

Moraga-Orinda Fire Protection District



BOARD OF DIRECTORS REGULAR BOARD MEETING MINUTES

April 17, 2019
(Approved May 15, 2019)

1. The Board of Directors convened in Open Session at 7:27 P.M. on April 17, 2019 at the Mosaic Room, 2100 Donald Drive, Moraga, California. President Danziger called the meeting to order and requested an attendance roll call. Director Baitx was absent. Present were the following Directors and Staff:

Director Donner
Director Jex

Director Jorgens
President Danziger
Dave Winnacker, Fire Chief

Admin. Services Director Gloriann Sasser
Jonathan Holtzman, District Counsel (late)
Patricia Edwards, Interim District Clerk

2. PUBLIC COMMENT

President Danziger opened the public comment. There were no requests to address the Board. President Danziger closed the Public Comment.

3. REGULAR CALENDAR

3.1 Public Budget Workshop

President Danziger noted that the Workshop will include Board review, public comments, concerns, and requests. Based on Board direction during the public workshop, the proposed Budget will be developed and returned for public input and Board review in May.

Chief Winnacker introduced the item. He noted a deviation from the budget policy. Instead of a Budget to be reviewed by the Board, he will present an overview with funds divided into four categories. Revenue is projected to exceed projected non-discretionary and continuation of effort expenditures by \$2.1M. The purpose of the Workshop is to obtain direction from the Board regarding how to allocate the anticipated surplus. He noted that there are two competing priorities previously identified and other items that may be a priority. The Budget is presented in this manner to simplify the process for the public. Based on input from the public and the Board, the Budget will be developed and brought to the Board in May for review and June for adoption. State law requires that the Budget be adopted by October but best practices suggest that it be adopted prior to the start of the fiscal year.

General Fund Revenue is projected at \$26.5 M. This is an increase of \$822K (3.2%) due to ambulance fees and property tax. The Fire Flow Tax remains constant. The General Fund expenditures have been projected at \$24.4M which is due largely to salary and benefits. A year ago, staff was short by nine but that number has been reduced to five. Anticipated full staffing will create an increase in related costs. The Long Range Financial Forecast (LRFF) calls for \$2.56M contribution to restricted reserves in the form of the Pension Stabilization Trust Fund and OPEB Trust Fund. This payment is subject to Board direction.

President Danziger opened the public comment. There were no requests to address the Board. President Danziger closed the Public Comment.

Director Donner outlined several areas of concern: increasing the staff from 17 to 19; current ambulance staffing is expensive; keep Station 45 in service; and restoring staffing. President Danziger discussed the 2018-2021 SAFER Grant. The Grant noted that staffing at 17 is very problematic. The Grant award was \$1.39M. He would like additional information. He noted that two persons per shift creates six positions.

Chief Winnacker noted that the cost per position is \$241,111.36 or \$1,446,666 for six positions. Director Jorgens requested an analysis of the benefit of the additional staff e.g. better response time. President Danziger referenced staffing concerns in the SAFER Grant. Chief Winnacker noted that the SAFER Grant does not refer, and the federal government is not concerned, with staffing levels at the back end. The SAFER grant and federal government view has to do with the number of people deployed per day per shift. He added that the staffing when the SAFER grant was written is the same as it is today. Director Jex stated that he had

