

Moraga-Orinda Fire Protection District



BOARD OF DIRECTORS REGULAR BOARD MEETING MINUTES

May 20, 2015
(Approved June 17, 2015)

1. Opening Ceremonies

The Board of Directors convened in Open Session at 6:00 P.M. on May 20, 2015 at the Moraga Library Community Room, 1500 Saint Mary's Road, Moraga, California. President Evans was absent. Director Anderson called the meeting to order.

Present were the following Directors and Staff:

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

2. Closed Session

At 6:01 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 Anderson	Stephen Healy, Fire Chief	Jerry Lee, Battalion Chief
Director Barber	Gloriann Sasser, Admin Services Director	Felipe Barreto, Battalion Chief
Director Famulener	Grace Santos, District Clerk	
Director Weil	Sean Perkins, Battalion Chief	

4. Report of Closed Session Action

Director Anderson reported that there was no reportable action taken on Item 2.1 – Conference with Real Property Negotiators, 2.2 – Conference with Legal Counsel – Potential Litigation, and Item 2.3 – Conference with Labor Negotiator during closed session.

5. Public Comment

There were no comments from the public.

6. Consent Agenda

Director Famulener asked to pull Item 6.1 – Board Meeting Minutes of April 29, 2015 from the Consent Agenda and discuss separately. Director Famulener stated that in the last paragraph on the first page, she only seconded a motion to draft a letter expressing the District's safety concerns. District Clerk Santos will review the audio recordings from the meeting, amend the minutes if necessary and bring the April 29, 2015 Minutes back to the next meeting for review and approval.

Motion by Director Weil and seconded by Director Barber to receive and file all other items on the Consent Calendar: 6.2 Quarterly Ambulance Billing Report; 6.3 Monthly Check/Voucher Register – April 2015; 6.4 Monthly Financial Reports – April 2015; and 6.5 Monthly Incident Report – April 2015. Said motion carried a unanimous 4-0 roll-call vote (Ayes: Anderson, Barber, Famulener and Weil; Absent: Evans).

7. Regular Calendar

7.1 Public Hearing on Exterior Hazard Control Notices (Weed Abatement)

On April 13, 2015, the District mailed approximately 13,932 notices to the owners of properties located within the District. Ordinance 13-01 requires the Board to conduct a public hearing after the notices are sent and prior to the compliance date for the purpose of receiving comments as to why the order should not be enforced.

Director Anderson opened up the public hearing to accept comments from the public. There were no comments from the public. Director Anderson closed the public hearing and directed staff to proceed with the exterior hazard control process.

7.2 Resolution 15-11, a Resolution of the Board of Directors of the Moraga-Orinda Fire Protection District nominating a Director as a Candidate for the position of Contra Costa Local Agency Formation Commission Special District Alternate Seat

The Contra Costa County Local Agency Formation Commission consists of two city members, two county members, two special district members, one public member, and an alternate member in each category. Alternates generally attend Commission meetings, participate in the deliberations and vote when a regular member in their category is absent or excused from voting.

The District received correspondence from Lou Ann Texeira, LAFCO Executive Officer, on 05/11/2015, which advised all independent special districts of a vacancy to fill the alternate seat created by the recent passing of George Schmidt. In the correspondence, pursuant to Government Code Section 56332 and the Procedures for the Special District Selection Committee, Ms. Texeria announced the election and called for nominations.

Interested candidates for the alternate seat must be board member/trustees of an independent special district and must be nominated by special district board resolution. The nomination needs to include the name of the nominee and the district they serve. The nomination/resolution must be submitted to LAFCO by the deadline of June 26, 2015. Each independent special district is entitled to nominate a maximum of one board member.

There will be a meeting of the Independent Special District Selection Committee (ISDSC) and election on Monday, July 20, 2015 in conjunction with the quarterly meeting of the Contra Costa Special Districts Association. The meeting will be held at the Central Contra Costa Sanitary District Multipurpose Room, located at 5019 Imhoff Place in Martinez.

Official ballots will be distributed at the meeting. The presiding officer/designated alternate of special districts nominating a candidate need to attend this meeting. Without a quorum of Independent Special Districts no action can be taken at the meeting to fill the upcoming vacancy. Only the presiding officer, or his/her Board designee can vote; staff members/counsel are not authorized to vote.

Prior to or at the election meeting, eligible nominated candidates may circulate a statement of qualifications. At the Selection Committee meeting, each candidate will be given an opportunity to make a brief presentation to the Selection Committee.

