

Peninsula Community Service District (*formerly known as  
Samoa Peninsula Fire Protection District*) Recommended  
Termination of Agency Contract

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# Background

- Peninsula Community Service District (former known as Samoa Peninsula Fire Protection District)
  - Fairhaven Fire Protection District contracted with CalPERS effective July 6, 1970.
  - In 1993, Fairhaven Fire Protection District merged with the Samoa Volunteer Fire Department and changed name to Samoa Peninsula Fire Protection District (SPFPD).
  - In 2001, SPFPD became a volunteer fire district.
  - In 2017, SPFPD began the reorganization process to become Peninsula Community Service District (PCSD).
  - In April 2020, PCSD became a successor agency of SPFPD.
  - January 2020, SPFPD owed \$39K in delinquent unfunded liability payments.
  - March 2020, CalPERS agreed on a payment arrangement and was scheduled to end by July 1, 2021
  - May 2021, CalPERS agreed to extend the payment arrangement for one year.
  - Since November 2022, PCSD has not made any payments toward their pension obligations.
  - As of January 23, 2023, PCSD owed CalPERS \$363,789, which includes \$48,558 interest.

# Collection Efforts

- Made monthly collection phone calls and engaged in multiple conference calls to discuss the outstanding debts with the district.
- Sent Final collection and demand letters.
- Request financial assistance from Humboldt County 4<sup>th</sup> District Supervisor.
- Notified impacted members, Humboldt County Supervisor and stakeholders.

# California Public Employees' Retirement Law (PERL)

- Section 20572
  - No payment after 30 days
  
- Section 20577
  - Reduction of benefit

# Contract Termination Impact

Employees/Retirees			Termination Cost	
Rate Plan	Formula	Plan Participants	Termination UAL & Funded % at 3.6%	
Safety	1/2 @ 55	Transferred = 0	\$1,827,200	9.49%
		Separated = 0		
		Retired = 9		
		Total = 9		

# Benefit Reduction

- 90.5 % for five retirees and four beneficiaries
- Reduction will occur on April 15, 2023

# Summary of Process Timeline