difficulty adding \$1+M for staffing when the LRFF, if implemented, projects that MOFD will lose \$1M in General Reserve Funds next year from operations. Continuing this trend would result in no reserves in three years. He questioned what would be improved operationally that justifies this action. He noted that the two positions cannot be funded with the current resources. Two positions were cut during the recession. Director Donner added that this was a common practice during the recession. When the economy improved, the services were restored. Director Jorgens stated that the firefighters got a raise which ate up the surplus. Director Jex stated that continued deficit spending creates a financial disaster. His concern when the District accepted the SAFER grant was if the District was adding a position which it could not afford after the grant. Director Jorgens stated that the SAFER grant funded existing positions not new ones. President Danziger asked for a breakdown of the remaining SAFER funds at the next Board meeting. Director Jorgens stated that there are no extra funds in the SAFER grant. President Danziger asked if the SAFER grant funds could be reallocated. Director Jorgens stated that the funds are used to pay for staff that is already on board. Chief Winnacker stated that the money is in the budget and is used for staff in compliance with the grant. Director Jorgens noted that the funds are approved for existing positions not future ones. ASD Sasser stated that the grant pays for 75% of salaries and benefits for four firefighter/paramedic positions in years 1 and 2 and 25% in year 3. President Danziger requested more analysis. Director Jorgens stated that the Board needs to review the terms for the Board's approval of the SAFER grant.

President Danziger opened the public comment.

Kymberleigh Korpus, Vice Mayor town of Moraga, asked the Board to focus its priority from the staffing issue to abatement and prevention programs in order to give residents the feeling that the District is working to prevent fires and lessen their panic about a major fire like the one in Paradise occurring in the area.

Melanie Light, Orinda resident, said residents are stressed over the Paradise Fire. She is involved with a Fire Wise group of 63 households. She stated that residents are overwhelmed and do not know what to do. They need help and many cannot deal with the logistics such as hiring contractors for abatement, etc. The District needs to get out of its bubble and into the community. She noted that there are things that the District should do for the community.

Vince Wells, President of Local 1230, stated that residents do not know about the \$4M grant for fuel management. He stated that the SAFER grant was written to reestablish a 19 staffing level. The message to FEMA was to put the second ambulance back in service. He disagreed that the use of the grant was not clear. He supports going to 19 positions. He cannot believe that MOFD cannot fund 19 positions. Director Jorgens stated that Mr. Wells' comments are disingenuous as there was no ambiguity about the output of the grant. The grant was accepted only to fill existing jobs and not for new assignments.

Director Jex asked to discuss how the staff would be utilized and if it would change response times or if it is only adding positions. If the Board decides to add the positions, then the District is obligated to find funding for the positions so the District would not need to use the Teeter Plan to fund its operations. The agreed upon Long Range Plan for the next three years has revenues which are less than expenses. This reduces the progress made to create financial stability for the District. To achieve a 50% reserve General Fund and gradual increase in the pension stabilization and OPEB payments means that the District must increase revenues. He noted that the Con Fire operational review reports that the ambulance subcontract revenue versus expenses makes money. He suggested that the District evaluate operational costs for ambulance service. He asked if there was more the District could do to either increase revenue through taxes or by decreasing expenses. He noted that the District is committed to some of the 'discretionary' items. It is important to meet the District's obligations and commitments because of their priorities. He does not want the District to eliminate OPEB or pension obligation payments to fund additional positions if they are not needed to significantly change the response time.

President Danziger agrees that he does not want positions funded to the detriment of the District. He added that this is an ongoing discussion. He stated that the Board told the public that the positions would be restored. The Board needs to determine if they can be and an explanation should be provided to the community. He requested more analysis on benefits versus costs.

Director Donner stated that the Board is concerned about prevention, 'boots on the ground', weed abatement, tree removal, tree limbs and power lines. He noted Ms. Korpus' and Ms. Light's concerns regarding prevention

but decades of overgrowth cannot be mitigated in a few seasons. The Board wants to increase its fire prevention programs. President Danziger noted the improvement on Moraga Way, a major evacuation route. This was an effort done by the community. The District has a chipper to help people. Ms. Light stated that the issue has been dumped in citizens' lap. Citizens do not have the expertise and the District needs to be active partners with the community. President Danziger noted that there are approximately 14,000 parcels in the District.

