



# Moraga-Orinda Fire District

## Board of Directors

### CALL AND NOTICE OF A SPECIAL MEETING

September 27, 2017

**5:30 p.m. OPEN SESSION**

**7:00 p.m. PUBLIC WORKSHOP**

**8:30 p.m. CLOSED SESSION**

Moraga Library Community Room  
1500 Saint Mary's Road  
Moraga, CA 94556

#### 1. OPENING CEREMONIES

- 1.1. Call the Meeting to Order
- 1.2. Roll Call
- 1.3. Pledge of Allegiance
- 1.4. Core Values – Service, Honor, Integrity

#### 2. PUBLIC COMMENT

The public is invited to speak on any matter not appearing on the agenda including Closed Session, and within the subject matter jurisdiction of the District. Comments should be limited to three minutes. Please state your name and address for the record.

#### 3. CONSENT AGENDA

- 3.1. **Meeting Minutes – September 20, 2017**  
Staff Recommendation: Approve and File
- 3.2. **Monthly Financial Report for August 2017**  
Staff Recommendation: Approve and File

#### 4. REGULAR AGENDA

- 4.1. **Draft GASB 75 OPEB Valuation Report as of June 30, 2017 and Approval of OPEB Funding Policy**  
Staff will present information to the Board regarding the OPEB Valuation Report as of June 30, 2017 and approval of OPEB Funding Policy.  
Staff Recommendation: 1) Discuss; 2) Deliberate; 3) Provide Direction to Staff Regarding the Draft GASB 75 OPEB Valuation Report as of June 30, 2017 and Approve the OPEB Funding Policy
- 4.2. **Approval of Contract for Station 43 Construction Management Services with Consolidated Construction Management, Inc. in the Amount Not to Exceed \$229,638 and Approval of Capital Projects Fund Expenditure Budget Adjustment Increase in the Amount of \$243,050**  
Staff will present information to the Board regarding the new Construction Manager contract.  
Staff Recommendation: 1) Discuss; 2) Deliberate; 3) Approve Contract with Consolidated Construction Management, Inc. Not to Exceed \$229,638 and Capital Projects Fund Expenditure Budget Adjustment of \$243,050
- 4.3. **2016 FEMA SAFER Grant**  
Staff will present information to the Board regarding the 2016 FEMA SAFER Grant.  
Staff Recommendation: 1) Discuss; 2) Deliberate; 3) Accept SAFER Grant and Provide Direction to Staff on Staffing Option
- 4.4. **Draft Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2017**  
Staff will present information to the Board regarding the Draft Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2017.  
Staff Recommendation: 1) Discuss; 2) Deliberate; 3) Provide Direction to Staff

5. PUBLIC WORKSHOP

The Moraga-Orinda Fire District Board is in the process of preparing a position description for the Fire Chief and seeks the public's advice and input.

6. CLOSED SESSION

6.1. **Conference with Legal Counsel – Potential Litigation**

Initiation of litigation pursuant to subdivision (c) of Government Code Section 54956.9: one (1) potential matter

6.2. **Public Employee Appointment**

(Government Code Section 54957)

Title: Fire Chief

6.3. **Conference with Labor Negotiator**

(Government Code Section 54957.6)

Agency Designated Representative: Eddie Kreisberg

Employee Organization: International Association of Firefighters IAFF, Local 1230

6.4. **Conference with Labor Negotiator**

(Government Code Section 54957.6)

Agency Designated Representative: Eddie Kreisberg

Employee Organization: Local 2700 United Clerical, Technical & Specialized Employees

6.5. **Conference with Labor Negotiator**

(Government Code Section 54957.6)

Agency Designated Representative: Eddie Kreisberg

Employee Organization: Moraga-Orinda Fire Chief Officers Association (MOFCOA)

7. RECONVENE THE MEETING

7.1. Call the Meeting to Order

8. REPORT OF CLOSED SESSION ACTION

9. PUBLIC COMMENT

The public is invited to speak on any matter not appearing on the agenda, and within the subject matter jurisdiction of the District. Comments should be limited to three minutes. Please state your name and address for the record.

10. ADJOURNMENT

This agenda is posted pursuant to the provisions of the Government Code commencing at Section 54956.

The date of posting is September 22, 2017.

MORAGA-ORINDA FIRE DISTRICT



Grace Santos  
Clerk to the Board

*The Moraga-Orinda Fire Protection District ("District"), in complying with the Americans with Disabilities Act ("ADA"), requests individuals who require special accommodations to access, attend and/or participate in District Board meetings due to a disability, to please contact the District Chief's office, (925) 258-4599, at least one business day prior to the scheduled District Board meeting to ensure that we may assist you.*

# Moraga-Orinda Fire Protection District

## BOARD OF DIRECTORS SPECIAL BOARD MEETING MINUTES

September 20, 2017



### 1. Opening Ceremonies

The Board of Directors convened in Open Session at 5:00 P.M. on September 20, 2017 at the Moraga Library Community Room, 1500 Saint Mary's Road, Moraga. President Famulener called the meeting to order. Director Jex was not present.

Present were the following Directors and Staff:

President Famulener	Director Jorgens	Grace Santos, District Clerk
Director Anderson	Jerry Lee, Interim Fire Chief	
Director Barber	Gloriann Sasser, Admin Service Director	

### 2. Public Comment

There was no comment from the public.

### 3. Closed Session

At 5:00 P.M., the Board adjourned into Closed Session.

Director Jex arrived at 5:01 P.M., and joined the rest of the Board in Closed Session.

### 4. Reconvene the Meeting

President Famulener reconvened the regular business meeting of the Moraga-Orinda Fire District Board of Directors at 5:40 P.M. Present were the following Directors and Staff:

President Famulener	Director Jex	Gloriann Sasser, Admin Service Director
Director Anderson	Director Jorgens	Grace Santos, District Clerk
Director Barber	Jerry Lee, Interim Fire Chief	

### 5. Report of Closed Session Action

There was no reportable action taken in Closed Session on item 3.1 Conference with Legal Counsel – Potential Litigation.

### 6. Public Comment

There was no comment from the public.

President Famulener thanked the Moraga Chamber of Commerce and the Moraga-Orinda Professional Firefighters Association for the lovely 9/11 Memorial Ceremony. They did a great job. She gave a special thanks to the Honor Guards who stood wearing the heavy uniforms in 90 degree heat.

### 7. Consent Agenda

Director Jorgens asked to make a minor modification on item 7.1 Meeting Minutes, Section 8.3 – the seventh to the last paragraph. It states that "Director Jorgens stated that he does not feel comfortable approving all of the items in the budget change". Director Jorgens asked to add to the end of that sentence "in the proposed budget change, especially the \$334,000 contingency amount, which needed to be discussed further at a future meeting along with several other estimated items."

Motion by Director Barber and seconded by Director Jorgens to approve and file items 7.1 Meeting Minutes, with the proposed change, 7. 2 Monthly Incident Report and 7.3 Monthly Check/Voucher Register. Said motion carried a unanimous 5-0 roll-call vote (Ayes: Anderson, Barber, Famulener, Jex, and Jorgens).

**8. Regular Calendar**

**8.1 Interim Fire Chief Agreement**

The Fire Chief Recruiting Ad Hoc Committee negotiated an employment agreement with Interim Fire Chief Jerry Lee.

The terms are consistent with the negotiating instructions from the Board and past practices for the former Fire Chief. The committee recommends approval.

Motion by Director Jex and seconded by Director Jorgens to approve an employment agreement with Interim Fire Chief Lee. Said motion carried a unanimous 5-0 roll-call vote (Ayes: Anderson, Barber, Famulener, Jex, and Jorgens).

Interim Fire Chief Lee was sworn in by District Clerk Santos.

**9. Adjournment**

At 5:46 P.M., President Famulener called for adjournment of the regular meeting.



Grace Santos  
Secretary to the Board

DRAFT

**Moraga-Orinda Fire District**  
Statement of Revenues and Expenditures - Capital Projects Fund Actual to Budget-17/18  
From 7/1/2017 Through 8/31/2017

		Current Period Actual	YTD Budget - Original	YTD Budget Variance - Original	Percent Total Budget Remaining - Original
<b>Revenue</b>					
<b>Taxes</b>					
Fire Flow Tax	4066	0.00	1,076,738.00	(1,076,738.00)	(100.00)%
Total Taxes		0.00	1,076,738.00	(1,076,738.00)	(100.00)%
<b>Use of Money &amp; Property</b>					
Investment Earnings	4181	1,338.43	10,000.00	(8,661.57)	(86.62)%
Total Use of Money & Property		1,338.43	10,000.00	(8,661.57)	(86.62)%
<b>Intergovernmental Revenue</b>					
Intergovernmental Revenue-Feder...	4437	0.00	159,906.00	(159,906.00)	(100.00)%
Total Intergovernmental Revenue		0.00	159,906.00	(159,906.00)	(100.00)%
<b>Charges for Service</b>					
Impact Mitigation Fees	4743	24,000.00	200,000.00	(176,000.00)	(88.00)%
Total Charges for Service		24,000.00	200,000.00	(176,000.00)	(88.00)%
Total Revenue		25,338.43	1,446,644.00	(1,421,305.57)	(98.25)%
<b>Expenditures</b>					
<b>Other Expense</b>					
Bank Fees	7510	0.00	100.00	100.00	100.00%
Fire Flow Tax Collection Fees	7531	0.00	14,000.00	14,000.00	100.00%
Capital Contingency-Facilities, Eq...	7700	0.00	150,000.00	150,000.00	100.00%
Apparatus/Vehicles-Fixed Asset ...	7703	68.68	365,951.00	365,882.32	99.98%
Buildings-Station #43-Fixed Asset...	7706	16,357.05	0.00	(16,357.05)	99.56%
Misc. Equipment Expense	7709	0.00	395,096.00	395,096.00	100.00%
Transfers to Debt Service Fund	7999	0.00	1,011,980.00	1,011,980.00	100.00%
Total Other Expense		16,425.73	1,937,127.00	1,920,701.27	99.71%
Total Expenditures		16,425.73	1,937,127.00	1,920,701.27	99.71%
Excess of Revenues Over/ (Under) Expenditures		8,912.70	(490,483.00)	499,395.70	(100.21)%

**Moraga-Orinda Fire District**  
Statement of Revenues and Expenditures - General Fund Actual to Budget 17/18  
From 7/1/2017 Through 8/31/2017

		Current Period Actual	Total Budget \$ - Original	Total Budget \$ Variance - Original	Percent Total Budget Remaining - Original
<b>Revenue</b>					
<b>Taxes</b>					
Property Tax-Current Secured	4010	17,388,779.92	18,641,737.00	(1,252,957.08)	(6.72)%
Property Tax-Supplemental	4011	0.00	300,000.00	(300,000.00)	(100.00)%
Property Tax-Unitary	4013	0.00	212,126.00	(212,126.00)	(100.00)%
Property Tax-Curr Unsecured	4020	0.00	612,696.00	(612,696.00)	(100.00)%
Prop Tax- Prior Secured	4030	0.00	(50,000.00)	50,000.00	(100.00)%
Prop Tax-Prior Supplement	4031	0.00	(35,000.00)	35,000.00	(100.00)%
Prop Tax Prior Unsecured	4035	0.00	(10,000.00)	10,000.00	(100.00)%
<b>Total Taxes</b>		<u>17,388,779.92</u>	<u>19,671,559.00</u>	<u>(2,282,779.08)</u>	<u>(11.60)%</u>
<b>Use of Money &amp; Property</b>					
Investment Earnings	4181	0.00	3,000.00	(3,000.00)	(100.00)%
<b>Total Use of Money &amp; Property</b>		<u>0.00</u>	<u>3,000.00</u>	<u>(3,000.00)</u>	<u>(100.00)%</u>
<b>Intergovernmental Revenue</b>					
Homeowners Relief Tax	4385	0.00	154,000.00	(154,000.00)	(100.00)%
CA FF JAC Training Funds	4440	0.00	10,000.00	(10,000.00)	(100.00)%
Other/In Lieu of Taxes	4580	0.00	902.00	(902.00)	(100.00)%
Measure H-Emerg Med Ser Subsid	4896	0.00	85,312.00	(85,312.00)	(100.00)%
<b>Total Intergovernmental Revenue</b>		<u>0.00</u>	<u>250,214.00</u>	<u>(250,214.00)</u>	<u>(100.00)%</u>
<b>Charges for Service</b>					
Permits	4740	1,444.00	614.00	830.00	135.18%
Plan Review	4741	53,687.00	250,000.00	(196,313.00)	(78.53)%
Inspection Fees	4742	1,778.00	35,000.00	(33,222.00)	(94.92)%
Weed Abatement Charges	4744	0.00	4,357.00	(4,357.00)	(100.00)%
CPR/First Aid Classes	4745	253.00	2,000.00	(1,747.00)	(87.35)%
Reports/ Photocopies	4746	51.00	350.00	(299.00)	(85.43)%
Other Charges for Service	4747	2,196.00	6,000.00	(3,804.00)	(63.40)%
<b>Total Charges for Service</b>		<u>59,409.00</u>	<u>298,321.00</u>	<u>(238,912.00)</u>	<u>(80.09)%</u>
<b>Charges for Service - Ambulance</b>					
Ambulance Service Fees	4898	75,672.05	1,079,564.00	(1,003,891.95)	(92.99)%
Ambulance Service Fee Reimbursements	4899	(1,857.60)	(77,250.00)	75,392.40	(97.60)%
Ambulance Collection Recovery Payments	4900	520.40	2,000.00	(1,479.60)	(73.98)%
Ground Emergency Medical Transportation	4901	0.00	20,000.00	(20,000.00)	(100.00)%
<b>Total Charges for Service - Ambulance</b>		<u>74,334.85</u>	<u>1,024,314.00</u>	<u>(949,979.15)</u>	<u>(92.74)%</u>
<b>Other Revenue</b>					
Other Revenue-Strike Team Recovery	4971	0.00	530,000.00	(530,000.00)	(100.00)%
Other Revenue & Financing Sources	4972	0.00	18,000.00	(18,000.00)	(100.00)%
Other Revenue-Misc.	4974	0.00	1,000.00	(1,000.00)	(100.00)%
Misc Rebates & Refunds	4975	1,927.40	1,000.00	927.40	92.74%
Sale of Surplus Property	4980	0.00	1,000.00	(1,000.00)	(100.00)%
Transfers In	4999	4,476.30	0.00	4,476.30	0.00%
<b>Total Other Revenue</b>		<u>6,403.70</u>	<u>551,000.00</u>	<u>(544,596.30)</u>	<u>(98.84)%</u>
<b>Total Revenue</b>		<u>17,528,927.47</u>	<u>21,798,408.00</u>	<u>(4,269,480.53)</u>	<u>(19.59)%</u>
<b>Expenditures</b>					
<b>Salaries &amp; Benefits</b>					
Permanent Salaries	5011	1,358,966.46	8,645,029.00	7,286,062.54	84.28%