For the Selection Committee to transact business on July 20, 2015, a quorum (50% plus one) of independent special districts must be present. All special district presiding officers are encouraged to attend this meeting; but if the presiding officer cannot attend, another member of the governing board should be authorized to attend.

Director Famulener nominated Director Steve Anderson as a candidate for the position of the Contra Costa Local Agency Formation Commission Special District Alternate Seat and Director Weil seconded. Said motion carried a unanimous 4-0 roll-call vote (Ayes: Anderson, Barber, Famulener and Weil; Absent: Evans).

7.3 Proposed Annual Operating Budget Fiscal Year 2015/16

Over the past several months the proposed Annual Operating Budget for Fiscal Year 2015/16 (Budget) has been developed. Staff has developed proposed goals, projections and budget proposals. The proposed Budget was presented to the Finance Committee on May 12, 2015.

The proposed Budget projects a surplus of \$1,026,448. Based on the proposed Budget, the General Fund projects a surplus of \$288,851, the Capital Projects Fund projects a surplus of \$541,013 and the Debt Service Fund projects a surplus of \$196,584.

Total District revenue is projected to be \$23,925,612. The Budget proposes no use of fire flow tax revenue in the General Fund. All of the fire flow tax revenue is proposed to be received in the Capital Projects Fund.

Total District expenditures are projected to be \$22,899,164. This includes salaries and benefits of \$16,901,746 based labor agreements. The Budget includes the terms of the labor agreements, which include the following:

- Base salary restoration of 1% for all employees effective July 1, 2015
- Increased health benefits costs for active employees due to an increase in the amount paid by the District for health insurance benefits approved in February 2015.

The proposed Budget also includes required debt service payments of \$2,872,509 for the District's pension obligation bonds and necessary capital expenditures of \$951,829.

The following staffing changes are recommended and included in the proposed Budget:

- Safety roster strength of 54 positions
- Elimination of one half-time Emergency Medical Services Continuous Quality
- Improvement Coordinator position in Emergency Medical Services (0.5 to 0).
- Addition of two half-time, non-benefitted District Aide positions in Fire Prevention (2.5 to 3.5).

The proposed Budget projects a total fund balance increase for fiscal year 2015/16 of \$1,026,448. Projected fund balance in the General Fund as of June 30, 2016 is \$1,558,058, in the Debt Service Fund \$2,584,680 and in the Capital Projects Fund \$4,358,040.

The District's fund balance policy states the District will maintain a minimum fund balance of unrestricted fund balance in the General Fund of at least 10% of budgeted General Fund revenue at fiscal year-end. It is projected the General Fund balance at June 30, 2016 will be 8.05% of budgeted General Fund revenue.

Staff will present the final Annual Operating Budget Fiscal Year 2015/16 to the Board for adoption during the second meeting in June.

7.4 Long Range Financial Plan Draft Update

The Long Range Financial Plan (Plan) was updated as part of the budget development process. The Plan covers a fifteen-year period from fiscal year 2014/15 through fiscal year 2028/29. The Plan was discussed at the Finance Committee meeting on May 12, 2015. The Plan uses several significant assumptions, which are as follows:

- Property tax revenue is projected to increase 4% per year
- Salary adjustments are per the labor agreements as follows:
 - July 1, 2015 Base salary increase +1.0%
 - July 1, 2016 Base salary increase +7.0% (Property tax revenue in 2014/15 triggers the maximum 7% salary increase per the labor agreements.)
 - July 1, 2017 Base salary increase +4.0%
 - June 1, 2018 Base salary increase +1.0%
- Seasonal staffing and associated overtime costs are projected throughout the plan
- Workers' compensation costs have been volatile, with the District experiencing a 19% decrease projected for 2015/16. The Plan assumes workers' compensation costs remain at this lower level throughout the plan.
- Employee and retiree health insurance costs are capped based on the amounts agreed upon in the labor agreements.
- Operating expenditures are projected to increase 2.5% per year
- Contra Costa County Employees' Retirement Association (CCCERA) employer payment is projected to adjust as follows based on the most recent projections provided by CCCERA's actuary The Segal Company:
 - 2015/16 Actual rates (Safety 62.03%, Non-Safety 27.24%)
 - 2016/17 -4.40%
 - 2017/18 -3.93%
 - 2018/19 -2.72%
 - 2019/20 -2.47%
 - 2020/21 -1.08%
- The Single-role Paramedic position established in the MOU is not implemented in the
- Long Range Financial Plan.

