



CONTRA COSTA COUNTY FIRE PROTECTION DISTRICT
FIRE • RESCUE • EMS

Pension Obligation Bond Stabilization Fund Termination

Service • Leadership • Teamwork • Safety and Preparedness • Professionalism • Integrity

Overview and History of the Fund

Pension Obligation Bonds issued in 2005 and paid off in 2024

The POB Stabilization Fund was established to:

- Pay principal and interest when insufficient funds are on deposit with the trustee
- Pay increased pension funding costs
- Pay reserve replenishment costs
- Pay for any other lawful purpose upon unanimous vote of the board of directors

The District funded the POB Stabilization Fund annually with a transfer of \$2.6M from the General Operating Fund*

- *There was a period of time, during the great recession, where these transfers were paused

The Fund is no longer needed as the underlying bonds have been paid off

Current Balance and Proposed Use of Funds

Current balance \$27,381,809.94 (no interest accrues on this fund)

RECOMMENDATIONS

- 1. Direct the Treasurer and Auditor-Controller to take the necessary steps to terminate the fund and transfer the balance**
- 2. Transfer \$17,000,000 as excess contributions to the Contra Costa County Employee Retirement Association (CCCERA)**
- 3. Transfer \$10,381,809.94 to the District's Capital Construction Fund**

Rationale for the Termination and Transfer of Funds

The POB Stabilization Fund no longer serves its intended purpose

Transfer to CCCERA Account

- **The funds held at CCCERA would accrue interest beginning July 1, 2026 (6.75%)**
- **Provides internal pension stabilization fund for future CCCERA payment needs**
- **Funds may be used for any future CCCERA related payment**
- **Funds may not be withdrawn from CCCERA and the transfer is irrevocable**

Rationale for the Termination and Transfer of Funds

Transfer to District Capital Construction Fund

- **Funds are used to pay for fire station design and construction**
- **Opportunity to use POB Stabilization Funds that are no longer needed to support current fire station construction costs**
 - **Fire Station 90 (Brentwood)**
 - **Fire Station 9 replacement (Pacheco)**
- **Future funds will need to be contemplated from the District's General Fund balance to support other projects**
 - **Fire Station 17 replacement (Lafayette)**
 - **Fire Station 1 replacement (Walnut Creek)**
 - **Fire Station 6 replacement (Concord)**

QUESTIONS