 2025/26 is \$56,288,834. This is an increase of \$1,255,268 (2.3%) over the budget for the Fiscal Year 2024/25 of \$55,033,566. The Fiscal Year 2024/25 budget included \$565,000 of one-time expenditures. The Fiscal Year 2024/25 budget also included \$1,000,000 carried forward from Fiscal Year 2023/24 for the Station Alerting Project.

Fiscal Year 2026/27

The proposed LPFD Operating Budget for Fiscal Year 2026/27 is \$56,935,508, an increase of 1.2% over Fiscal Year 2025/26.

	FY 2024/25 Adopted	INCREASE (DECREASE)	FY 2025/26 Proposed	FY 2026/27 Proposed
PERSONNEL SERVICES (SALARY & BENEFITS)	47,488,361	1,773,614	49,261,975	50,006,687
SERVICES & SUPPLIES	5,193,755	1,146,654	6,340,409	6,241,371
EQUIPMENT REPLACEMENT	786,450 1,000,000	-100,000 -1,000,000	686,450 0	687,450 0
ONE-TIME EXPENDITURES	565,000	-565,000	0	0
TOTAL EXPENDITURES	55,033,566	1,255,268	56,288,834	56,935,508

Drivers of significant changes are outlined below.

- Personnel Services increases are due to:
 - o Contractual increases
 - o Health insurance premiums
 - o CalPERS increases for Safety & Misc
- Services & Supplies increases are due to:
 - o Cost of Services – Cost Allocation Plan updated
 - o Insurance
 - o Contract Services – PFAS investigation, remediation, and monitoring

Cost increases to Personal Protective Equipment (PPE), materials, equipment, and software will be absorbed in the existing budget.

BACKGROUND

On April 18, 2023, the JPA Board received and filed the Two-Year Operating Budget for the LPFD for the Fiscal Years 2023/24 and 2024/25. The JPA Board approved a mid-year adjustment for Fiscal Year 2024/25 on April 17, 2024. Staff are presenting this two-year operating budget for the Board’s consideration in accordance with the Joint Powers Authority governing document.

DISCUSSION

The proposed two-year budget forecasts minimal increases. These increases are due to contractually obligated personnel costs, the cost of services to the JPA for city-provided services,

and insurance premiums. The JPA Attorney has worked to secure participation in a different insurance pool to lower premiums. Staff continue to explore all options to increase efficiency, reduce costs, and increase cost recovery. Wage increases are not included in the proposed budget since negotiations have not been finalized with IAFF and the Battalion Chiefs. A supplemental appropriation will be presented to both city councils when the MOU is approved.

In 2021, LPFD adopted its Strategic Plan. This Strategic Plan guides the actions and priorities for the Livermore-Pleasanton Fire Department (LPFD). The goals cover a broad range of important initiatives intended to position the department well for a five-year period. Many of the objectives and strategies within this Plan require personnel and funding to implement. The multi-year goals of the Strategic Plan include:

- Goal A: Services
- Goal B: Public Information and Community Engagement
- Goal C: Workforce and Training
- Goal D: Facilities and Equipment
- Goal E: Communications and Administration

Significant work has been done to better align the department's budget with operational needs, while focusing on Strategic Plan initiatives. The costs of high-priority items, specifically insurance, personal protective equipment (PPE), training materials, software, and equipment, continue to increase. Using consultants is necessary to progress with Strategic Plan initiatives, without adding full-time employees. During the next two-year budget cycle, LPFD staff will be preparing a new, 5-year Strategic Plan.

PLEASANTON FISCAL CHALLENGES & POTENTIAL REDUCTIONS

The City of Pleasanton faces an ongoing structural fiscal deficit. The City identified a need for approximately \$10M to \$12M in ongoing General Fund reductions in the next two fiscal years to address this challenge. The City departments and the LPFD JPA provided program and service reduction considerations to address the deficit. The Pleasanton City Council provided input on the proposed reductions at its Budget Workshops on April 8th and 10th, 2025. For LPFD, this includes:

1. Freeze the Emergency Preparedness Manager position (currently vacant).
2. Freeze the Fire Marshal position (currently filled).
3. Reduce the use of consultants.