**Moraga-Orinda Fire District**  
Statement of Revenues and Expenditures - General Fund Actual to Budget 17/18  
From 7/1/2017 Through 8/31/2017

		Current Period Actual	Total Budget \$ - Original	Total Budget \$ Variance - Original	Percent Total Budget Remaining - Original
Temporary Salaries	5013	23,593.97	190,756.00	167,162.03	87.63%
Overtime	5014	365,923.59	1,890,000.00	1,524,076.41	80.64%
Deferred Compensation	5015	28,913.00	3,600.00	(25,313.00)	(703.14)%
Overtime - Strike Team	5016	289,821.34	355,000.00	65,178.66	18.36%
Worker's Compensation Recovery	5019	(37,427.66)	(100,000.00)	(62,572.34)	62.57%
Payroll Taxes -FICA,SUI	5042	30,040.04	175,188.00	145,147.96	82.85%
Payroll Processing Fees	5043	2,173.78	20,000.00	17,826.22	89.13%
Retirement Contributions	5044	763,918.82	4,814,450.00	4,050,531.18	84.13%
Life/Health Insurance-Permanent Employees	5060	172,054.71	1,121,160.00	949,105.29	84.65%
Employee's-Health Insurance Contribution	5061	(17,821.49)	(124,260.00)	(106,438.51)	85.66%
Retiree Health Insurance	5062	184,885.79	1,180,000.00	995,114.21	84.33%
Retiree-Health Insurance Contribution	5063	(49,967.26)	(331,000.00)	(281,032.74)	84.90%
Unemployment Insurance	5064	2,862.00	15,000.00	12,138.00	80.92%
Retiree-Health OPEB Contribution	5065	0.00	280,000.00	280,000.00	100.00%
Vision Insurance	5066	3,761.61	15,340.00	11,578.39	75.48%
Pension Rate Stabilization	5067	0.00	280,000.00	280,000.00	100.00%
Workers' Compensation Insurance	5070	180,187.00	720,745.00	540,558.00	75.00%
<b>Total Salaries &amp; Benefits</b>		<b>3,301,885.70</b>	<b>19,151,008.00</b>	<b>15,849,122.30</b>	<b>82.76%</b>
<b>Operating Expense</b>					
Office Supplies	6100	1,034.85	11,000.00	9,965.15	90.59%
Postage	6101	1,068.76	3,000.00	1,931.24	64.37%
Books & Periodicals	6102	0.00	6,750.00	6,750.00	100.00%
Printer Ink Cartridges	6103	0.00	3,000.00	3,000.00	100.00%
Telephone/Communication	6110	5,419.28	42,000.00	36,580.72	87.10%
Dispatch/Comm Center Services w/ AVL MDT	6111	0.00	180,000.00	180,000.00	100.00%
Utilities- Sewer	6120	0.00	3,160.00	3,160.00	100.00%
Utilities-Garbage	6121	2,114.14	12,845.00	10,730.86	83.54%
Utilities-PG&E	6122	6,962.21	65,690.00	58,727.79	89.40%
Utilities-Water	6123	1,006.54	13,860.00	12,853.46	92.74%
Utilities-Medical Waste	6124	474.00	2,200.00	1,726.00	78.45%
Small Tools & Instruments	6130	838.69	10,750.00	9,911.31	92.20%
Minor Equipment/Furniture	6131	0.00	1,000.00	1,000.00	100.00%
Computer Equipment & Supplies	6132	185.70	2,000.00	1,814.30	90.72%
Gas Power Chain Saw/Other Equipmen	6133	433.24	4,500.00	4,066.76	90.37%
Fire Trail Grading	6135	0.00	20,000.00	20,000.00	100.00%
Fire Fighting Equipment & Supplies	6137	14.19	4,000.00	3,985.81	99.65%
Fire Fighting Equipment-Hoses & Nozzles	6138	191.70	10,000.00	9,808.30	98.08%
Fire Fighting Equipment-Class A Foam	6139	0.00	1,500.00	1,500.00	100.00%
Medical & Lab Supplies	6140	15,899.10	105,000.00	89,100.90	84.86%
Food Supplies	6150	182.58	3,800.00	3,617.42	95.20%
Safety Clothing & Personal Supplies	6160	3,915.63	80,000.00	76,084.37	95.11%

**Moraga-Orinda Fire District**  
Statement of Revenues and Expenditures - General Fund Actual to Budget 17/18  
From 7/1/2017 Through 8/31/2017

		Current Period Actual	Total Budget \$ - Original	Total Budget \$ Variance - Original	Percent Total Budget Remaining - Original
Non-Safety Clothing & Personal Supplies	6161	250.00	1,500.00	1,250.00	83.33%
Household Expense	6170	2,059.10	10,000.00	7,940.90	79.41%
Household Expense-Linen	6171	1,168.95	2,000.00	831.05	41.55%
Public & Legal Notices	6190	0.00	4,000.00	4,000.00	100.00%
Dues, Memberships & Professional Fees	6200	412.50	7,795.00	7,382.50	94.71%
EMT/Paramedic Licensure Fees	6201	400.00	7,500.00	7,100.00	94.67%
Rent & Leases (Equipment)	6250	6,454.62	41,900.00	35,445.38	84.60%
Computer Software & Maintenance	6251	15,549.57	77,200.00	61,650.43	79.86%
Website Development & Maintenance	6252	1,660.00	1,700.00	40.00	2.35%
EPA ID# Verification Fee	6264	0.00	200.00	200.00	100.00%
CCC HazMat Plan (CUPA)	6265	2,519.00	3,000.00	481.00	16.03%
BAAQMD & Environmental Health Fees	6266	0.00	900.00	900.00	100.00%
Air Monitor Maintenance & Replacement	6269	0.00	1,300.00	1,300.00	100.00%
Maintenance -- Equipment	6270	5,425.62	56,943.00	51,517.38	90.47%
Central Garage Repairs	6271	10,982.38	140,000.00	129,017.62	92.16%
Central Garage Gasoline & Oil	6272	10,894.66	60,000.00	49,105.34	81.84%
Central Garage Tires	6273	1,837.02	5,000.00	3,162.98	63.26%
Service/Repair Fuel System Dispensers	6274	0.00	3,500.00	3,500.00	100.00%
Aerial Ladder & Pump Testing	6275	0.00	1,000.00	1,000.00	100.00%
Smog Inspections	6276	0.00	500.00	500.00	100.00%
Air Compressor Quarterly Service	6278	0.00	1,500.00	1,500.00	100.00%
Hydro Test SCBA & Oxy Cylinder Tank Testing	6279	369.28	2,500.00	2,130.72	85.23%
	6280	0.00	1,000.00	1,000.00	100.00%
Maintenance -- Building	6281	8,617.23	47,000.00	38,382.77	81.67%
Maintenance -- Grounds	6282	21.84	6,100.00	6,078.16	99.64%
Meetings & Travel Expenses	6303	370.00	1,375.00	1,005.00	73.09%
Medical - Pre-Emp Processing and Annual Exams	6311	0.00	18,000.00	18,000.00	100.00%
Ambulance Billing Administration Fees	6312	4,254.21	60,000.00	55,745.79	92.91%
Outside Attorney Fees	6313	11,217.48	96,000.00	84,782.52	88.32%
Outside CPR Instructors	6314	0.00	3,000.00	3,000.00	100.00%
CCC County Tax Administration Fee	6316	0.00	175,000.00	175,000.00	100.00%
Professional Services	6317	8,745.00	40,000.00	31,255.00	78.14%
Professional Services - Labor Negotiator	6318	299.99	50,000.00	49,700.01	99.40%
Professional Services - Technology	6319	38,332.00	244,640.00	206,308.00	84.33%
Professional Services - Pre-Employment Investigations	6320	1,852.50	5,000.00	3,147.50	62.95%
Professional Services - Promotional Exams & Recruitment	6321	15,311.63	28,750.00	13,438.37	46.74%
Professional Services-OPEB Actuarial Valuation	6322	0.00	1,200.00	1,200.00	100.00%

**Moraga-Orinda Fire District**  
Statement of Revenues and Expenditures - General Fund Actual to Budget 17/18  
From 7/1/2017 Through 8/31/2017

		Current Period Actual	Total Budget \$ - Original	Total Budget \$ Variance - Original	Percent Total Budget Remaining - Original
Exterior Hazard Removal	6323	(356.25)	12,000.00	12,356.25	102.97%
Professional Services-Prop Tax Audit & Forecasting	6326	3,150.00	12,600.00	9,450.00	75.00%
Professional Services	6327	0.00	10,000.00	10,000.00	100.00%
Burn Trailer Grant Maintenance	6352	0.00	3,500.00	3,500.00	100.00%
Testing Materials & Training Props	6354	0.00	10,000.00	10,000.00	100.00%
Career Development Classes	6357	1,808.83	15,000.00	13,191.17	87.94%
Target Safety Online Training	6359	0.00	6,200.00	6,200.00	100.00%
Training & Education Classes-Paramedic & EMT CE	6360	221.00	5,000.00	4,779.00	95.58%
District Sponsored Training-Mandated	6361	0.00	35,000.00	35,000.00	100.00%
Recruiting Costs	6470	0.00	15,000.00	15,000.00	100.00%
Strike Team Supplies	6474	3,466.98	13,500.00	10,033.02	74.32%
Community Emergency Response Team	6475	2,021.58	2,000.00	(21.58)	(1.08)%
Exercise Supplies/Maint.	6476	39.31	2,000.00	1,960.69	98.03%
Recognition Supplies	6478	0.00	8,835.00	8,835.00	100.00%
Other Special Departmental Exp	6479	3,591.09	31,180.00	27,588.91	88.48%
CPR Supplies	6481	0.00	3,000.00	3,000.00	100.00%
LAFCO	6482	10,976.88	10,977.00	0.12	0.00%
Emergency Preparedness Expense	6484	845.00	1,000.00	155.00	15.50%
Misc. Services & Supplies	6490	4,351.48	8,200.00	3,848.52	46.93%
Fire Chief Contingency	6491	4,425.26	100,000.00	95,574.74	95.57%
Property & Liability Insurance	6540	40,343.00	45,343.00	5,000.00	11.03%
<b>Total Operating Expense</b>		<u>263,629.35</u>	<u>2,143,393.00</u>	<u>1,879,763.65</u>	<u>87.70%</u>
<b>Other Expense</b>					
Bank Fees	7510	224.52	3,200.00	2,975.48	92.98%
Interest on County Teeter Account	7520	0.00	50.00	50.00	100.00%
County Tax Collection Fees	7530	0.00	300.00	300.00	100.00%
<b>Total Other Expense</b>		<u>224.52</u>	<u>3,550.00</u>	<u>3,325.48</u>	<u>93.68%</u>
<b>Total Expenditures</b>		<u>3,565,739.57</u>	<u>21,297,951.00</u>	<u>17,732,211.43</u>	<u>83.26%</u>
<b>Excess of Revenues Over/ (Under) Expenditures</b>		<u>13,963,187.90</u>	<u>500,457.00</u>	<u>13,462,730.90</u>	<u>2,690.09%</u>

**Moraga-Orinda Fire District**  
Statement of Revenues and Expenditures - Debt Service Fund Actual to Budget-17/18  
From 7/1/2017 Through 8/31/2017

		Current Period Actual	Total Budget \$ - Original	Total Budget \$ Variance - Original	Percent Total Budget Remaining - Original
<b>Revenue</b>					
<b>Taxes</b>					
Property Tax-Current Secured	4010	3,376,281.00	3,376,281.00	0.00	0.00%
Total Taxes		3,376,281.00	3,376,281.00	0.00	0.00%
<b>Use of Money &amp; Property</b>					
Investment Earnings	4181	670.64	0.00	670.64	0.00%
Total Use of Money & Property		670.64	0.00	670.64	0.00%
<b>Other Revenue</b>					
Transfers In	4999	0.00	1,011,980.00	(1,011,980.00)	(100.00)%
Total Other Revenue		0.00	1,011,980.00	(1,011,980.00)	(100.00)%
Total Revenue		3,376,951.64	4,388,261.00	(1,011,309.36)	(23.05)%
<b>Expenditures</b>					
<b>Other Expense</b>					
Pension Obligation Bond Principal Payment	7900	2,360,000.00	2,360,000.00	0.00	0.00%
Pension Obligation Bond Interest Payment	7901	429,736.50	797,877.00	368,140.50	46.14%
Apparatus Lease Principal Payment	7902	0.00	634,500.00	634,500.00	100.00%
Apparatus Lease Interest Payment	7903	0.00	55,967.00	55,967.00	100.00%
Lease Agreement Station 43 Principal	7906	0.00	240,000.00	240,000.00	100.00%
Lease Agreement Station 43 Interest	7907	0.00	81,513.00	81,513.00	100.00%
Transfers to Other Funds	7997	4,476.30	0.00	(4,476.30)	0.00%
Total Other Expense		2,794,212.80	4,169,857.00	1,375,644.20	32.99%
Total Expenditures		2,794,212.80	4,169,857.00	1,375,644.20	32.99%
Excess of Revenues Over/ (Under) Expenditures		582,738.84	218,404.00	364,334.84	166.82%



# Moraga-Orinda Fire District

**TO:** Board of Directors

**FROM:** Gloriann Sasser, Administrative Services Director

**DATE:** September 27, 2017

**SUBJECT:** Item 4.1 – Draft GASB 75 OPEB Valuation Report as of June 30, 2017 and Approval of OPEB Funding Policy

---

## **BACKGROUND**

The District provides retiree health insurance benefits to employees. Government Accounting Standards Board Statement No. 75 requires the District to complete an actuarial valuation of the other post-employment benefits (OPEB) plan. As a result, the District contracted with GovInvest to complete an actuarial report calculating the long-term cost associated with the District's OPEB plan. The draft GASB 75 OPEB Valuation Report as of June 30, 2017 has been completed (Attachment A.)