Director Donner asked how the aides do inspections. Chief Winnacker replied that the District provides education and outreach through community meetings: understanding the threat; putting a face on fire behavior; evacuation; Fire Safe assessment program; and best practices for defensible space around their homes. Fuels Mitigation Manager Scott Watson and the fuels crew (4) are targeting assessments on major evacuation routes and then the perimeter. They also provide education. Another group of aides responds to complaints and conducts inspections of fire code violations. They issue 30-day violation notices but also work with the resident to create a response and become compliant. The Fuels Mitigation crew was trained on the chipper and chain saw training. If the homeowner has done the fuel reduction work and stacked vegetation within ten feet of the roadside, the District will chip the vegetation and broadcast the chips back on site. One problem for homeowners is their limited ability to dispose of biomass. The excess green waste does not fit into the green bin and it is too little for a commercial removal. The District spent \$100K for the positions and \$20K to rent the chipper to do the work on a limited basis. He noted that doing the work for people poses a risk that disincentivizes people to do the work on their own in the future. The focus of MOFD's efforts is to get voluntary compliance from people who either did not know that they needed to do it or what right looked like. This will shift the expectation of what 'normal' looks like so parcels that need additional work will stand out. Ms. Korpus suggested that it may be a 'framing issue' for the south/south east side of Moraga where nothing is happening. She suggested that the District quantify the results and disseminate information. She suggested that some of the discretionary funds be used for abatement. Ms. Light suggested a "whole town cleanup day". She asked if matching grants could be available. President Danziger stated that the District is proactive and added that the state may develop some incentive programs. Director Jorgens asked if MOFD should allocate funds to city owned property to help the community as a whole rather than individuals. He suggested that MOFD could provide grants. He added that if people are really worried, they need to remove the fuel. This needs to be a community discussion.

Director Jex asked if Moraga has allocated funds for abatement on city properties. Ms. Korpus responded that the Town is only addressing problems as they arise. Director Jorgens noted that Orinda has budgeted \$60,000 for their vegetation problem. Director Jex asked if the compliance was occurring earlier this year. Chief Winnacker stated that the date (June 15) complies with the Fire Code requirement. Adopting changes to the Fire Code would require approval by MOFD, Orinda, Moraga, and the County Board of Supervisors. Director Jex noted that there are large parcels in Moraga and many open space parcels. Chief Winnacker provided an update on their status. President Danziger suggested that the District needs to provide more outreach on the programs currently available. Director Jorgens asked if the chipper should be considered. Chief Winnacker stated that the initial response to the chipper program was overwhelming. The program is being rolled out starting with large HOAs to determine what works and what does not. The chipper processes vegetation stacked by the side of the road. It does not provide a cutting service and does not haul the chips away. The chips are spread and broadcast to suppress grass growth. President Danziger stated the need for a discussion on revenues and expenses and how MOFD provides services.

President Danziger read two emails into the record. One from Steve Cohn (dated April 15, 2019) (Attachment A) and one from Jonathan Goodwin (dated April 17, 2019) (Attachment B).

Director Jex asked about the timing and the detailed operational budget by accounts. Chief Winnacker responded that it will come to the Board in May. Chief Winnacker stated that the 'discretionary' \$2.1M is unallocated. In the absence of Board direction, the discretionary funds default to unrestricted reserve as allocated in the Long Range Financial Forecast (LRFF). He stated that there are two sources of conflicting guidance – the Board's goal to achieve a 50% unrestricted reserve versus the LRFF's objective to make the full actuarial recommended contributions to the restricted reserve in the form of OPEB and pension stabilization trust fund. The Chief is seeking Board direction on conflicting funding priorities: OPEB and pension rate stabilization versus the unrestricted reserve goal versus staffing versus fuels mitigation. The fuels mitigation program was not included in the LRFF. Director Jex recommended adding \$200,000 to the operating budget for fuels mitigation. Director Jorgens asked what the best program for fuels mitigation would look like. Chief