Due to the structure of the LPFD JPA, Pleasanton would realize 50% of the savings noted above. The budget presented does not include the recommended reductions. If approved, the budget will be adjusted. Questions related to the proposed reductions will be addressed at the JPA Board meeting.

In addition to the annual adoption of the budget, staff are required to present to the Board the annual SB 1205 inspection completion report. SB 1205 requires that the JPA report inspection completion rates of certain higher risk to life safety occupancy types. The Livermore-Pleasanton Fire Department completed all of the 286 inspections, resulting in 100% compliance as required by HSC §13146.4.

CONCLUSION

Staff recommends that the Board adopt a resolution approving this report and forward a recommendation to the partner City Councils to approve the two-year budget for Fiscal Years 2025/26 and 2026/27. The City of Pleasanton is currently facing significant fiscal challenges. Budget reduction options have been provided. Any reductions will be agreed to by both cities to minimize service impacts.

ATTACHMENTS

1. Resolution
2. Livermore-Pleasanton Fire Department FY 2025/26 & FY 2026/27 Budget Summary
3. 2024 State Mandated Fire Inspections Report

RESOLUTION NO. LPFD 2025-02

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LIVERMORE-
PLEASANTON FIRE DEPARTMENT JOINT POWERS AUTHORITY, APPROVING
THE OPERATING BUDGET FOR FISCAL YEARS 2025/26 AND 2026/27 AND
FORWARDING A RECOMMENDATION TO THE PARTNER CITY COUNCILS TO
APPROVE THE TWO-YEAR BUDGET**

WHEREAS, the cities of Livermore and Pleasanton formed a Joint Powers Authority to provide fire protection services; and

WHEREAS, the Livermore-Pleasanton Fire Department Joint Powers Authority Board approved the Amended and Restated Livermore-Pleasanton Fire Department Joint Powers Authority Agreement dated February 12, 2018; and

WHEREAS, the Amended and Restated Livermore-Pleasanton Fire Department Joint Powers Authority Agreement requires the Fire Chief to present the budget to the JPA Board for its consideration and approval.

**NOW, THEREFORE, BE IT RESOLVED THAT THE LIVERMORE-PLEASANTON
FIRE DEPARTMENT JOINT POWERS AUTHORITY BOARD DOES DECLARE, DETERMINE,
AND ORDER THE FOLLOWING:**

Section 1: Approve the two-year operating budgets for the Fiscal Years 2025/26 and 2026/27 and forward a recommendation to the partner City Councils to approve this two-year budget.

Section 2: This resolution shall become effective immediately upon its passage and adoption.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Livermore-Pleasanton Fire Department Joint Powers Authority at a meeting held on April 21, 2025.

I, Jocelyn Kwong, Clerk of the Livermore-Pleasanton Fire Department Joint Powers Authority, certify that the foregoing resolution was adopted by the Board of Directors at a meeting held on the 21st day of April 2025, by the following vote:

Ayes:
Noes:
Absent:
Abstain:

Jocelyn Kwong, Clerk

APPROVED AS TO FORM:

Daniel G. Sodergren, Legal Counsel

LPFD FY 2026-27 BUDGET SUMMARY

**FY 2026-27
BUDGET SUMMARY**

	FY 2024-25 REVISED BUDGET	FY2025-26 PROPOSED BUDGET	FY 2026/27 PROPOSED BUDGET
PERSONNEL (SALARY & BENEFITS)	47,488,361	49,261,975	50,006,687
SERVICES & SUPPLIES	5,183,755	6,340,409	6,241,371
EQUIPMENT REPLACEMENT	786,450	686,450	687,450
ONE-TIME EXPENDITURES	565,000	0	0
TOTAL EXPENDITURES	\$ 54,023,566.00	\$ 56,288,834.00	\$ 56,935,508.00

**MAIN DRIVERS
FOR CHANGES**

MAIN DRIVERS			
PERSONNEL (SALARY & BENEFITS)	Salaries & Benefits	977,156	334,446
	CalPERS Increases (Safety & Misc)	796,458	410,266
SERVICES & SUPPLIES	Cost of Services (Updated Cost Allocation Plan)	518,710	15,561
	Insurance Premium	299,960	0
	PFAS Investigation, Remediation, Monitoring (\$165k Tower Cleanup - FY26 Only; \$200k Ongoing Monitor)	365,000	-165,000
	LPFD-owned Fleet Maintenance	45,000	0
	Misc Reductions	-72,016	50,400
EQUIPMENT REPLACEMENT		-100,000	1,000
ONE-TIME EXPENDITURES		-565,000	0
TOTAL FY CHANGE:		\$ 2,265,268.00	\$ 646,674.00