The current Memorandums of Understanding provide the District's monthly retiree medical contribution at the PERS minimum contribution level and cap the maximum retiree medical contribution at a fixed amount for all labor groups for most employees. Retiree dental insurance benefits are also capped. In addition, employees hired after April 15, 2014 receive only the minimum retiree health insurance contribution at retirement (\$128 per month for 2017). The benefits caps have been included in the updated OPEB valuation.

## **OPEB VALUATION ASSUMPTIONS**

The OPEB valuation is based on a number of significant assumptions as follows (page 22):

- Amortization period – 20 year closed period
- General inflation – 2.5% annually
- Assumed rate of payroll growth – 3%
- Healthcare trend rates – 7% trending down to 3.94%
- Rate of return on assets in accordance with GASB 75 – 7.25%
- Actuarially determined contribution discount rate – 7.25%
- Annually prefund recommended contribution

## **OPEB VALUATION RESULTS**

In 2015 the District established an OPEB trust account. The purpose of the trust account is to accumulate funds for payment of future retiree health insurance obligations. The District made the annual required contribution in FY2014/15, FY2015/16, FY2016/17 and FY2017/18 (budgeted.) As a result of the pre-funding and the cap on retiree medical benefits, the District's net OPEB liability has decreased. The balance in the OPEB trust account as of June 30, 2017 is \$473K.

The OPEB valuation measures the net OPEB liability. The net OPEB liability is the total OPEB liability less the OPEB plan fiduciary net position. In other words, the net OPEB liability is the present value of benefits earned to date for both active employees and retirees that are not covered by current plan assets. The District's net OPEB liability has significantly decreased, primarily due to the benefits caps that were implemented and the OPEB trust account contributions.

The prior actuarial valuation as of June 30, 2016 measured the net OPEB liability at \$15.3M. As of June 30, 2017, the net OPEB liability is \$13.8M, a decrease of \$1.5M or 9.8%.

### **ACCELERATE REDUCTION OF THE NET OPEB LIABILITY**

One of the initiatives of the Strategic Plan is to analyze the unfunded liabilities and determine the level of threat that unfunded liabilities pose to the District and its ability to provide sustained service delivery. One way the District could accelerate the reduction of the OPEB unfunded liability is to use a more conservative discount rate to calculate the actuarially determined contributions (ADC.) This would result in increased contributions to the District's OPEB trust account. The ADC has been calculated using the following discount rates (page 11):

- 7.25% - \$293K contribution to OPEB trust (FY2017/18 budget \$280K)
- 6.25% - \$84K additional contribution to OPEB trust
- 5.25% - \$182K additional contribution to OPEB trust
- 4.25% - \$305K additional contribution to OPEB trust

Another way the District could accelerate the reduction of the OPEB unfunded liability is to shorten the amortization period. The current amortization period is 20 years. Shortening the amortization period has also been calculated and would increase the ADC as follows (page 11):

- 20 years - \$293K contribution to OPEB trust (FY2017/18 budget \$280K)
- 15 years - \$226K additional contribution to OPEB trust
- 10 years - \$687K additional contribution to OPEB trust
- 5 years - \$2.1M additional contribution to OPEB trust

The District's strategic plan identifies several initiatives including community risk reduction, emergency services, employee development and employee retention. Accelerating the reduction of the net OPEB liability could affect the ability to fund other initiatives in the short term. Over the long term, accelerating the reduction of the net OPEB liability could reduce the District's OPEB costs.

### **OPEB FUNDING POLICY**

In September 2016 the Government Finance Officers Association recommended that every state and local government that offers OPEB formally adopt a funding policy that provides reasonable assurance that the cost of those benefits will be funded in an equitable and sustainable manner. Staff recommends the Board adopt the OPEB Funding Policy (Attachment B.) If the Board decides to accelerate reduction of the net OPEB liability, the Policy will need to be modified.

The District's actuary will be in attendance at the Board meeting to review the results of the actuarial valuation. The final actuarial valuation is scheduled to be approved at the October 18, 2017 board meeting.

**RECOMMENDATION**

- 1) Discuss; 2) Deliberate; 3) Provide direction to staff regarding the Draft GASB 75 OPEB Valuation Report as of June 30, 2017 and approve the OPEB Funding Policy

**ATTACHMENTS**

- 1) Attachment A – Draft GASB 75 OPEB Valuation Report as of June 30, 2017
- 2) Attachment B – OPEB Funding Policy

# Moraga-Orinda Fire District

## GASB 75 OPEB Valuation Report as of June 30, 2017

September 22, 2017



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September 22, 2017

Ms. Gloriann Sasser  
Administrative Services Director  
Moraga-Orinda Fire District  
1280 Moraga Way  
Moraga, California 94556

**Re: Moraga-Orinda Fire District GASB 75 OPEB Valuation Report as of June 30, 2017**

Dear Gloriann:

At your request, we completed an actuarial valuation of the retiree health and welfare benefits as of June 30, 2017 for the Moraga-Orinda Fire District. This valuation is based on input from the District and from CalPERS, as well as our understanding of GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" (GASB 75).

We greatly appreciate your business. If you have any questions, please feel free to call us at (415) 801-5987.

Best Regards,

A handwritten signature in blue ink that reads "Roger T. Burton".

Roger T. Burton, FSA, FCA, MAAA



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**Purpose of the Report**

Precision Actuarial prepared this report to meet employer financial accounting requirements under GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" (GASB 75), issued in June 2015. This report includes information with respect to the obligation to provide future retiree health and welfare benefits for the fiscal years ending June 30, 2017 and June 30, 2018.

**Changes Since the Prior Valuation**

The previous valuation was performed by Bartel Associates. We updated all assumptions and the census. This valuation is a full valuation.

As of June 30, 2017, the actuarial accrued liability is \$14,304,685.

**Actuarial Certification**

Our determinations reflect the provisions and methods prescribed by GASB 75. In preparing this report, we relied on employee census, plan design, premium rates, and administrative fees provided directly or indirectly by the plan sponsor, and demographic assumptions provided by CalPERS. CalPERS' actuaries set the premium rates using community rating. We did not attempt to verify that the community-rated premium rates represent the true cost of claims and administrative fees.

We based the results in this report on this information, along with the actuarial assumptions and methods used herein. In our opinion, the assumptions used represent reasonable expectations of anticipated plan experience. We reviewed the census information for reasonableness, but we did not audit it.

Actuarial computations under GASB 75 fulfill employer accounting and financial reporting requirements. The calculations are consistent with our understanding of GASB 75. Determinations for purposes other than meeting employer financial accounting requirements may be significantly different from the results in our report. Accordingly, additional determinations may be necessary for other purposes, such as judging benefit security at termination.

Precision Actuarial's work is prepared solely for the internal business use of the Moraga-Orinda Fire District and by GovInvest. To the extent that Precision Actuarial's work is not subject to disclosure under applicable public record laws, the District may not provide our work to third parties without Precision Actuarial's prior written consent, except that the District may provide our complete work product to its qualified agents who are subject to confidentiality agreements and agree to use our work product only to benefit the District, and the District may provide our complete work product to other governmental agencies or individuals, as required by law.


No third-party recipient of Precision Actuarial's work product should rely solely on Precision Actuarial's work product. Any third-party recipient should engage qualified professionals for advice appropriate to their own needs.

There is no relationship between Precision Actuarial, its owner, subcontractors, or staff; GovInvest; or the Moraga-Orinda Fire District beyond the contractual services that we perform for the Moraga-Orinda Fire District.

**Actuarial Certification** *(continued)*

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, the report is complete and accurate and that we prepared it in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the applicable "Actuarial Standards of Practice" and "Actuarial Compliance Guidelines" as promulgated by the American Academy of Actuaries.

The undersigned is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



September 22, 2017

**Roger T. Burton, FSA, FCA, MAAA**

**Date**

*Fellow of the Society of Actuaries (FSA)*

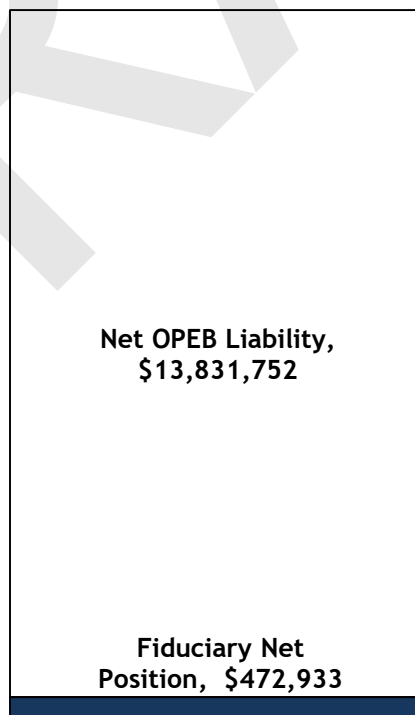
*Member of the American Academy of Actuaries (MAAA)*

*Fellow of the Conference of Consulting Actuaries (FCA)*

A summary of the key valuation results follows.

<u>Funded Status</u>	<u>For the Fiscal Year Ending June 30, 2017</u>
Total OPEB Liability	\$ 14,304,685
Fiduciary Net Position	472,933
Net OPEB Liability	<u>\$ 13,831,752</u>
Plan fiduciary net position as a percentage of the total OPEB liability	3.31%
Covered payroll	\$ 7,872,287
Net OPEB Liability as a percentage of covered payroll	175.7%
<b>2016-2017 Expense</b>	<b>\$ 1,331,086</b>
<b>2017-2018 Expense (Projected)</b>	<b>1,342,264</b>
<b>2016-2017 Actuarially Determined Contribution</b>	<b>1,406,581</b>
<b>2017-2018 Actuarially Determined Contribution (Projected)</b>	<b>\$ 1,448,771</b>

**Total OPEB  
Liability,  
\$14,304,685**



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**Statement of Fiduciary Net Position**  
**Fiscal Year Ending June 30, 2017**

**Assets**

Cash and deposits	\$	-
Securities lending cash collateral		-
Total cash		-
Receivables:		
Contributions		-
Due from broker for investments sold		-
Investment income (interest on investments)		-
Other		-
Total receivables		-
Investments:		
Domestic fixed income securities		-
Domestic equities		
Investment funds		472,933
International equities		-
Real estate		-
Total investments		472,933
Total assets		472,933

**Liabilities**

Payables:		
Investment management fees		-
Due to broker for investments purchased		-
Collateral payable for securities lending		-
Other		-
Total liabilities		-
<b>Net position restricted for postemployment benefits other than pensions*</b>	<b>\$</b>	<b>472,933</b>

**Statement of Changes to the Fiduciary Net Position  
for the Fiscal Year Ended June 30, 2017 and June 30, 2018**

	Fiscal Year Ending June 30, 2017	Estimated for Fiscal Year Ending June 30, 2018
<b>Additions</b>		
Investment income:		
Net appreciation in the fair value of investments	\$ 41,863	\$ 57,507
Interest and dividends	-	-
Less investment expense, other than from securities lending	-	-
Net income from investing, other than from securities lending	41,863	57,507
Securities lending income	-	-
Less securities lending expense	-	-
Net income from securities lending	-	-
<b>Net investment income (a)</b>	<b>\$ 41,863</b>	<b>\$ 57,507</b>
Contributions:		
Employer – explicit subsidy	\$ 1,083,604	\$ 1,406,581
Employer – implicit subsidy	287,686	287,686
Employee	-	-
<b>Total contributions (b)</b>	<b>\$ 1,371,290</b>	<b>\$ 1,694,267</b>
<b>Total additions (c) = (a) + (b)</b>	<b>\$ 1,413,153</b>	<b>\$ 1,751,774</b>
<b>Deductions</b>		
Benefit payments, including refunds of employee contributions	\$ 827,604	\$ 766,034
Implicit rate subsidy fulfilled	287,686	287,686
Administrative expense	1,367	1,367
<b>Total deductions (d)</b>	<b>\$ 1,116,657</b>	<b>\$ 1,055,087</b>
<b>Net increase in net position = (c) - (d)</b>	<b>\$ 296,496</b>	<b>\$ 696,687</b>
<b>Net position restricted for postemployment benefits other than pensions</b>		
Beginning of year	\$ 176,437	\$ 472,933
Net increase in net position	296,496	696,687
End of year	\$ 472,933	\$ 1,169,620

• Asset projections for fiscal year-end 2018 estimated using expected rate of return, contributions, and benefit payments

## Changes in the Net OPEB Liability

The funded status of the Plan as of the fiscal year-end, as well as other required disclosure information, follows.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) – (b)
<b>Balances at June 30, 2016</b>	\$ 14,064,673	\$ 176,437	\$ 13,888,236
<b>Changes for the year:</b>			
Service Cost	376,042		376,042
Interest	979,260		979,260
Differences between expected and actual experience	-		-
Change in assumptions	-		-
Net investment income		41,863	(41,863)
Contributions			
Employer – explicit subsidy		1,083,604	(1,083,604)
Employer – implicit subsidy		287,686	(287,686)
Employee		-	-
Benefit payments, including refunds of employee contributions	(827,604)	(827,604)	-
Implicit rate subsidy fulfilled	(287,686)	(287,686)	-
Administrative expense		(1,367)	1,367
Other changes		-	-
<b>Net changes</b>	<u>240,012</u>	<u>296,496</u>	<u>(56,484)</u>
<b>Balances at June 30, 2017</b>	\$ 14,304,685	\$ 472,933	\$ 13,831,752

