

# Moraga-Orinda Fire Protection District



## BOARD OF DIRECTORS REGULAR BOARD MEETING MINUTES

June 17, 2015

(Approved July 1, 2015)

### 1. Opening Ceremonies

The Board of Directors convened in Open Session at 7:00 P.M. on June 17, 2015 at the Moraga Library Community Room, 1500 Saint Mary's Road, Moraga, California. President Evans called the meeting to order.

Present were the following Directors and Staff:

Director Anderson	Director Weil	Kathy Leonard, Fire Marshal
Director Barber	Jerry Lee, Battalion Chief	
President Evans	Gloriann Sasser, Admin Services Director	
Director Famulener	Grace Santos, District Clerk	

### 2. Public Comment

*Jonathan Goodwin*, Canyon resident, thanked Chief Healy and Director Anderson for attending the Canyon meeting. Mr. Goodwin stated that the community agreed to work on the following: addressing, an improved mapping system, signage, exterior hazard abatement, grant applications and grant opportunities. He passed out a Draft Canyon Fire Management Plan to the Board and staff.

### 3. Consent Agenda

Director Weil asked to pull Item 3.2 Monthly Incident Report – May 2015 from the Consent Agenda and discuss separately.

Motion by Director Weil and seconded by Director Barber to receive and file all other items on the Consent Calendar: 3.1 Board Meeting Minutes for May 20 and June 3, 2015; 3.3 Monthly Financial Reports – May 2015; and 3.4 Monthly Check/Voucher Register – May 2015. Said motion carried a unanimous 5-0 roll-call vote (Ayes: Anderson, Barber, Evans, Famulener and Weil).

*Johnathan Goodwin*, Canyon resident, asked why the Monthly Incident Report did not include information on Canyon incidents. Battalion Chief Lee speculated that there may not have been any incidents in Canyon during the month of May. Director Weil asked the same about Bollinger Canyon. Director Weil then asked staff to look into including information on the Bollinger Canyon and Canyon on future reports. BC Lee said he would look into it.

### 4. Regular Calendar

#### 4.1 Adoption of Annual Operating Budget Fiscal Year 2015/16

The proposed Budget was presented to the Board in detail at the Board meeting on May 20, 2015. During this meeting, the Board directed staff to bring the Budget back to the Board for adoption. No changes were recommended.

Motion by Director Anderson and seconded by Director Weil to adopt the proposed Annual Operating Budget Fiscal Year 2015/16. Said motion carried a unanimous 5-0 roll-call vote (Ayes: Anderson, Barber, Evans, Famulener and Weil).

#### 4.2 Authorization to Enter Into a Tax-Exempt Lease-Purchase Agreement with JPMorgan Chase Bank, N.A. in the Amount of \$424,554 at a Fixed Interest Rate of 1.82%

In May 2015 the District purchased two new ambulances. The Board adopted a resolution declaring the intention to reimburse expenditures for the purchase of the new ambulances from the proceeds of debt to be issued in the future. A Request For Proposals to finance the cost of the new apparatus was issued in May 2015.

The requested amount of financing is \$424,554, which is the amount that will be paid for the ambulances. The District requested a tax-exempt municipal lease agreement to reimburse the District and spread the cost of the vehicles across the life of the vehicles. The term of the lease will be 5 years with semi-annual payments of principal and interest in arrears.

For collateral purposes, the District is required to grant the lessor a first priority security interest in the financed equipment.

There are advantages and disadvantages to issuing debt now. The advantages of a debt issuance are as follows:

- Improves the District's financial situation - This will occur because the debt proceeds will replenish reserves and spread the cost of the vehicles across the long-term life of the vehicles instead of recognizing the total cost all at one time.
- Low interest rates
- Station 43/46 – It is unknown at this time if the District will need to rebuild Station 43. There are no costs to rebuild Station 43 in the Long Range Financial Plan. If the District decides to rebuild Station 43, Capital Projects Fund money will be needed for this project. Issuing debt now for the ambulance purchase will make available additional Capital Projects Fund resources to rebuild Station 43 if necessary.

The disadvantage to issuing debt is the additional total interest cost of \$21,538 over five years.

The District received qualified proposals from five different lessors located throughout the country. Interest rates ranged from 1.82% to 3.20%. Detailed proposal results are attached. The low bid of 1.82% was received from JPMorgan Chase Bank, N.A. JPMorgan Chase Bank, N.A. is a leading global financial services firm with assets of \$2.6 trillion and operations in more than 60 countries. The firm is a leader in investment banking, financial services, commercial banking, financial transaction processing and asset management.

The District has money available in the Capital Projects Fund to pay for the ambulance purchase without issuing debt and incurring additional interest costs. However, since it is unknown at this time whether the District will have to rebuild Station 43 and since the interest costs will be less than \$5,000 per year, the benefits of having the additional funds available over the next five years outweigh the costs.

Motion by Director Famulener and seconded by Director Barber to authorize issuance of a five year, fully amortized, privately placed tax-exempt lease-purchase agreement with JPMorgan Chase Bank, N.A. in the amount of \$424,554 at a fixed interest rate of 1.82%. Said motion carried 4-1 roll-call vote (Ayes: Anderson, Barber, Evans and Famulener; Noes: Weil).

## 5. Committee Reports

### 5.1 Finance Committee (*Directors Anderson & Barber*)

There was nothing to report.

### 5.2 Ad Hoc Committee Reports

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

There was nothing to report.

## 6. Announcements

### 6.1 Brief information only reports related to meetings attended by a Director at District expense (Government Code Section 53232.3(d))

Director Anderson reported that he attended the LAFCO meeting on June 10, 2015. The Commission discussed fire service issues and the RFP for Fire and Emergency Services Municipal Service Review (MSR).

### 6.2 Questions and informational comments from Board members and Staff

There was nothing to report.

### 6.3 District Updates – May 2015

Battalion Chief Lee reported that on June 10, 2015, there was a small vegetation fire on Bollinger Canyon Road. Battalion Chief Felipe Barreto did a great job of running the incident. The cause of the fire is currently under investigation.

Battalion Chief Lee announced that the District is hosting the annual Volunteer Appreciation dinner on June 22, 2015.

**7. Adjournment**

At 7:30 P.M., President Evans called for adjournment of the regular meeting.



Grace Santos  
Secretary to the Board