Livermore-Pleasanton Fire Department

2024 State Mandated Fire Inspections



Joseph Testa
Fire Chief

MISSION & VISION

Our Mission:

Provide exceptional and equitable public safety services that protect and enhance life, property, and the environment in collaboration with the communities we serve.



Our Vision:

To be leaders in the fire service by valuing innovation, adaptability, and diversity in all we do.

EXECUTIVE SUMMARY

The Livermore-Pleasanton Fire Department has a long-established program providing fire and life safety inspections to the commercial occupancies within the City of Livermore and the City of Pleasanton. In 2017 the Fire Department added a position of Fire Inspector, which has increased the ability of the Fire Department to provide these inspections and has also resulted in improving the quality of the fire prevention and inspection services provided.

After the Ghost Ship fire in Oakland, CA on December 2, 2016, a series of investigative articles and editorials revealed many of the required fire and life safety inspections were not being performed by local fire departments. In order to provide assurances that fire departments are performing their inspection duties as required by law, SB1205 was authored mandating the reporting of certain inspection statistics to the local governing board. SB1205 was signed by Governor Brown on September 27, 2018, creating Health and Safety Code Section 13146.4, codifying the mandated reporting of these inspections. This report is then required to be acknowledged in the form of a resolution by the City Council.

This report provides an overview of the Fire and Life Safety Inspection program that has been instituted through the Livermore-Pleasanton Fire Department and demonstrates compliance with California Health and Safety Code Section 13146, as required by SB1205. SB1205 requires the Fire Department report to the City Council compliance with the State mandated fire inspections of schools, jails, high rise buildings, and certain residential occupancies.

The Livermore-Pleasanton Fire Department puts emphasis on fire prevention and public education is a high priority for the department. With this key part of our mission, we believe it is important to exceed the standards that have been set forth by the State of California. The Fire and Life Safety Division of the Fire Department intends to achieve not only 100% compliance with the 294 state mandated inspections listed above, but also to perform the fire and life safety inspections on the remaining 1,391 occupancies within our jurisdiction. We have chosen to apply the National Fire Prevention Association (NFPA) standards to our inspection program. *NFPA 1730 - Standard on Organization and Deployment of Fire Prevention Inspection and Code Enforcement, Plan Review, Investigation, and Public Education Operations* provides the frequency for these inspections as annually, biannually, or triennially. The statistics contained within this report show our successes in this field for state mandated inspections.

REPORTABLE INSPECTIONS

California Health and Safety Code (HSC) Section 13146.4 Requires the Fire Department to provide Council with an annual reporting of compliance with HSC Sections 13146.2 and 13146.3. These sections of the HSC require the fire department to inspect every building used as a public or private school, hotels, motels, lodging houses, and apartment houses, for compliance with building standards, as provided.

This report was generated to suffice the requirements set forth by Health and Safety Code §13146.4. This code requires the City of Livermore-Pleasanton Fire Department to perform the above-described inspections and report annually to its City Council on the department's compliance with these inspection requirements.

Below is a table listing the inspection statistics of the 286 occupancies classified as reportable mandatory inspections within the City of Livermore and the City of Pleasanton:

Reportable Mandated Inspection Table

Occupancy Group	Desc.	Total Insp.	Livermore			Pleasanton		
			Quantity	Completed	Not Completed	Quantity	Completed	Not Completed*
Educational (E)	Public & Private Schools	96	53	53	0	43	43	0
Residential (R-1)	Hotels/ Motels	61	17	17	0	44	44	0
Residential (R-2)	Multi-Family (Apts.)	129	76	76	0	53	53	0
High-Rise	Height 75+ Feet	0	0	0	0	0	0	0
Total		286	146	146	0	140	140	0

The Livermore-Pleasanton Fire Department completed 286 of the 286 inspections resulting in 100% compliance as required by HSC §13146.4.