Winnacker stated that, without Board direction in terms of parameters or priorities, his decisions will be subjective in nature. Ms. Korpus requested that the District focus funds on fuels mitigation. Chief Winnacker noted that the District cannot relieve individual property owners of their responsibility. He added that if the District does work on private property it disincentivises other property owners to do the work. Director Jorgens asked if MOFD could give an estimate on public land owned by Moraga and Orinda and provide matching funds. He asked the Chief to provide professional recommendations. President Danziger stated that the fuels mitigation manager and aides are a six-month pilot program. Chief Winnacker stated that it is too early to bring a report on that program's efficacy. President Danziger asked if there was a winter workload for the fuels mitigation program. Chief Winnacker responded no. President Danziger supports continuing the fuels mitigation program. Director Donner stated that the District needs to add funds to fire prevention to get the most bang for the buck and ease community fears. Director Jorgens suggested having residents participate with MOFD on fuels mitigation. President Danziger supports the fire prevention program. Director Jorgens suggested that the District expand the Fuels Mitigation program or do something additionally so that MOFD is seen as having a bigger community presence and "doing more stuff". President Danziger asked how much money for OPEB and pension liability comes from the \$2.1M discretionary funds. Director Jex responded the amounts are \$560,000 to OPEB and \$1.997M to pension rate stabilization. Director Donner suggested identifying three city owned lots in Orinda and three city owned lots in Moraga that are in hazardous areas and what it would cost to clear them. Director Jex suggested that Moraga and Orinda provide matching funds. Chief Winnacker noted that the fire weather pattern of concern is the threat from a north/north east Diablo wind. The MOFD Ordinance is outdated and does not differentiate between residential areas and wilderness. It is not realistic to apply a Suburban Fuels Mitigation Ordinance to wilderness lands. This ordinance is being updated as part of the next code update cycle. Director Jorgens suggested that the Chief identify where the biggest threats are. Chief Winnacker said that a risk reduction plan is identified in the Strategic Wildland Fuels Reduction Plan which calls for a shaded fuel break or prescribed firebreak around the entire District. The greatest threat is in the northern part of the District. The next priority is Canyon. It is challenging to work on this area because of the environmental sensitivity. Downed power lines would eliminate their only evacuation route. Director Jex supported Director Donner's idea to provide the service on public property owned by the citizens to Moraga and Orinda with their matching funds. President Danziger suggested that the Chief focus on the extent to which the unfunded liabilities could be funded. Director Jorgens said his direction is to determine if it is possible and what it would cost to do the two city properties, the cost to expand the chipping program, and ways to increase public awareness, and explain the lien process option. Chief Winnacker stated that there has not been public interest in the lien option to date.

4. ADJOURNMENT

At 9:11p.m., Director Jorgens' motion to adjourn the special meeting was seconded by Director Jex. Said motion carried a 4-0-1 voice vote (Ayes: Donner, Jex, Jorgens, and Danziger; Noes: None; Absent: Baitx).

Attachment A: Email received from Steve Cohn on April 15, 2019

Attachment B: Email received from Jonathan Goodwin on April 17, 2019

For an audio recording of this and other Board meetings, please visit the MOFD District Board Meeting webpage:
<http://www.mofd.org/board/meetings>

From: Steve Cohn [mailto:steve_cohn@comcast.net]
Sent: Monday, April 15, 2019 7:29 AM
To: Craig Jorgens - MOFD <Craig.Jorgens@gmail.com>; Gregory Baitx <gbaitx@mofd.org>; John Jex - MOFD <mmijex@gmail.com>; Michael Donner - MOFD <mdonnermofd@gmail.com>; Steve Danziger - MOFD <stevedformofd@gmail.com>
Cc: Winnacker, David <dwinacker@mofd.org>
Subject: Comments on Budget Workshop - 4-17-19

Dear MOFD Board:

I submit the following written comments for the Budget Workshop of 4-17-2019 which I would like to be attached to the minutes of that meeting.

