

Moraga-Orinda Fire Protection District



BOARD OF DIRECTORS REGULAR BOARD MEETING MINUTES

March 18, 2015
(Approved May 6, 2015)

1. Opening Ceremonies

The Board of Directors convened in Open Session at 6:45 P.M. on March 18, 2015 at the Hacienda de las Flores Mosaic Room, 2100 Donald Drive, Moraga, California. President Evans was absent. Director Anderson called the meeting to order.

Present were the following Directors and Staff:

Director Barber	Stephen Healy, Fire Chief
Director Anderson	Gloriann Sasser, Administrative Services Director
Director Famulener	Grace Santos, District Secretary/Clerk
Director Weil	

2. Closed Session

At 6:46 P.M., the Board adjourned into Closed Session.

3. Reconvene the Meeting

Director Anderson reconvened the regular business meeting of the Moraga-Orinda Fire District Board of Directors at 7:00 P.M. Present were the following Directors and Staff:

Director Barber	Stephen Healy, Fire Chief
Director Anderson	Jerry Lee, Battalion Chief
Director Famulener	Gloriann Sasser, Administrative Services Director
Director Weil	Grace Santos, District Secretary/Clerk

4. Report of Closed Session Action

Director Anderson reported that there was no reportable action taken during Closed Session.

5. Public Comment

There was no comment.

6. Consent Agenda

Motion by Director Barber and seconded by Director Famulener to receive and file all items. Said motion carried a unanimous 4-0 roll-call vote (Ayes: Anderson, Barber, Famulener, and Weil; Absent: Evans).

6.1 Board Meeting Minutes of February 4, 2015

Action: Receive and File.

6.2 Monthly Incident Report – January and February 2015

Action: Receive and File.

6.3 Monthly Financials Report – February 2015

Action: Receive and File.

6.4 Monthly Check/Voucher Register – February 2015

Action: Receive and File.

6.5 Approval of Payment to Contra Costa County Fire Protection District for Dispatching and Communications Services

Action: Approve payment to Contra Costa County Fire Protection District for dispatching and communications services in the amount of \$164,220.

7. Regular Calendar

7.1 Adoption of Resolution 15-06 Authorizing Participation in the PARS Public Agencies Post-Retirement Health Care Plan Trust, Approval of the Agreement for Administrative Services, Adoption Agreement and Master Plan

The Memorandums of Understanding adopted last year made significant reductions to retiree health benefits. The significant changes were:

- Established the District's monthly medical contribution at the PERS minimum contribution level.
- Capped the maximum medical and dental contributions at a fixed amount for all labor groups.
- Employees hired in the future receive only the minimum retiree health insurance contribution at retirement (currently \$122 per month).

These benefit changes resulted in a decrease in the District's unfunded actuarial accrued liability of \$7.2M or 30%.

To date, the District has paid for retiree healthcare benefits on a pay-as-you-go basis. In February 2015, the Board approved a 2014/15 Budget adjustment to fund the cost of Other Post Employment Benefits (OPEB) in the amount of \$84,000. The purpose of an OPEB trust is to accumulate funds for payment of the District's future OPEB costs. Funds deposited into a trust are invested and can only be used to pay OPEB costs. As money is accumulated in the trust, the investment returns help fund the benefits. Contributions to the trust are never required.

There are several advantages to funding OPEB including:

- Continued reduction of the District's net OPEB liability
- Earnings on investments help reduce future employer costs
- Use of a higher discount rate of return of 7.25% as opposed to 4%, which results in lower liabilities and lower annual required contributions.
- Strengthens the District's financial position

OPEB Trust Alternatives

Staff reviewed two major OPEB trust administered programs: California Employers' Retiree Benefit Trust Fund (CERBT) and Public Agency Retirement Services (PARS). These two organizations both manage California public agency funds in compliance with GASB 45 and Internal Revenue Code Section 115 requirements.

There are several advantages to using PARS for the District's OPEB trust account as follows:

- PARS has provided OPEB trust services for 19 years
- Highest net return over five years
- IRS approved Section 115 Trust
- Transparency of holdings in trust - the District will know the funds in the District's portfolio and can track them.
- Dedicated Portfolio Manager who provides onsite reviews, assists with investment policy and is accessible.
- Simpler investment approach – the Portfolio Manager recommends a strategy so the District has assistance in determining strategy.
- Full service approach to insure satisfaction – PARS includes a senior consultant, client service coordinator and portfolio manager to assist the District
- Thirty day termination option at any time with no fees

The full service approach provided by PARS will assist the District in managing OPEB. The item was presented and discussed at the Finance Committee meeting on March 11, 2015. Staff and the Finance Committee recommend the District contract with PARS to establish an OPEB trust account.

The next step in the process would be for the Board to adopt an investment policy for the OPEB trust account investments. This would occur at a future Board meeting.

Mitch Barker, PARS Executive Vice President, and Andrew Brown, Highmark Capital Management Senior Portfolio Manager, gave a brief presentation and answered questions from the Board.

Motion by Director Barber and seconded by Director Faulener to adopt Resolution 15-06 Authorizing

Participation in the PARS Public Agencies Post-Retirement Health Care Plan Trust; Approval of the Agreement for Administrative Services, Adoption Agreement and Master Plan Document. Said motion carried a unanimous 4-0 roll-call vote (Ayes: Anderson, Barber, Famulener, and Weil; Absent: Evans).

7.2 Amendment No. 3 to Fire Chief Employment Agreement

In February 2015, the Board approved a Side Letter of Agreement with Local 1230 to increase the District's contribution for medical and dental insurance. Section 5.10 of the Fire Chief Employment Agreement provides the Fire Chief with the same District contribution for medical benefits as sworn employees (Local 1230) as of the effective date of the contract. The effective date of the contract is November 20, 2013. Therefore, the Fire Chief receives the 2013 District contribution for medical insurance, which is less than the contribution currently received by all other District employees.

All employees now receive the same District contribution for medical benefits, except for the Fire Chief. The proposed Amendment No. 3 would provide medical benefits to the Fire Chief equal to all other employees.

Motion by Director Weil and seconded by Director Faulener to adopt Amendment No. 3 to the Fire Chief Employment Agreement. Said motion carried a unanimous 4-0 roll-call vote (Ayes: Anderson, Barber, Famulener, and Weil; Absent: Evans).

8. Committee Reports

8.1 Finance Committee (Directors Anderson & Barber)

Director Anderson reported that all information from the March 11 Finance Committee meeting has been presented to the Board.

Director Weil requested that all written correspondence from citizens is shared with all board members.

Director Famulener asked that the Finance Committee meeting time be set to 5:00 P.M. so that everyone could attend.

8.2 Ad Hoc Committee Reports

8.2.1 Facilities Ad Hoc Committee (President Evans & Director Weil)

There was nothing to report.

9. Announcements

9.1 Brief information only reports related to meetings attended by a Director at District expense

There was nothing to report.

9.2 Questions and informational comments from Board members and Staff

Director Anderson expressed his appreciation to Chief Healy on his update on the recent Caldecott Tunnel fire.


Director Anderson asked that staff post on the website the reason why District flags are flown at half-mast. Chief Healy agreed and further explained that the reason why District flags were flown at half-mast recently was due to the tragic death of a Pinole Fire Captain due to job-related brain cancer.

9.3 District Update and Activity Report – February 2015

There was nothing to report.

10. Adjournment

At 8:08 P.M., Director Anderson called for adjournment of the regular meeting.


Grace Santos
Secretary to the Board