## Calculation of Expense Under GASB 75

Expense	Fiscal Year Ending June 30, 2017	Fiscal Year Ending June 30, 2018
1) Service Cost	\$ 376,042	\$ 387,323
2) Interest (on liabilities)	979,260	997,317
3) Interest (on assets)	(25,583)	(47,033)
4) Administrative Expenses	1,367	1,401
5) Differences between expected and actual experience	-	- (A)
6) Change in assumptions	-	- (B)
7) Differences between expected and actual earnings	-	3,256 (C)
<b>Total Expense</b>	<b>\$ 1,331,086</b>	<b>\$ 1,342,264</b>

## Derivation of 2017/2018 Total Expense for Items 5), 6), and 7)

	<u>Earned 2016-2017</u>	<u>Total Recognized 2017-2018</u>
5) Differences between expected and actual experience – amounts to include in expense are calculated as follows:		
Actual liabilities	n/a	\$ 14,304,685
Expected liabilities	- n/a	14,304,685
Difference	\$ -	\$ - (A)
6) Change in assumptions – amounts to include in expense are calculated as follows:		
Liabilities after assumption change	n/a	n/a
Liabilities before assumption change	- n/a	n/a
Difference	\$ -	\$ - (B)
7) Differences between expected and actual earnings – amounts to include in expense are calculated as follows:		
Actual earnings	\$ 41,863	
Expected earnings (net of expenses)	- 25,583	
Difference	16,280	16,280
Straight-line amortization over five years	\$ 3,256	\$ 3,256 (C)

## Fiscal Year Ending June 30, 2017 Deferred Outflows and Inflows

	<u>June 30, 2017</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	16,280
<b>Total</b>	<b>\$ -</b>	<b>\$ 16,280</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2018	\$ 3,256 (C)
2019	3,256
2020	3,256
2021	3,256
2022	3,256

Schedule of Deferred Inflows and Outflows of Resources

	Original Amount	Date Established	Original Recognition Period	Amount Recognized Each Year	Amount Recognized in OPEB Expense through June 30, 2017	Balance of Deferred Inflows as of June 30, 2017	Balance of Deferred Outflows as of June 30, 2017
Investment gains or losses	\$ 16,280	6/30/2017	5 years	\$ 3,256	\$ -	\$ 16,280	\$ -
		Total		3,256	-	16,280	-
Economic/demographic gains or losses		Total			-	-	-
Assumption changes or inputs		Total			\$ -	\$ -	\$ -

## Reconciliation of Expense

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Deferred Inflows	Deferred Outflows	Net Deferrals	Net OPEB Liability plus Net Deferrals	Annual Expense
Balances as of June 30, 2016	\$ (14,064,673)	\$ 176,437	\$ (13,888,236)	\$ -	\$ -	\$ -	\$ (13,888,236)	
Service cost	(376,042)		(376,042)					\$ 376,042
Interest on total OPEB liability	(979,260)		(979,260)					979,260
Effect of plan changes								
Effect of liability gains or losses	-		-	-		-		
Effect of assumption changes or inputs	-		-	-		-		
Expected investment income (net of investment expenses)		25,583	25,583					(25,583)
Investment gains or losses on expected return		16,280	16,280	16,280	-	(16,280)		
Contributions								
Employer – explicit subsidy		1,083,604	1,083,604				1,083,604	
Employer – implicit subsidy		287,686	287,686				287,686	
Employee								
Benefit payments, including refunds of employee contributions	827,604	(827,604)						
Implicit rate subsidy fulfilled	287,686	(287,686)						
Administrative expenses		(1,367)	(1,367)					1,367
Recognition of liability gains or losses				-		-		-
Recognition of assumption changes or inputs				-		-		-
Recognition of investment gains or losses				-		-		-
Annual expense							(1,331,086)	\$ 1,331,086
Balances as of June 30, 2017	\$ (14,304,685)	\$ 472,933	\$ (13,831,752)	\$ 16,280	\$ -	\$ (16,280)	\$ (13,848,032)	

## Actuarially Determined Contribution Based on GASB 75 Disclosure Rate for the Fiscal Year Ended June 30, 2017 and June 30, 2018

The calculation of the Actuarially Determined Contribution (ADC) follows. The ADC is based on the District's funding policy.

	Fiscal Year Ending June 30, 2017	Fiscal Year Ending June 30, 2018
Normal Cost – Entry Age Normal	\$ 376,042	\$ 387,323
Administrative Expenses	1,367	\$ 1,401
Amortization of the Unfunded Actuarial Accrued Liability (UAAL)	1,029,172	1,060,047
<b>Actuarially Determined Contribution (ADC)</b>	<b>\$ 1,406,581</b>	<b>\$ 1,448,771</b>
ADC as a percentage of payroll	17.87%	17.87%
Discount rate	7.25%	7.25%
<b>Components of the ADC</b>		
<b>Actual Contribution – Explicit Subsidy</b>	<b>\$ 1,118,895</b>	<b>\$ 1,141,272</b>
Implied Contribution – Implicit Subsidy	287,686	307,499

### District's Funding Policy

The District intends to contribute an amount equal to the ADC each year. The contribution comprises an implicit contribution, made by the District as part of its benefit payments for active employees, and an explicit contribution to the OPEB Trust equal to the ADC less the estimated implicit subsidy amount. The explicit contribution is labeled "Actual Contribution – Explicit Subsidy" above. The ADC is the sum of the Entry Age Normal Cost for the year plus administrative expenses and amortization of the Unfunded Actuarial Accrued Liability (UAAL). The Normal Cost is the portion of the Actuarial Present Value of benefits allocated to a valuation year. The UAAL is the excess of the Entry Age Normal Actuarial Accrued Liability over the Market Value of Assets.

The District is amortizing the UAAL on a closed basis. Remaining years of amortization: 20

The discount rate assumed for ADC calculations is the expected long-term rate of return: 7.25%

The UAAL is amortized assuming a level percent of payroll.

## Actuarially Determined Contribution (ADC) Scenarios for the Fiscal Year Ended June 30, 2017

### Discount Rate Scenarios

Calculations of the ADC at different discount rates follow. These calculations may assist the District in making decisions regarding the funding of the plan. Note that the ADC increase 3% each year, due to the annual projected increase in salaries.

Discount Rate:	<u>7.25%</u>	<u>6.25%</u>	<u>5.25%</u>	<u>4.25%</u>
Normal Cost – Entry Age Normal	\$ 376,042	\$ 446,425	\$ 533,690	\$ 642,784
Administrative Expenses	1,367	\$ 1,367	\$ 1,367	\$ 1,367
Amortization of the Unfunded Actuarial Accrued Liability (UAAL)	<u>1,029,172</u>	<u>1,042,314</u>	<u>1,053,288</u>	<u>1,067,504</u>
<b>Actuarially Determined Contribution (ADC)</b>	<b>\$ 1,406,581</b>	<b>\$ 1,490,106</b>	<b>\$ 1,588,345</b>	<b>\$ 1,711,655</b>
<b>Additional Contribution to Trust ADC as a percentage of payroll</b>	<b>\$ - 17.87%</b>	<b>\$ 83,525 18.93%</b>	<b>\$ 181,764 20.18%</b>	<b>\$ 305,074 21.74%</b>
UAAL paid off in <i>x</i> number of years	20.0	17.5	15.7	14.2

### Amortization Period Scenarios

Calculations of the ADC at different amortization periods follow. These calculations may assist the District in making decisions regarding the funding of the plan. Note that the ADC increase 3% each year, due to the annual projected increase in salaries.

Amortization Period:	<u>20 Years</u>	<u>15 Years</u>	<u>10 Years</u>	<u>5 years</u>
Normal Cost – Entry Age Normal	\$ 376,042	\$ 376,042	\$ 376,042	\$ 376,042
Administrative Expenses	1,367	\$ 1,367	\$ 1,367	\$ 1,367
Amortization of the Unfunded Actuarial Accrued Liability (UAAL)	<u>1,029,172</u>	<u>1,255,047</u>	<u>1,716,061</u>	<u>3,118,011</u>
<b>Actuarially Determined Contribution (ADC)</b>	<b>\$ 1,406,581</b>	<b>\$ 1,632,456</b>	<b>\$ 2,093,470</b>	<b>\$ 3,495,420</b>
<b>Additional Contribution to Trust</b>	<b>\$ -</b>	<b>\$ 225,875</b>	<b>\$ 686,889</b>	<b>\$ 2,088,839</b>

## Amortization of Unfunded Actuarial Accrued Liability for the Fiscal Year Ended June 30, 2017

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A summary of the information used to establish the amortization amount for the current year, with respect to the Unfunded Actuarial Accrued Liability (UAAL), follows. We recalculate the amortization of the UAAL each fiscal year. The UAAL is amortized as a level percentage of payroll.

Actuarial Accrued Liability (AAL) – Entry Age Normal	\$	14,304,685
Actuarial Value of Plan Assets	-	472,933
Unfunded Actuarial Accrued Liability (UAAL)	= \$	13,831,752
Interest Rate Used to Determine Amortization Payment		7.25%
Assumed Rate of Payroll Growth		3.00%
Amortization Period For the Fiscal Year Ending June 30, 2018		20 years
Amount Recognized (Principal & Interest)	\$	1,029,172

## Projection of ADC and Net OPEB Liability

	Fiscal Year Ending	
	2017	2018
<b>Estimated Liabilities</b>		
OPEB liability, beginning of year	\$ 14,064,673	\$ 14,304,685
Normal cost	+ 376,042	387,323
Interest on liabilities	+ 979,260	997,317
<b>Projected Benefit Payments</b>		
Benefit payments, including refunds of employee contributions	(827,604)	(789,687)
Implicit rate subsidy fulfilled	(287,686)	(307,499)
Total benefit payments	+ (1,115,290)	(1,097,186)
OPEB liability, end of year (a)	= 14,304,685	14,592,139
<b>Estimated Assets</b>		
Assets, beginning of year	176,437	472,933
Expected earnings*	+ 41,863	46,982
<b>Contributions</b>		
Employer – explicit subsidy	1,083,604	1,141,272
Employer – implicit subsidy	287,686	307,499
Employee	-	-
Total contributions	+ 1,371,290	1,448,771
<b>Projected benefit payments</b>		
Benefit payments, including refunds of employee contributions	(827,604)	(789,687)
Implicit rate subsidy fulfilled	(287,686)	(307,499)
Total benefit payments	+ (1,115,290)	(1,097,186)
Administrative expenses	+ (1,367)	(1,401)
Assets, end of year (b)	= 472,933	870,099
<b>Net OPEB liability, end of year = (a) – (b)</b>	13,831,752	13,722,040
<b>Estimated expense</b>	1,331,086	1,342,264
<b>Estimated ADC</b>	\$ 1,406,581	\$ 1,448,771

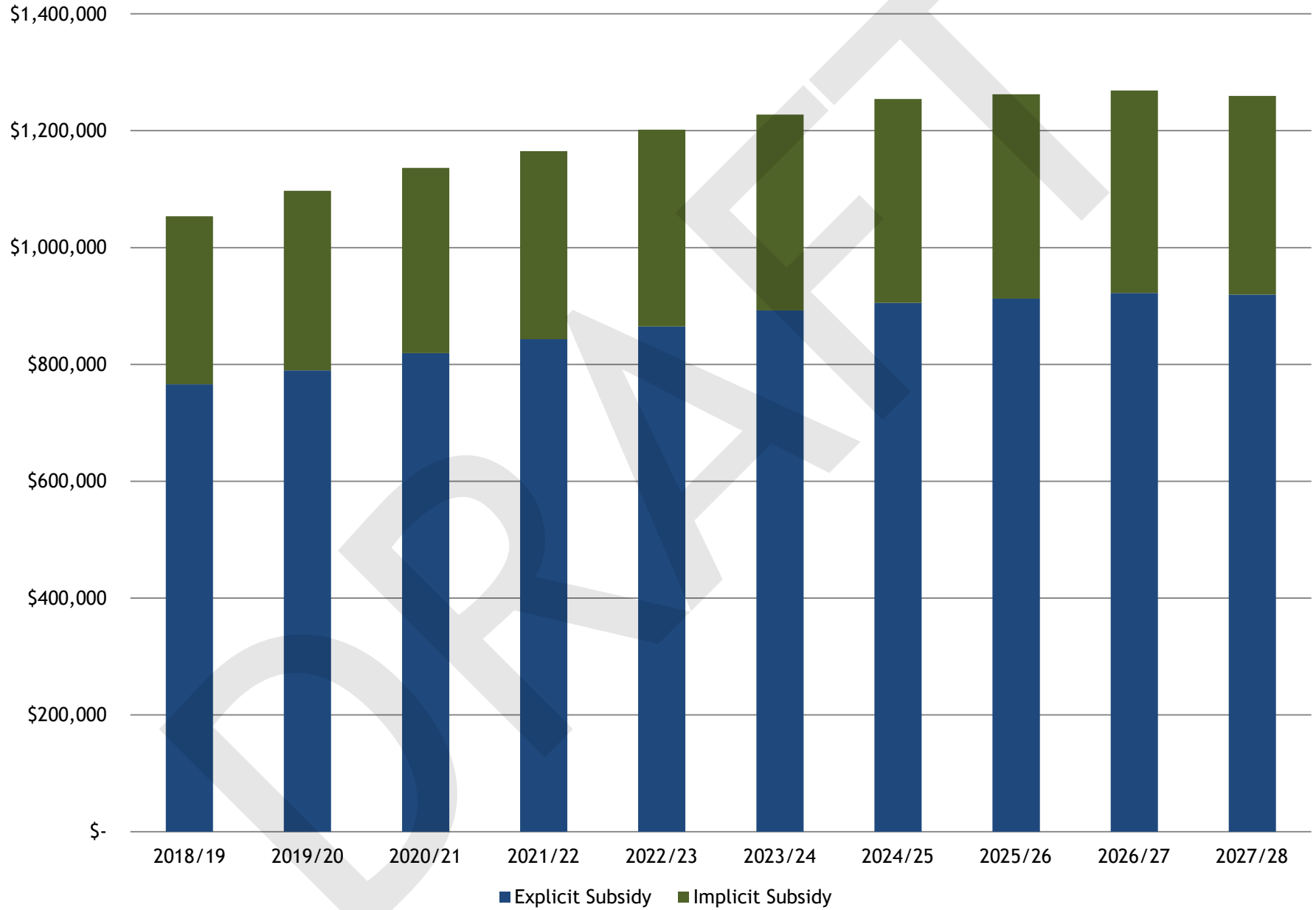
\*Actual Earnings for the fiscal year ending June 30, 2017

## OPEB Cash-Flow Projections

OPEB cash-flow projections for the next thirty-seven years follow.