Since MOFD was formed in 1997 its tax revenue has increased 180%. Any yet, the Bay Area Consumer Price Index has only increased 80% over that same time period. In 1998 dollars, we are paying 55% more than we were paying in 1998. Are we getting 55% more service? No, we are getting exactly the same service. It is time that the taxpayers start seeing an increase in services and that all of the real increases to not continue to fund employee compensation or facilities that do not improve and expand the services to community.

Currently, MOFD's major service to the community is emergency medical response. To the best of my knowledge MOFD provides a good service. Response times might not be up to standards in all areas, especially in Orinda, but there have been no published reports that I have seen mentioning negative impacts.

MOFD also seems as well staffed for fire suppression, both building and vegetation, as possible. With 17 firefighters serving a population of 35,000 (about five firefighters per 10,000 population), MOFD probably has one of the highest responder-per-capita ratios around. Yet, even for building fires, and definitely for vegetation fires, MOFD relies heavily on mutual aid. There is no way MOFD could ever be "self-sufficient" and there is no need to be considering how rare fires are and the existence of the robust mutual aid system.

What MOFD is lacking is a program of fire prevention. The largest threat is a wildland fire which could decimate large areas of the District as we have seen in the Oakland Hills, Santa Rosa and Paradise fires. The North Orinda Fuel Break will be one step in controlling a fire coming from the northeast but with sparks being carried by 30mph+ winds, it is not the cure. We need a vegetation reduction program, and maybe other measures (building modification) "downwind".

A lot of faith is being put on the private property owners to "clean up" their properties. This is without much of a carrot of a stick. Personally, I think the effectiveness of such efforts will be minimal unless incentives are provided. And incentives cost money both for direct aid and for management. The big question is "where will that money come from?"

In the discussion of the Long Range Financial Forecast (which could be turned into a Long Range Financial Plan if the District had a Strategic Plan), the two major goals currently are (1) fully fund the employee retirement plans and (2) strengthen the General Fund reserve. I have long been a proponent for better fiscal management (and not passing our debts onto our children's backs) but there is a serious risk out there we cannot continue to ignore which we need to devote financial resources to and that is fire prevention. Mostly wildfire prevention but consider home fire prevention also (internal sprinkler systems). A dedicated stream of revenue needs to be allocated to this need.

ATTACHMENT A

This revenue can come from a reallocation of existing revenue and the creation of additional revenue.

Currently the District is taking in about \$25 million in tax revenue, over 90% of the District's total revenue. Since the vast majority of services provided by the District come from the 17 responders stationed in the District's five stations, it is not unreasonable to allocate that \$25 million across those 17 (including management, operating and capital expenses in addition to employee compensation): \$1.5 million per responder. Moraga has two stations staffed with eight responders. Moraga property owners contribute \$8.8 million in property taxes. That is only \$1.1 million per responder for a service which is costing \$1.5 million per responder. Is there a means to get Moragans to pay what it is costing to provide them with the service they desire / expect? Money that could then be used for fire prevention services?

Partially. Before MOFD was created, Moraga voters agreed to a parcel tax with a variable rate set each year by the Board so that the community could afford superior service. The cap on the rate is "30 cents". Moraga property owners have never been charged more than 20% of the tax they agreed to. If they were charged the full tax, it would generate an additional \$1.9 million (which could be used for fire prevention services); increasing Moraga's total tax contribution to \$10.7 million; equating to \$1.35 million per firefighter stationed in and serving Moraga. Not quite the \$1.5 million it costs to provide the service, but closer.

I encourage MOFD to collect this additional revenue and allocate it plus a portion of existing revenues (stretching out the goals of funding the General Fund and Retirement Funds) to fire prevention services. The services would be a mix of incentives to private property owners (match funding; organization of vegetation removal services; financing of major expenses through something like a Benefit Assessment District) and direct fire preventions services.

Note, at least in Orinda, only 50% of Orinda's 13 square miles, is owned by private residences so even if there was 100 percent compliance by individuals (my guess is 10 percent, 700 homes, would be optimistic), half of the City would be neglected.