- The annual contribution for the District's Other Post-Employment Benefits Trust is included throughout the Plan based on the most recent actuarial report.
- Station 46 is not built or operational
- Capital Projects Fund revenue of \$1M is projected in 2016-17 due to the sale of the Lorinda Lane house. The lot line adjustment is complete and the property with the house can be sold while the District retains the separate property for the potential future use of building Station 46.

The Long Range Financial Plan results show a balanced General Fund with revenue meeting expenditures in each year of the Plan. Use of a nominal amount of fire flow tax revenue in the General Fund to meet expenditures is projected necessary in fiscal year 2016/17. Beginning with fiscal year 2017/18, it is projected fire flow tax use will not be necessary in the General Fund to meet operating expenditures. Fund balance in the General Fund is projected to exceed 10% of budgeted General Fund revenue as of June 30, 2019.

The Plan results show a Capital Projects Fund surplus every year except two. Fund balance in the Capital Projects Fund is projected to increase overall throughout.

The United States has historically experienced a recession every 7 to 9 years. The economy is currently 6 years into the recovery since the last recession, which ended in 2009. As a result of the last recession, the District experienced decreased property tax revenue and increased retirement costs.

The Plan projects continued growth of property tax revenue throughout the plan and continued decreases in retirement costs. A recession is not projected in the Plan. Prudent levels of fund balance reserves are necessary to help the District adjust when the next economic downturn occurs.

Director Weil commented on how different the service model is now from the last time a standards of coverage study was conducted. During the last study, there were two more full-time firefighters and one more battalion chief than there currently is. Since the closure of Station 16, there has been a dramatic change in the number of staff on hand to fight emergencies and the District needs to re-evaluate its long-term service levels. He suggested hiring professionals to do a standards of coverage study.

Chief Healy stated that the framework for the strategic plan has been developed and continues to work on developing it. He is waiting to see what happens with station 46 before he decides how to move forward. The decisions will be public policy decisions for the Board based on input and recommendations from staff. There are competing interests that will be the topic of conversation during the strategic planning process. Because different stakeholders will be involved, there will be different ideas on what is important going forward. The ambulance service demand will increase and the need for a third full-time ambulance is approaching. The need for robust fire protection has and will continue to be something that the District will need particularly because of the risk in north Orinda.

Director Anderson stated that the Finance Committee found the Long Range Financial Plan Draft to be an accurate and forthright representation of the next 24 months.

7.5 Local Agency Investment Fund – Authorization of Officers to Deposit or Withdraw Monies

The District uses the State of California Local Agency Investment Fund (LAIF) for the investment of District funds. One of the requirements of participation in LAIF is for the Board to confirm the authority of District officers to order the deposit or withdrawal of funds in LAIF.

Currently the officials authorized officers for the LAIF account:

- President of the Board
- Vice President of the Board
- Fire Chief

The District's auditors noted that the investment of District funds is an operational function and that operational functions should be performed by staff, not elected officials.

Staff recommended the Board authorize the Fire Chief, Administrative Services Director and Fire Marshal to order the deposit and withdrawal of monies in the Local Agency Investment Fund.

After a brief discussion, motion by Director Anderson and seconded by Director Barber to amend Resolution 15-12 a Resolution Authorizing Investment of Moraga-Orinda Fire Protection District Monies in Local Agency Investment Fund to include Board President Alex Evans and Board Treasurer Kathleen Famulener as authorized signers and to remove Fire Marshal Kathy Leonard as an authorized signer. 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 the Finance Committee met on May 12, 2015 at 6:00pm in the Sarge Littlehale Community Room.

8.2 Ad Hoc Committee Reports

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

Director Weil reported that the Facilities Ad Hoc Committee has not met. He reported that the Town of Moraga Council rejected the appeal on the City Ventures project and found it to be compatible with the Districts' training facility.

9. Announcements

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

(Government Code Section 53232.3(d))

There was nothing to report.

9.2 Questions and informational comments from Board members and Staff

Directors Anderson, Barber, Famulener and Weil reported that they attended the District Open House on May 16, 2015. They thanked Fire Marshal Leonard and District Clerk Santos for their hard work on coordinating the event.

Chief Healy reported on a noteworthy incident that occurred on May 6, 2015 at the tennis courts. It was a good demonstration of community involvement and education. Chief Healy stated that Public Education is one of the focus areas that has room for improvement. A goal going forward is to make sure that every church within the District has an Automatic External Defibrillator (AED).

Administrative Services Director Sasser reported that last week the District made its first investment into the OPEB trust of \$84,000.

9.3 District Updates – April 2015

There was nothing to report.

10. Adjournment

At 8:45 P.M., Director Anderson called for adjournment of the regular meeting.



Grace Santos
Secretary to the Board