<u>Fiscal Year Ending</u>	<u>Total Expected Benefit Payments</u>	<u>Explicit Subsidy</u>	<u>Implicit Subsidy</u>
2017	\$ 1,053,720	\$ 766,034	\$ 287,686
2018	1,097,186	789,687	307,499
2019	1,136,489	819,439	317,050
2020	1,165,101	842,980	322,121
2021	1,201,957	864,948	337,009
2022	1,227,852	892,490	335,362
2023	1,254,417	905,382	349,035
2024	1,262,356	912,732	349,624
2025	1,268,777	922,123	346,654
2026	1,259,672	919,470	340,202
2027	1,272,557	913,529	359,028
2028	1,288,917	906,261	382,656
2029	1,292,419	901,136	391,283
2030	1,299,966	891,076	408,890
2031	1,322,628	882,358	440,270
2032	1,371,654	880,721	490,933
2033	1,351,954	882,247	469,707
2034	1,364,870	883,155	481,715
2035	1,420,701	887,665	533,036
2036	1,385,378	884,706	500,672
2037	1,365,821	877,945	487,876
2038	1,407,358	868,552	538,806
2039	1,450,319	855,708	594,611
2040	1,429,995	837,376	592,619
2041	1,452,231	826,288	625,943
2042	1,519,367	816,970	702,397
2043	1,536,600	806,206	730,394
2044	1,542,878	787,800	755,078
2045	1,576,856	775,560	801,296
2046	1,590,397	764,945	825,452
2047	1,494,612	730,829	763,783
2048	1,393,344	701,798	691,546
2049	1,193,423	648,893	544,530
2050	957,691	599,256	358,435
2051	831,096	565,779	265,317
2052	714,542	535,643	178,899
2053	\$ 568,971	\$ 504,351	\$ 64,620

Ten-Year Projection of Expected Benefit Payments

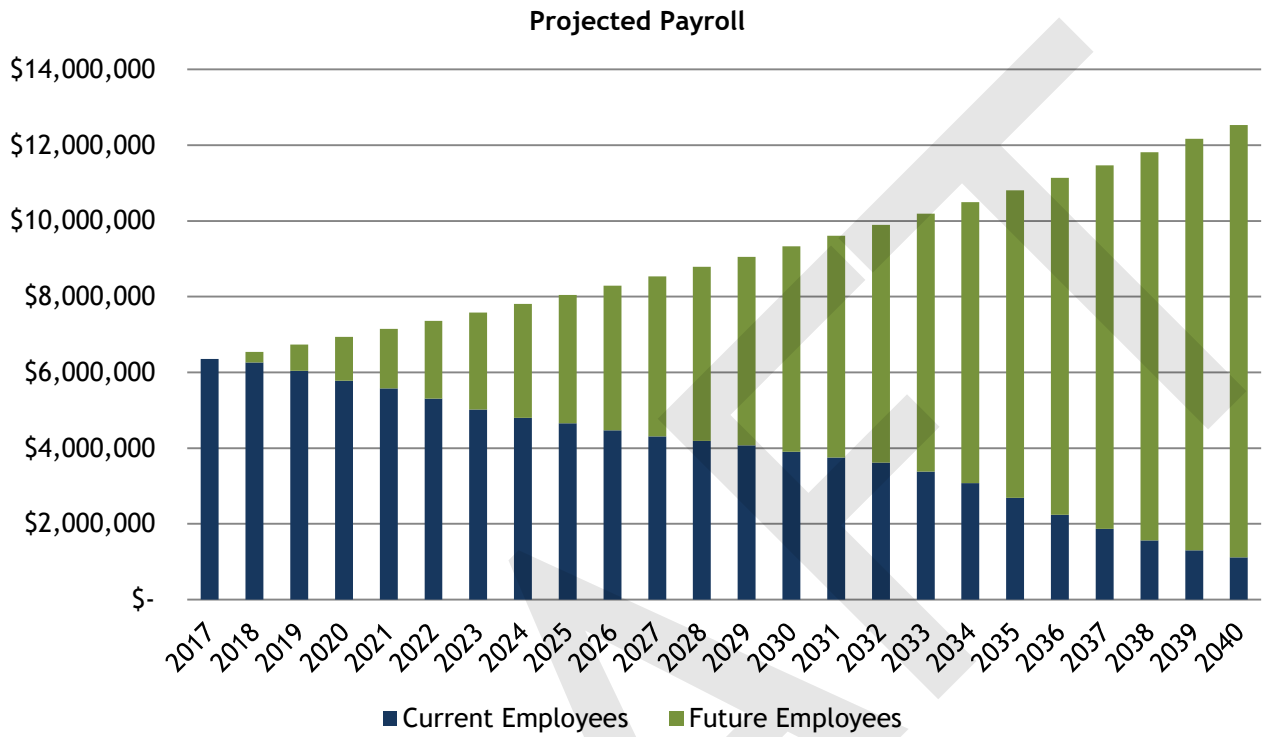


## Projection of Contributions

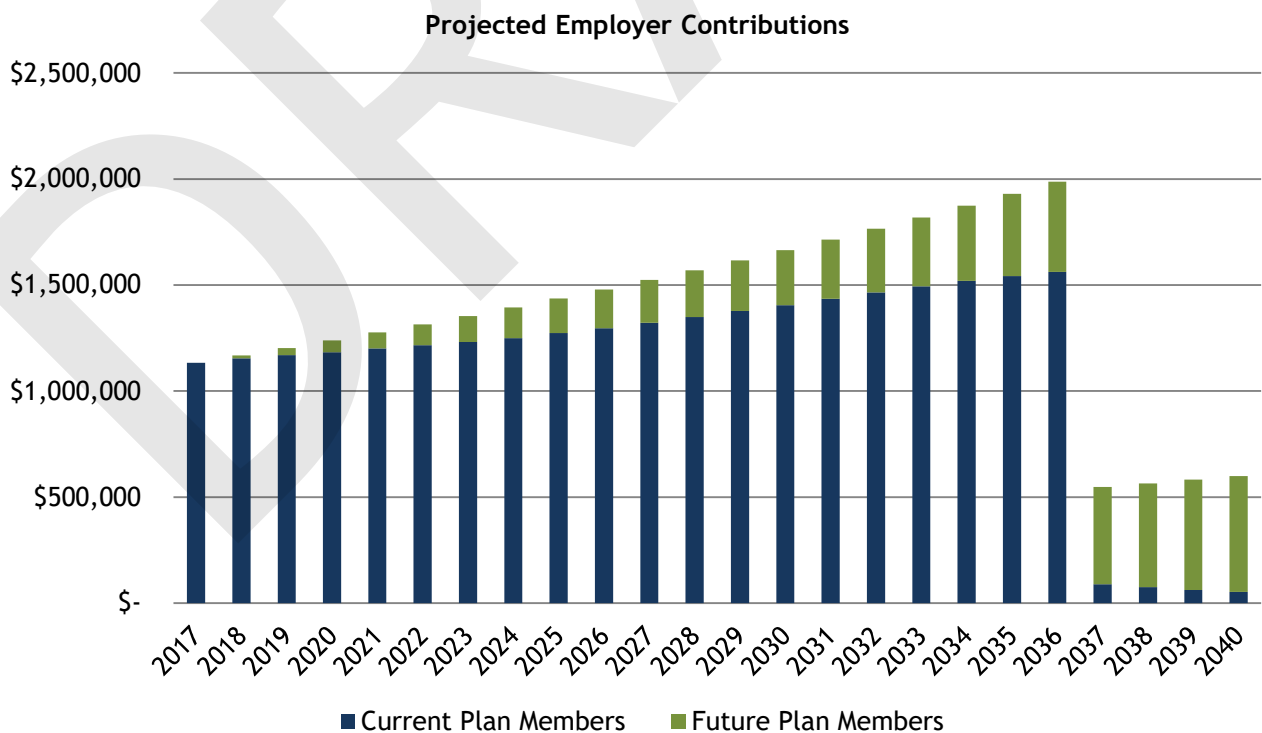
Fiscal Year Ending	Payroll for Current Employees (a)	Payroll for Future Employees (b)	Total Employee Payroll (c)	Employer Contributions Related to Payroll of all Plan Members (d) = (c) x 17.85% for 20 Years, 4.78% Thereafter	Employer Contributions Related to Payroll of Future Plan Members (e) = (b) x 4.78%	Portion of Employer Contribution for Current Plan Members (f) = (d) - (e)
2017	\$ 6,350,748	\$ -	\$ 6,350,748	\$ 1,133,609	\$ -	\$ 1,133,609
2018	6,264,254	277,016	6,541,270	1,167,617	13,241	1,154,376
2019	6,043,845	693,664	6,737,509	1,202,645	33,157	1,169,488
2020	5,780,011	1,159,623	6,939,634	1,238,725	55,430	1,183,295
2021	5,575,540	1,572,283	7,147,823	1,275,886	75,155	1,200,731
2022	5,305,740	2,056,518	7,362,258	1,314,163	98,302	1,215,861
2023	5,018,479	2,564,646	7,583,125	1,353,588	122,590	1,230,998
2024	4,795,495	3,015,124	7,810,619	1,394,195	144,123	1,250,072
2025	4,652,990	3,391,948	8,044,938	1,436,021	162,135	1,273,886
2026	4,473,239	3,813,047	8,286,286	1,479,102	182,264	1,296,838
2027	4,312,769	4,222,105	8,534,874	1,523,475	201,817	1,321,658
2028	4,187,224	4,603,696	8,790,920	1,569,179	220,057	1,349,122
2029	4,074,696	4,979,952	9,054,648	1,616,255	238,042	1,378,213
2030	3,905,995	5,420,293	9,326,288	1,664,742	259,090	1,405,652
2031	3,749,583	5,856,493	9,606,076	1,714,685	279,940	1,434,745
2032	3,614,176	6,280,082	9,894,258	1,766,125	300,188	1,465,937
2033	3,383,345	6,807,741	10,191,086	1,819,109	325,410	1,493,699
2034	3,074,902	7,421,917	10,496,819	1,873,682	354,768	1,518,914
2035	2,689,834	8,121,889	10,811,723	1,929,893	388,226	1,541,667
2036	2,238,481	8,897,594	11,136,075	1,987,789	425,305	1,562,484
2037	1,868,806	9,601,351	11,470,157	548,274	458,945	89,329
2038	1,558,250	10,256,012	11,814,262	564,722	490,237	74,485
2039	1,300,557	10,868,133	12,168,690	581,663	519,497	62,166
2040	1,111,038	\$ 11,422,713	\$ 12,533,751	\$ 599,113	\$ 546,006	\$ 53,107

Projection of Contributions Charts

Projected Payroll for Current and Future Employees



Projected Employer Contributions for Current and Future Plan Members



## Projection of Fiduciary Net Position

Fiscal Year Ending	Projected Beginning Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expense (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (f) = (a) + (b) - (c) - (d) + (e)
2017	\$ 176,437	\$ 1,133,609	\$ 1,053,720	\$ 1,367	\$ 15,638	\$ 270,597
2018	270,597	1,154,376	1,097,186	1,401	21,641	348,026
2019	348,026	1,169,488	1,136,489	1,436	26,376	405,966
2020	405,966	1,183,295	1,165,101	1,472	30,039	452,727
2021	452,727	1,200,731	1,201,957	1,509	32,724	482,716
2022	482,716	1,215,861	1,227,852	1,547	34,506	503,684
2023	503,684	1,230,998	1,254,417	1,586	35,611	514,290
2024	514,290	1,250,072	1,262,356	1,626	36,782	537,162
2025	537,162	1,273,886	1,268,777	1,667	39,069	579,673
2026	579,673	1,296,838	1,259,672	1,709	43,312	658,442
2027	658,442	1,321,658	1,272,557	1,752	49,453	755,244
2028	755,244	1,349,122	1,288,917	1,796	56,873	870,526
2029	870,526	1,378,213	1,292,419	1,841	66,156	1,020,636
2030	1,020,636	1,405,652	1,299,966	1,887	77,759	1,202,194
2031	1,202,194	1,434,745	1,322,628	1,934	91,153	1,403,530
2032	1,403,530	1,465,937	1,371,654	1,982	105,102	1,600,932
2033	1,600,932	1,493,699	1,351,954	2,032	121,132	1,861,778
2034	1,861,778	1,518,914	1,364,870	2,083	140,487	2,154,226
2035	2,154,226	1,541,667	1,420,701	2,135	160,489	2,433,546
2036	2,433,546	1,562,484	1,385,378	2,188	182,773	2,791,237
2037	2,791,237	89,329	1,365,821	2,243	156,011	1,668,513
2038	1,668,513	74,485	1,407,358	2,299	72,567	405,908
2039	405,908	62,166	1,450,319	2,356	(20,978)	-
2040	-	53,107	1,429,995	2,415	(50,000)	-
2041	-	46,140	1,452,231	2,475	(51,061)	-
2042	\$ -	\$ 39,089	\$ 1,519,367	\$ 2,537	(53,752)	\$ -

## Implicit Subsidy and Liabilities by Bargaining Unit

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Actuarial standard of practice (ASOP) number 6, "Measuring Retiree Group Benefits Obligations and Determining Retiree Group Benefits Program Periodic Costs or Actuarially Determined Contributions", recently changed to require the inclusion of the implicit subsidy in OPEB valuations. This change is effective for actuarial studies with a measurement date on, or after, March 31, 2015. As such, this valuation includes implicit subsidy amounts.

The implicit subsidy arises when an employer allows a retiree (and their dependents) to continue on the active plans and pay the active premiums. Retirees are not paying the true cost of their benefits because they have higher utilization rates than actives and therefore are partially subsidized by the active employees. Once a retiree reaches Medicare eligibility, the rates are sufficient to cover the true costs and there is no implicit subsidy.