While the City of Orinda should be taking aggressive action on this issue, it is not. It is up to MOFD to provide the guidance.

Sincerely,

Steve Cohn
Orinda

PS. Re. this "public" workshop. It will be interesting to see how many members of the 35,000 residents served by the District show up at this "public" workshop. If I recall, at the last "public" workshop, on the LRFF, there were two or three of us and (if I recall) two of us spoke. To the best of my knowledge the only notice for this new workshop went out to the MOFD mailing list at 4:00 on Friday. That's it. Compare this to the notices of the EBRPD officer who got into a traffic accident a few days ago: three text messages and two or three NextDoor posts. If I did not know better, I would think that you don't really want public feedback; you just want to be able to say that you asked for it. Sorry for being a doubting Thomas. It is great that you are asking for public feedback, and even if you put full page ads in the newspaper(s) you would probably get minimal feedback, but you could try a bit harder.

ATTACHMENT A

PPS. (as a fine point) I disagree with the statement made in the staff report that “property tax revenue in the General Fund is projected to increase \$901K or 4.3% ... primarily due to increased median price of single family residential properties.” I don’t believe that increased home values / prices are the primary cause for the increase. The increase is more a result of sales volume, not prices. Only about 4% of the homes in Orinda and Moraga sell each year. The increased assessed value of the other 96% is constrained to 2% by State law (Prop 13). Therefore, if 96% of the properties have an increase of 2%, but the total tax base increases 4.3%, then the 4% of properties that are fully reassessed must be increasing 60%. This is not due to this year’s price increase or even the past several years. It is due to (1) most of the properties sold have not been fully reassessed for an average of 25 years and (2) There have been a substantial number of new homes built, mostly in Orinda’s Wilder. Will this behavior continue? Yes, as there are another 96% of homes which are still under-assessed. This is the nature of Prop 13: as market values increase faster than 2%, the tax base grows slower than the market value; and as market value growth slows down or even decreases, the tax base will continue to increase in value as a significant number of homes are still assessed below market value. (From 2006 to 2012, home prices dropped about 25%. Over that same time period, MOFD property tax revenues actually increased slightly. From 2012 to 2018 home prices have increased about 80%. Over that same period MOFD property tax revenues have increased “only” 50%.)

From: CanyonFire [mailto:CanyonFire@vfemail.net]
Sent: Wednesday, April 17, 2019 4:38 PM
To: stevedformofd@gmail.com
Cc: craig.jorgens@gmail.com; Winnacker, David <dwinacker@mofd.org>; Richard Olsen <rjolsen@pacbell.net>
Subject: Comments for Tonight's Meeting

Gentlemen,

Not knowing who will attend tonight's Board meeting and who won't I am sending this to all of you, hoping that someone would be willing to bring forward my thoughts on two items, both having to do with the budget. (My outdoor cat is a bit wobbly now, following surgery, and I'm going to stay home tonight to shoo away the coyotes and mountain lions.)

1. The estimated replacement cost of Station 41 (theoretically scheduled for this year) is \$7 million plus just over \$2 million in financing charges. I would ask the Board to run the numbers to see how much could be saved if the District put as much money as possible up front towards the purchase, possibly by deferring OPEB and GASB savings somewhat and applying any budget surplus money. I offer this suggestion because all or part of that approximate \$133,333 annualized interest payment could otherwise go towards purchasing something of real value.

2. I'm concerned about the talk of possibly re-staffing St. 45 with an ambulance company prior to taking a good look at the past performance of that particular service model. (In a two year period, did it produce any tangible benefits?) More to the point, before jumping to add a \$1 million per year burden to the District's annual budget, it would seem prudent to study a comprehensive review of the District's ability to provide services. It could turn out that that money would be well spent on additional staffing, but any number of other possibilities could be equally or more compelling...if the Board were to seek them out.

Thanks. Have fun.
~Jonathan Goodwin,
Canyon, Calif.

ATTACHMENT B