Discount Rate: 7.25%

June 30, 2017 Actuarial Accrued Liability	
Explicit subsidy	\$ 10,225,740
Implicit subsidy	\$ 4,078,945
<b>Total</b>	<b>\$ 14,304,685</b>

## Schedule of Changes in the District's Net OPEB Liability and Related Ratios

GASB 75 requires a disclosure of the changes in Net OPEB Liability for the last 10 fiscal years, or as many years as are available

<u>Total OPEB Liability</u>	<u>Fiscal Year Ending June 30, 2017</u>
Service cost	\$ 376,042
Interest	979,260
Changes of benefit terms	-
Differences between expected and actual experience	-
Change of assumptions	-
Benefit payments, included refunds of employee contributions	(827,604)
Implicit rate subsidy fulfilled	(287,686)
<b>Net change in total OPEB liability</b>	<b>240,012</b>
<b>Total OPEB liability – beginning of year</b>	<b>14,064,673</b>
<b>Total OPEB liability – end of year (a)</b>	<b>\$ 14,304,685</b>
<u>Plan Fiduciary Net Position</u>	
Net investment income	41,863
Contributions	
Employer – explicit subsidy	\$ 1,083,604
Employer – implicit subsidy	287,686
Employee	-
Benefit payments, included refunds of employee contributions	(827,604)
Implicit rate subsidy fulfilled	(287,686)
Administrative expense	(1,367)
Other	-
<b>Net change in plan fiduciary net position</b>	<b>296,496</b>
<b>Plan fiduciary net position – beginning of year</b>	<b>176,437</b>
<b>Plan fiduciary net position – end of year (b)</b>	<b>472,933</b>
<b>District's net OPEB liability – end of year = (a) – (b)</b>	<b>\$ 13,831,752</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<b>3.31%</b>
<b>Covered-employee payroll</b>	<b>\$ 7,872,287</b>
<b>District's net OPEB liability as a percentage of covered-employee payroll</b>	<b>175.70%</b>

### Notes to schedule:

The District adopted GASB 75 for the fiscal year ending June 30, 2017.

## Schedule of Investment Returns

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GASB 75 requires a schedule of investment returns for the last ten fiscal years, or as many years as are available if less than ten years are available.

	<b>Fiscal Year Ending June 30, 2017</b>
Annual money-weighted rate of return, net of investment expense	<u>13.78%</u>

The annual money-weighted rate of return, net of investment expenses, is the net investment income for the year divided by the average net position for the year (less investment expenses).

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**Schedule of Contributions**

GASB 75 requires a schedule of contributions for the last ten fiscal years, or as many years as are available if less than ten years are available.

	<b>Fiscal Year Ending June 30, 2017</b>
Actuarially Determined Contribution	\$ 1,406,581
Less: Contributions Made (contribution, cash benefit payments and implicit subsidy)	- 1,371,290
Contribution deficiency (excess)	<u>35,291</u>
Covered-employee payroll	<u>\$ 7,872,287</u>
Contributions as a percentage of covered-employee payroll	17.42%

**Notes to Schedule:**

**Assumptions and Methods**

Actuarial cost method	Entry age normal, level percent of pay
Amortization method	Closed period, level percent of pay
Amortization period	20 years
Asset valuation method	Market Value
Inflation	2.50%
Assumed rate of payroll growth	3.00%
Healthcare trend rates	7.00%, trending down to 3.94%
PEMHCA trend rate	3.00%
Rate of return on assets	7.25%
Mortality rate	CCCERA Valuation Rates
Retirement rates	CCCERA Valuation Rates
Other information	The ADC takes into account the implicit subsidy

## Draft Notes to the Financial Statements

*A draft of the required notes to the District's financial statements, based on the requirements of GASB 75 and our understanding of the District's retiree health plan, follows.*

### Notes to the Financial Statements for the Year Ended June 30, 2017

#### Summary of Significant Accounting Policies

*Other Postemployment Benefits Other Than Pensions (OPEB).* For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense information about the fiduciary net position of the Moraga-Orinda Fire District Retiree Benefits Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

#### Note X – Other Post-employment Benefits (OPEB)

*Plan Description.* The District administers a single-employer defined-benefit post-employment healthcare plan. Benefits vary by hire date, employment status and employment classification. Benefits continue to the surviving spouses.

##### *Benefits Provided.*

Eligibility for retiree health benefits requires direct retirement from the District under CCCERA.

Eligible employees who were hired prior to April 15, 2014 (July 2, 2014 for Battalion Chiefs and July 1, 2014 for unrepresented) receive 100% of medical and dental premiums, subject to the District Cap. The Medical Cap is as follows:

	<u>Local 2700</u>	<u>All Others</u>
Single	\$575.44	\$458.42
Single +1	\$1,150.85	\$916.82
Family	\$1,496.11	\$1,191.87

Eligible Employees hired after the dates listed above will receive the PEMHCA minimum benefit.

##### *Employees covered by benefit terms.*

At June 30, 2016 (the census date), the benefit terms covered the following employees:

<u>Category</u>	<u>Count</u>
Inactive employees or beneficiaries currently receiving benefit payments:	152
Inactive employees entitled to but not yet receiving benefit payment:	0
Active employees:	61

*Contributions.* The District establishes rates based on an actuarially determined rate.

For the year ended June 30, 2017 the District's expected contribution rate was 17.42% of covered-employee payroll. Employees pay the difference between the benefit they receive and the monthly premium.

**Net OPEB Liability**

The District's net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016.

*Actuarial Assumptions.*

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation: 2.50%

Salary increases: Aggregate salary increases 3.00%. Individual salary increases based on CalPERS.

Investment rate of return: 7.25%

Healthcare cost trend rates: 7.00% in the first year, trending down to 3.94% over 57 years.

Mortality rates were based on CalPERS tables.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	75%	5.82%
Fixed Income	20%	2.37%
Treasury Inflation Protection Securities	5%	1.44%
Real Estate Investment Trusts	0%	4.25%
Commodities	0%	2.34%
Total	100%	4.75%

*Discount rate.*

The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that the District contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to cover all future OPEB payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

## Draft Notes to the Financial Statements

## Changes in the Net OPEB Liability

	Increases (Decreases)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(c)
Balances as of June 30, 2016	\$ 14,064,673	\$ 176,437	\$ 13,888,236
Changes for the year:			
Service cost	376,042		376,042
Interest	979,260		979,260
Differences between expected and actual experience	-		-
Contributions			
Employer – explicit subsidy		1,083,604	(1,083,604)
Employer – implicit subsidy		287,686	(287,686)
Employee		-	-
Net Investment Income		41,863	(41,863)
Benefit payments, including refunds of employee contributions	(827,604)	(827,604)	-
Implicit rate subsidy fulfilled	(287,686)	(287,686)	-
Administrative expenses		(1,367)	1,367
Net changes	<u>240,012</u>	<u>296,496</u>	<u>(56,484)</u>
Balances as of June 30, 2017	\$ 14,304,685	\$ 472,933	\$ 13,831,752

Sensitivity of the net OPEB liability to changes in the discount rate. The net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) follows:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	6.25%	7.25%	8.25%
Net OPEB liability (asset)	\$ 15,520,666	\$ 13,831,752	\$ 12,637,194

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (6.00%) or one percentage point higher (8.00%) than current healthcare cost trend rates follows:

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
	6.00%	7.00%	8.00%
	Decreasing to	Decreasing to	Decreasing to
	2.94%	3.94%	4.94%
Net OPEB liability (asset)	\$ 13,448,020	\$ 13,831,752	\$ 14,580,256

## Draft Notes to the Financial Statements

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### OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB

For the year ended June 30, 2017, the District recognized an OPEB expense of \$1,331,086. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	\$ -
Change of assumptions	\$ -	\$ -
Net difference between projected and actual earnings on OPEB plan investments	\$ -	\$ 16,280
Total	\$ -	\$ 16,280

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	Amount
2018	\$ 3,256
2019	3,256
2020	3,256
2021	3,256
2022	\$ 3,256

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A summary of the substantive plan used as the basis of the valuation follows.

<b>General Eligibility for Benefits</b>	
<b>General Requirements</b>	Retire directly from District under CCCERA
<b>Service Retirement</b>	
<b>Safety Legacy</b>	Age 50 and five years of service
<b>Safety PEPRA</b>	Age 57 and five years of service
<b>General Legacy</b>	Age 55 and five years of service
<b>General PEPRA</b>	Age 67 and five years of service
<b>Ordinary Disability</b>	Five years of service
<b>Duty Disability</b>	Immediate eligibility

<b>Retiree Medical Plan Tiers</b>	
<b>Tier 1</b>	Hired before April 15, 2014 <ul style="list-style-type: none"> <li>• July 2, 2014 for Battalion Chiefs</li> <li>• July 1, 2014 for unrepresented and Local 2700</li> </ul>
<b>Tier 2</b>	All others

<b>Benefits Tier 1</b>	
<b>Medical Benefit for Retirees</b>	Monthly premium paid up to the Retiree Medical Benefit Cap
<b>Medical Benefit for Survivors</b>	Same benefit as retiree
<b>Dental Benefit for Retirees</b>	Monthly premium paid up to the cap
<b>Dental Benefit for Survivors</b>	Survivors pay 100% of premium

<b>Benefits Tier 2</b>	
<b>Medical Benefit for Retirees</b>	PEMHCA minimum – \$128/month for 2017. Increased by CalPERS board
<b>Medical Benefit for Survivors</b>	PEMHCA minimum – \$128/month for 2017. Increased by CalPERS board
<b>Dental Benefit for Retirees</b>	Monthly premium paid up to the cap
<b>Dental Benefit for Survivors</b>	Survivors pay 100% of premium

A summary of the substantive plan used as the basis of the valuation follows.

<b>Retiree Medical Caps</b>	
<b>Local 2700</b>	
Single	\$575.44
Single +1	\$1,150.85
Family	\$1,496.11
<b>Other Groups</b>	
Single	\$458.42
Single +1	\$916.82
Family	\$1,191.87

<b>Retiree Dental Benefits</b>	
<b>Local 2700</b>	
Single	\$51.20
Single +1	\$90.12
Family	\$136.35
<b>Other Groups</b>	
Single	\$46.68
Single +1	\$81.00
Family	\$116.98

## Participant Summary

Census Date: June 30, 2016  
Age and service determined as of the census date.

Miscellaneous Employees							
Age	Years of Service						Total
	0-5	5-10	10-15	15-20	20-25	25+	
<25							0
25-30	2	1					3
30-35	5	11	5				21
35-40		3	6				9
40-45			4	1			5
45-50	2	2	6	5			15
50-55	1			2	3		6
55-60		1					1
60-65		1					1
65+							0
<b>Total</b>	<b>10</b>	<b>19</b>	<b>21</b>	<b>8</b>	<b>3</b>	<b>0</b>	<b>61</b>

Inactive Participants						
Age	Retirees	Disabled	Spouses	Surviving Spouses	Dependents	Total
< 50	0	1	6		1	8
50-54	2	3	7			12
55-59	11	1	10	1		23
60-64	16	1	7			24
65-69	10	8	17			35
70-74	3	6	5	1		15
75-79	4	1	3	6		14
80-84	4		4	3		11
85-89	4		1	3		8
90+		1		1		2
<b>Total</b>	<b>54</b>	<b>22</b>	<b>60</b>	<b>15</b>	<b>1</b>	<b>152</b>

## Actuarial Assumptions

A summary of the actuarial assumptions used for this valuation follows. We considered the reasonableness of each assumption independently based on its own merits, consistent with each other assumption, and the combined impact of all assumptions.

Assumption	Rates
<b>Actuarial Cost Method</b>	Entry Age Normal Level Percentage of Salary
<b>Measurement Date</b>	June 30, 2017
<b>Census Date</b>	June 30, 2016
<b>Discount Rate for GASB 75 Disclosures</b>	We selected a discount rate of 7.25% The discount rate is the long-term rate of return for the plan's assets, as our projections show that the assets will be sufficient to cover the projected benefit payments should the District continue to contribute to the plan with an amount of at least the ADC each year. Should the assets not be sufficient to cover the projected benefit payments at any time in the future, we would employ a discount rate reflecting the 20-year tax-exempt municipal bond yield or index rate to the period after which we project assets to run out. We would then use a single, blended discount rate equivalent to the long-term rate of return and the 20-year rate. If there are no assets, we would use only the 20-year rate for the valuation.
<b>Discount Rate for ADC</b>	Rates of 7.25%, 6.25%, 5.25% and 4.25%.
<b>Post Retirement Healthy Mortality</b>	For General Members: Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table, projected generationally with the two-dimensional MP-2015 projection scale.  For Safety Members: Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table set back three years, projected generationally with the two-dimensional MP-2015 projection scale.
<b>Post Retirement Disabled Mortality</b>	For General Members: Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table set forward eight years, projected generationally with the two-dimensional MP-2015 projection scale.  For Safety Members: Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table set forward three years, projected generationally with the two-dimensional MP-2015 projection scale.
<b>Pre Retirement Mortality</b>	Headcount-Weighted RP-2014 Employee Mortality Table times 75%, projected generationally with the two-dimensional MP-2015 projection scale.
<b>Withdrawal</b>	See appendix. Same as Segal 12/31/15 CCCERA retirement plan
<b>Disability</b>	See appendix. Same as Segal 12/31/15 CCCERA retirement plan
<b>Retirement</b>	See appendix. Same as Segal 12/31/15 CCCERA retirement plan

## Actuarial Assumptions

Assumption	Rates															
Inflation Rate	2.75%															
Spouse Age Difference	Actual spouse age is used for current retirees. Assumes males are three years older than females for future retirees.															
Participation	For newly eligible retirees: Eligible for Supplemental Benefits: 95% Eligible for PEMHCA minimum only: 50%															
PEMHCA Administration Fee	0.31% of retiree premium.															
Annual PEMHCA Amount	\$1,566 for the period June 30, 2017 through June 30, 2018															
Monthly Medical Cap	<table border="1"> <thead> <tr> <th></th> <th style="border-bottom: 1px solid black;">Local 2700</th> <th style="border-bottom: 1px solid black;">Other Groups</th> </tr> </thead> <tbody> <tr> <td>Single</td> <td>\$ 575.44</td> <td>\$ 458.42</td> </tr> <tr> <td>Single + 1</td> <td>\$ 1,150.85</td> <td>\$ 916.82</td> </tr> <tr> <td>Family</td> <td>\$ 1,496.11</td> <td>\$ 1,191.87</td> </tr> </tbody> </table>		Local 2700	Other Groups	Single	\$ 575.44	\$ 458.42	Single + 1	\$ 1,150.85	\$ 916.82	Family	\$ 1,496.11	\$ 1,191.87			
	Local 2700	Other Groups														
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Monthly Dental Cap	<table border="1"> <thead> <tr> <th></th> <th style="border-bottom: 1px solid black;">Local 2700</th> <th style="border-bottom: 1px solid black;">Other Groups</th> </tr> </thead> <tbody> <tr> <td>Single</td> <td>\$ 51.20</td> <td>\$ 46.68</td> </tr> <tr> <td>Single + 1</td> <td>\$ 90.12</td> <td>\$ 81.00</td> </tr> <tr> <td>Family</td> <td>\$ 136.35</td> <td>\$ 116.98</td> </tr> </tbody> </table>		Local 2700	Other Groups	Single	\$ 51.20	\$ 46.68	Single + 1	\$ 90.12	\$ 81.00	Family	\$ 136.35	\$ 116.98			
	Local 2700	Other Groups														
Single	\$ 51.20	\$ 46.68														
Single + 1	\$ 90.12	\$ 81.00														
Family	\$ 136.35	\$ 116.98														
Per Capita Claims Cost	Developed based on CalPERS premiums and CalPERS population <table border="1"> <thead> <tr> <th style="border-bottom: 1px solid black;">Age</th> <th style="border-bottom: 1px solid black;">Males</th> <th style="border-bottom: 1px solid black;">Females</th> </tr> </thead> <tbody> <tr> <td>50</td> <td>\$ 12,801</td> <td>\$ 12,436</td> </tr> <tr> <td>55</td> <td>15,667</td> <td>12,990</td> </tr> <tr> <td>60</td> <td>17,508</td> <td>13,516</td> </tr> <tr> <td>64</td> <td>\$ 17,508</td> <td>\$ 13,516</td> </tr> </tbody> </table>	Age	Males	Females	50	\$ 12,801	\$ 12,436	55	15,667	12,990	60	17,508	13,516	64	\$ 17,508	\$ 13,516
Age	Males	Females														
50	\$ 12,801	\$ 12,436														
55	15,667	12,990														
60	17,508	13,516														
64	\$ 17,508	\$ 13,516														
Aging or Morbidity Factors	Based on actual CalPERS population data.															
Participant Contributions	Based on service at retirement and employee group.															
Salary Increases	Same as Segal 12/31/15 CCCERA valuation															
Marital Status	Actual spouse coverage is used for current retirees. Male future retirees: 75% assumed to be married Female future retirees: 50% assumed to be married															

**Actuarial Assumptions**

**Assumption Rates**

**Annual Premiums** 2017-2018 average premiums used to develop average premiums and aged claims

Plan	Employee	Employee + 1
Blue Shield Access+ Bay Area	\$956.94	\$1,913.87
Kaiser Permanente California Bay Area	\$756.63	\$1,513.25
PERS Choice Bay Area	\$815.29	\$1,630.57
PERS Select Bay Area	\$726.89	\$1,453.77
PERSCare Bay Area	\$907.42	\$1,814.84

**Trend Rates** Medical Long-Term Trends from Society of Actuaries "Long Term Healthcare Cost Trends Model v2016\_a" using baseline assumptions.

Year	Medical Trend	PEMHCA Trend
2018	7.00%	3.00%
2019	6.50%	3.00%
2020	6.00%	3.00%
2021	5.60%	3.00%
2022	5.50%	3.00%
2023	5.48%	3.00%
2024	5.46%	3.00%
2025	5.45%	3.00%
2026	5.43%	3.00%
2027	5.41%	3.00%
2028	5.39%	3.00%
2029-2074	...	3.00%
2075+	3.94%	3.00%

DRAFT

This section includes a brief summary of GASB 75, as well as definitions of some of the key terminology used in this report.

### About GASB 75

*In General.* In June 2015 the Governmental Accounting Standards Board released GASB 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". GASB 75 replaced GASB 45 for fiscal years beginning after June 15, 2017 for employers that sponsor OPEB plans. The provisions in GASB 75 are similar to the provisions of GASB 68 for pensions.

*Accounting.* GASB 75 requires a liability known as the Net OPEB Liability (NOL). The employer recognizes the NOL on its balance sheet. The employer also recognizes an OPEB expense in the income statement. GASB 45 recorded the Unfunded Accrued Actuarial Liability (UAAL) in the notes to the financial statement, whereas GASB 75 records the NOL, which is very similar to the UAAL with just a few technical differences, on the balance sheet.

*Financial Statement Impact (Employers).* One of the biggest changes to the financial statements of governmental employers that provide OPEB is the reporting of the OPEB liability on the face of the statements rather than in the footnotes. Governments that do not provide OPEB through a trust are required to recognize the entire OPEB liability in the financial statements. For governments that provide OPEB through an OPEB plan that is administered through a trust, the government's OPEB liability is recognized net of the amount of the OPEB plan's fiduciary net position.

*Changes to the Measurement of the Total OPEB Liability.* Measurement of the OPEB liability includes discounting future benefit payments for current and former employees and their beneficiaries to their present value and allocating the present value over past and future periods of the employee service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The calculation continues to include employee-related events, such as projected salary increases and projected years of service, if they affect the amount of OPEB payments employees will receive, as well as provisions for automatic cost-of-living adjustments (COLAs) and other automatic benefits. Additionally, ad hoc COLAs and other ad hoc benefit changes, which are made at the discretion of the government, are included in projections as well, if they routinely recur.

GASB 75 requires governments to discount projected OPEB payments to their present value. Under the new standard, governments discount the projected OPEB payments to be made in each year and the amount of plan assets (if a government administers the OPEB through a trust) available for providing those benefits to current active and inactive employees and their beneficiaries. Similar to the pension standards, the discount rate used is based on whether the plan assets are projected to be sufficient to make future payments. If the plan assets are sufficient, governments discount future payments using the long-term expected rate of return. If projected plan assets are insufficient to make all future payments to current and inactive employees and their beneficiaries, or if there are no plan assets held in trust, the discount rate is based on a high-quality 20-year tax-exempt general obligation municipal bond yield or index rate. "High-quality" is defined as being rated AA or higher (or an equivalent rating).

*Cost Method.* The Entry Age Normal Cost method must be used.

**About GASB 75 (continued)**

Factors that affect a government's OPEB liability, such as actual earnings on plan investments when the OPEB plan is administered as a trust, employee compensation changes, interest on the outstanding OPEB liability, contributions from employees and employers, and actual demographic and economic changes that are not in line with assumptions made in the actuarial calculations, are considered when determining the government's OPEB expense. A government's annual OPEB expense is calculated with consideration for factors affecting the OPEB liability within the reporting period. Several causes of changes in OPEB liability are immediately factored into the calculation of OPEB expense for the period, such as benefits earned each year, interest on the total OPEB liability, changes in benefit terms, and projected earnings on plan investments, if administered through a trust.

Governments are required to recognize deferred outflows of resources or deferred inflows of resources and then introduce into the expense calculation, systematically and rationally over the average remaining years of employment (active employees and inactive employees, including retirees), the effect on the total OPEB liability of differences between assumptions and actual experience.

**Key Terminology**

<b>Actuarially Determined Contribution</b>	A target or recommended contribution to a defined benefit OPEB plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.
<b>Actuarial Present Value of Projected Benefit Payments</b>	Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.
<b>Actuarial Valuation Date</b>	The date as of which an actuarial valuation is performed.
<b>Agent Employer</b>	An employer whose employees are provided with OPEB through an agent multiple-employer defined-benefit OPEB plan.
<b>Closed Period</b>	A specific number of years that is counted from one date, which declines to zero with the passage of time. For example, if the recognition period initially is five years on a closed basis, four years remain after the first year, three years after the second year, and so forth until no years remain.
<b>Contributions</b>	Additions to an OPEB plan's fiduciary net position for amounts from employers, non-employer contributing entities, or employees.
<b>Defined Benefit OPEB</b>	OPEB for which the benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The OPEB may be stated as (a) a specified dollar amount (b) an amount that is calculated based on one or more factors such as age, years of service, and compensation, or (c) a type or level of coverage such a prescription drug coverage or a percentage of health insurance premiums. OPEB that does not have all of the terms of defined contribution OPEB is classified as defined-benefit OPEB.

**Key Terminology (continued)**

<b>Discount Rate</b>	<p>The single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following:</p> <ul style="list-style-type: none"><li>a. The actuarial present value of benefit payments projected to be made in future periods in which (1) the amount of the OPEB plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (2) OPEB plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, calculated using the long-term expected rate of return on OPEB plan investments.</li><li>b. The actuarial present value of projected benefit payments not included in (a), calculated using a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).</li></ul>
<b>Measurement Period</b>	<p>The period between the prior and current measurement dates.</p>
<b>Net OPEB Liability</b>	<p>The liability of employers and non-employer contributing entities to employees for benefits provided through a defined-benefit OPEB plan that is administered through a trust that meets the criteria in paragraph 4 of GASB</p>
<b>Other Postemployment Benefits (OPEB)</b>	<p>Benefits (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as healthcare benefits paid in the period after employment, regardless of the manner in which they are provided. OPEB does not include termination benefits or termination payment for sick leave.</p>
<b>Projected Benefit Payments</b>	<p>All benefits estimated to be payable through OPEB plan to current active and inactive employees as a result of their past service and their expected future service.</p>
<b>Service Costs</b>	<p>The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.</p>
<b>Substantive Plan</b>	<p>The plan terms as understood by the employer and the plan members at the time of the valuation, including only changes to plan terms that have been made and communicated to employees.</p>

**Decrement Tables – Retirement Rates (General)**

Age	Retirement Percentage	
	Tier 1 (Enhanced)	Tier 1 (Non-enhanced)
50	5.00	3.00
51	4.00	3.00
52	5.00	3.00
53	5.00	3.00
54	14.00	3.00
55	20.00	10.00
56	20.00	10.00
57	20.00	10.00
58	20.00	10.00
59	25.00	10.00
60	28.00	25.00
61	35.00	15.00
62	35.00	40.00
63	30.00	35.00
64	30.00	30.00
65	35.00	40.00
66	40.00	35.00
67	40.00	35.00
68	40.00	35.00
69	40.00	35.00
70	50.00	50.00
71	50.00	50.00
72	50.00	50.00
73	50.00	50.00
74	50.00	50.00
75	100.00	100.00

**Decrement Tables – Retirement Rates (Safety)**

Age	Retirement Percentage	
	Tier A (Enhanced)	Tier D
45	4.00	0.00
46	3.00	0.00
47	10.00	0.00
48	10.00	0.00
49	25.00	0.00
50	30.00	5.00
51	30.00	4.00
52	25.00	4.00
53	25.00	5.00
54	25.00	6.00
55	28.00	10.00
56	25.00	10.00
57	25.00	18.00
58	35.00	18.00
59	35.00	18.00
60	35.00	18.00
61	35.00	20.00
62	35.00	20.00
63	35.00	20.00
64	50.00	30.00
65	100.00	30.00
66	100.00	100.00

**Decrement Tables – Withdrawal**

Years of Service	Withdrawal Percentage	
	General	Safety
Less than 1	13.50	13.00
1	9.25	8.00
2	9.00	7.00
3	6.00	5.50
4	4.50	3.75
5	4.25	3.25
6	3.75	3.00
7	3.50	2.75
8	3.25	2.50
9	3.00	2.25
10	2.75	2.00
11	2.50	1.90
12	2.40	1.80
13	2.30	1.70
14	2.20	1.60
15	2.10	1.50
16	2.00	1.40
17	2.00	1.30
18	2.00	1.20
19	1.75	1.10
20 or more	1.50	1.00

## Decrement Tables – Disability

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Years of Service	Disability Rate (%)	
	General	Safety
20	0.01	0.02
25	0.02	0.22
30	0.04	0.42
35	0.08	0.56
40	0.22	0.66
45	0.36	1.00
50	0.52	2.88
55	0.60	4.60
60	0.60	5.00
65	0.60	5.00
70	0.60	5.00

Assumes that 65% of General disabilities are duty disabilities. Assumes that the other 35% are ordinary disabilities.

Assumes that 100% of Safety disabilities are duty disabilities

**Compensation Increases**

Inflation: 2.75% per year plus "across-the-board" salary increases of 0.5% per year, plus the following merit and promotional increases:

Years of Service	Annual Rate of Compensation Increase	
	General	Safety
Less than 1	10.00	10.50
1	7.25	7.25
2	5.25	5.75
3	3.75	4.50
4	2.75	3.00
5	2.25	1.75
6	1.75	1.25
7	1.50	1.20
8	1.25	1.15
9	1.20	1.10
10	1.15	1.05
11	1.10	1.00
12	1.00	0.95
13	0.90	0.85
14	0.80	0.80
15	0.75	0.75
16	0.75	0.75
17	0.75	0.75
18	0.75	0.75
19	0.75	0.75
20 or more	0.75	0.75

The average total assumed salary increase for active members in the December 31,2015 Segal actuarial valuation is 5.3%.



## **Moraga-Orinda Fire District**

### **OPEB Funding Policy**

#### **Purpose:**

In order to assure that the District's Other Post-Employment Benefits (OPEB) program is financially sustainable, the District should accumulate adequate resources in a systematic and disciplined manner over the active service life of benefitting employees. The OPEB Funding Policy documents the method the District will use to determine its actuarially determined contributions to fund the long-term cost of benefits to District employees and retirees.

#### **Policy:**

##### **OPEB Actuarially Determined Contribution (ADC)**

The District will engage an actuary to complete an actuarial valuation and determine the District's ADC on an annual basis. The actuary will calculate the ADC to include the normal cost for current service and amortization of the unfunded liability. The ADC will be calculated using a discount rate of 7.25%. The normal cost will be calculated using the entry age normal cost method. Asset gains or losses will be recognized over five years so as to reduce the effects of market volatility and stabilize contributions. The unfunded liability will be amortized over a 20-year closed period beginning with the first amortization in the fiscal year ending June 30, 2018.

The District will review the actuarial valuations to validate the completeness and accuracy of the employee census data and the reasonableness of the actuarial assumptions. Actuarial assumptions are subject to revision as actual results are compared to past expectations and new estimates are made about the future.

##### **Funding the ADC**

The District will appropriate the full ADC in the annual budget. This will include the full contribution to the District's OPEB trust account and the actual health benefit costs of OPEB for retirees.

##### **Transparency and Reporting**

Funding of the District's OPEB should be transparent to all parties including the public, District employees and retirees. In order to achieve this transparency, the following information shall be available:

- The actuarial valuation shall be made available
- The Comprehensive Annual Financial Report (CAFR) shall be made available and published on the District's website. The CAFR includes information on the District's OPEB plan, contributions to the OPEB trust, and the funded status of the plan.
- The annual operating budget shall include appropriations for contributions to the OPEB trust and actual health benefit costs of OPEB for retirees.
- The fiscal year annual OPEB trust account statement showing investment return and annual account activity shall be made available on the Consent Calendar in the Board meeting packet.

##### **Review of OPEB Funding Policy**

Funding OPEB requires a long-term plan. The District will review this policy on an annual basis when the actuarial valuation is prepared to determine if changes to this policy are necessary to ensure adequate resources are being accumulated to fund OPEB benefits.



# Moraga-Orinda Fire District

**TO:** Board of Directors

**FROM:** Jerry Lee, Interim Fire Chief

**DATE:** September 27, 2017

**SUBJECT:** Item 4.2 – Approval of Contract for Station 43 Construction Management Services with Consolidated Construction Management, Inc. in the Amount Not to Exceed \$229,638 and Approval of Capital Projects Fund Expenditure Budget Adjustment Increase in the Amount of \$243,050

---

## **BACKGROUND**

Station 43 construction management services with Stewart Enterprises will expire October 9, 2017. Staff was directed to seek other construction management services to complete the project. Staff reached out to two construction management companies that had previously bid the station 43 project and two other companies based on referrals.

Consolidated Construction Management (CM), Inc., had previously bid on the station 43 project and understands the scope of work that is necessary to complete this project. Consolidated CM specializes in fire station construction management and is proposing a seasoned team of professionals who bring recent, specific, in-depth knowledge of fire station construction management and inspection, and are available to mobilize immediately. Recent fire station construction projects include Menlo Park Fire Protection District station #2, and station #6 (in-progress). Reference checks from recent clients have been very strong.

Additional items added to the scope of work are for continuous field inspections and labor compliance services to comply with state law. The proposal from Consolidated CM is in the amount of \$229,638. Total capital projects fund expenditure budget adjustment that will be required is \$243,050 to include \$13,412 of invoices from Stewart Enterprises.

Construction management is considered a professional service and is exempt from the bidding requirements in MOFD Ordinance No. 16-01 for purchase of goods and services.

## **ATTACHMENT**

- 1) Attachment A – Consolidated CM Service Proposal
- 2) Attachment B – References

## **RECOMMENDATION**

- 1) Discuss 2) Deliberate 3) Approve contract with Consolidated Construction Management, Inc. not to exceed \$229,638 and Capital Projects Fund Expenditure Budget Adjustment of \$243,050

Professional Construction Management

September 22, 2017

Jerry Lee, Interim Fire Chief  
Moraga-Orinda Fire District  
1280 Moraga Way  
Moraga, CA 94556

**Subject: Proposal to Provide Project Management Services for Fire Station 43 Replacement**

Dear Chief Lee,

Thank you for considering Consolidated CM to provide Project Management Services on the Fire Station 43 Replacement Project. Consolidated CM specializes in fire station construction management and is proposing a seasoned team of professionals who bring recent, specific, in-depth knowledge of fire station construction management and inspection, and are available to mobilize immediately to support the Moraga-Orinda Fire Protection District. Based on recent discussions, it is our understanding the demolition of the old fire station and preliminary site grading were performed before the project was placed on hold. In the intervening period, a new contractor has been selected and the project is now ready to re-start mid-October with approximately 11 months planned to complete the facility. Below for your use is a budget outlining the anticipated tasks, the staffing level associated with those tasks and the individuals assigned to each activity.

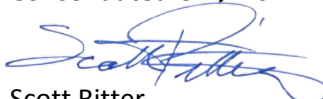
The Scope and Budget will consist of:

<b>Activity</b>	<b>Name</b>	<b>Hours</b>	<b>Budget</b>
<b>Project Management</b>	Scott Ritter	880	\$162,800
<b>Field Inspection: On-Call</b>	Mel Weidner/Dean Hayes	264	\$34,848
<b>Admin Support</b>	Laura Lea	294	\$24,990
<b>Labor Compliance</b>	Contractor Compliance & Monitoring	-	\$6,000
<b>Other Direct Costs</b>	-	-	\$1,000

It makes a difference who you hire and CCM is a firm believer in a value-added approach to our services. From the quality of our staff to the use of our online construction management system at no cost, you will immediately see the Consolidated CM difference.

Thank you for this opportunity to submit. I know you will enjoy working with us and we look forward to the opportunity. Should you need additional information, please feel free to contact me at (510) 910-2402.

Very truly yours,  
**Consolidated CM, Inc.**

  
Scott Ritter  
Senior Vice President



# Menlo Park Fire Protection District

170 Middlefield Road • Menlo Park, CA 94025 • Tel: 650.688.8400 • Fax: 650.323.9129  
Website: [www.menlofire.org](http://www.menlofire.org) • Email: [mpfd@menlofire.org](mailto:mpfd@menlofire.org)

Fire Chief  
Harold Schapelhouman

Board of Directors  
Robert J. Silano  
Peter Carpenter  
Virginia Chang Kiraly  
Rex Ianson  
Chuck Bernstein

November 8, 2016

To whom it may concern:

Consolidated CM, Inc. served as the Menlo Park Fire Protection District's construction management firm on the Fire Station #2 rebuild project and based on their performance the Fire District contracted with them for construction management services for the Fire Station #6 project. Consolidated CM, Inc. provided the District with pre-project support including constructability reviews and design feedback; ongoing construction support which included full time inspection services, change order request review, meeting facilitation, communication coordination, documentation and in the field support, as well as post construction support.

Consolidated CM, Inc. was very responsive to all of the District's requests and understood the public sector culture and processes. Their goal was to ensure that the Fire District received the product that they specified and held the Contractor responsible for quality control throughout the entire process.

I believe Consolidated CM, Inc. can do an excellent job for you, just as they did for us. Should you have any questions, please feel free to contact me at your convenience.

Best regards,

A handwritten signature in black ink, appearing to read "Jon Hitchcock", with a long, sweeping underline that extends to the right.

Jon Hitchcock  
Senior Management Analyst  
Menlo Park Fire Protection District  
(650) 688-8577  
[Jonh@menlofire.org](mailto:Jonh@menlofire.org)

*"Excellence In Service"*



WILLIE A. HOPKINS, JR., Director

1401 LAKESIDE DRIVE, OAKLAND, CALIFORNIA 94612 510 208 9700 FAX 510 208 9711 WWW.ACGOV.ORG/GSA/

November 15, 2016

To whom it may concern:

I am pleased to recommend Consolidated CM, Inc. for construction management and inspection services.

Consolidated CM has provided construction management and inspection services on a number of County projects, starting in approximately 2008. This has included the \$15M Castro Valley Library and most recently the \$26M Peralta Oaks Seismic and Tenant Improvement Project, the new home of the Alameda County Sheriff's Office (ACSO) Crime Scene Investigation Laboratory, the Coroner's Office and Morgue and the County of Alameda Health Department's Laboratory Unit.

I have been associated with Consolidated CM for a number of years including my long tenure as Senior Manager of the Judicial Council's court building program, in which Consolidated participated in projects under my management through the on-call consulting program. Since mid-2014, I have worked with Consolidated on the Peralta Oaks project. In this assignment, Consolidated provided full-service construction management and inspection services, including the tightly coordinated move-in of three county agencies and the complex and lengthy commissioning process which has only just been completed. The project was successfully completed in large measure to the competency of Consolidated CM and its staff.

Consolidated CM is a well-rounded, competent and dependable source. Their knowledge of construction is extensive, and both the core philosophy of the firm and its staff's and consultants' ability to communicate with clients, users, contractors and others in a tone of cooperation contributes to the value they add as qualified professionals.

On this basis, Consolidated CM is an excellent candidate for your teams. As a dedicated and knowledgeable company, I know that they will be a beneficial addition to your organization.

Yours,

Rona G. Rothenberg, FAIA  
County of Alameda General Services Agency-Capital Program Manager  
(510) 208 -9824; rona.rothenberg@acgov.org

## Attachment B



CAPITAL PLANNING,  
DESIGN & CONSTRUCTION

1600 Holloway Avenue  
San Francisco, CA 94132

phone: 415/338-1698  
fax: 415/338-2960

November 10, 2016

To whom it may concern:

I have had the pleasure of knowing and working with Consolidated CM, Inc. for over 20 years. CCM has successfully managed and inspected dozens of building and infrastructure projects for the San Francisco State University, including the Police Station and Corp Yard; J. Paul Leonard Library and Sutro Library expansion; and campus-wide telecommunications upgrade. CCM worked diligently to complete projects on time and they were sensitive to our needs as well as our end user's needs.

I not only recommend Consolidated CM, but look forward to continuing our business relationship with them in the future.

Sincerely,

A handwritten signature in blue ink that reads "S. Y. Lam".

Simon Y. Lam, AIA  
Associate Vice President  
Capital Planning, Design and Construction  
(415) 338-2541



November 10, 2016

To whom it may concern:

There are several reasons for recommending Consolidated CM. First, they have an excellent reputation in the industry and their commitment to our projects, including our new University Police Department station, Physical Education and Aquatic Center, Dining Commons and the Bookstore renovation, is exemplary. They were very client centered; by that I mean if we had a problem or concern they attended to it immediately and in a professional manner. The lines of communication between the CCM and Cal Maritime were open and responsive.

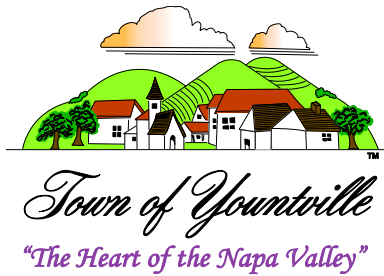
The projects were constructed on a busy campus and required special attention to noise levels and cleanliness while completing their work in a timely manner.

I recommend Consolidated CM, Inc. without reservation. Should you have any specific questions, please feel free to contact me at your convenience. I can be reached at 707-654-1127.

Best regards,



Isidro Farias  
Director of Facilities Planning



November 14, 2016

To whom it may concern:

I'm writing this as a letter of recommendation for Consolidated CM. As the Deputy Director of Public Works for the Town of Yountville, I have worked with Consolidated CM on two recent Town projects--the Recycled Water Expansion project and the Hopper Creek Flood Improvement project. Indirectly I was involved in the Vine Trail construction between Yountville and Napa and worked with CCM in the Yountville section of the 9 mile trail. As the Assistant Director of Public Works for the City of St. Helena, I worked with Consolidated CM on the construction of a 1.5M gallon water tank project.

For various reasons all of these projects were challenging, but Consolidated CM successfully helped all three agencies work through the issues in each case to a final successful project completion.

I not only recommend Consolidated CM, but look forward to continuing our business relationship with them in the future.

Sincerely,  
TOWN OF YOUNTVILLE



Debby Hight  
Deputy Director of Public Works



# Moraga-Orinda Fire District

**TO:** Board of Directors  
**FROM:** Jerry Lee, Interim Fire Chief  
**DATE:** September 27, 2017  
**SUBJECT:** Item 4.3 – 2016 FEMA SAFER Award

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## **BACKGROUND**

In the winter of 2016, MOFD staff submitted a grant application to the FEMA Staffing for Adequate Firefighter & Emergency Response (SAFER) program. MOFD requested funding for four (4) positions in the amount of \$1,391,200 over three years, to restore a dedicated full-time ambulance in Orinda (Medic 145). Notification of award was received on August 18, 2017.

Under normal circumstances, recipients have 30 calendar days to accept or decline the award. A 30 day extension was granted to the District to allow additional time to discuss and deliberate the impact(s) to the District.

## **SAFER GRANT OVERVIEW**

The period of performance for the SAFER grant is three years. FEMA will pay 75% of the usual annual cost of a first-year firefighter for year one and year two, and 35% on year three. The District is required to provide matching funds of 25%, 25%, and 65% over the three year period of performance. The cost of overtime, training, equipment, and uniforms are not eligible for reimbursement.

SAFER guidelines require the District to maintain a “maintenance number” throughout the three year period of performance. The maintenance number is defined as the number of rostered full-time firefighters at the time of award plus the number of new SAFER firefighters. The maintenance number under this award is 59 (55 rostered + 4 SAFER). MOFD is currently in the process of hiring two firefighters that are budgeted for in FY17/18 (57 positions). These firefighter positions are eligible for funding under this award.

If at any time during the period of performance, a firefighter separates from the District for any reason, the District must rehire to fill the vacant position. The SAFER program considers six months a reasonable time to fill a vacancy. By accepting the grant, the District is committed to maintaining 59 rostered firefighters for three years. The District, however, is not bound to any specific daily staffing model under the terms of this grant.

## **STAFFING OPTIONS**

Under the terms of this grant, two primary staffing options were identified.

**Option A** - District accepts grant and restores Medic 145 (19 minimum / 59 positions). A total roster of 60 is needed to meet this minimum staffing requirement and will require the District to staff one vacancy on overtime (ten 24hr shifts per month).

**Option B** - District accepts grant and maintains current staffing (17 minimum / 59 positions). The SAFER firefighters will be assigned to rover positions to fill daily vacancies.

### **FISCAL IMPACT**

Since two budgeted firefighter positions are reimbursable under the terms of this grant, the fiscal impact to the adopted FY17/18 budget are minimized. The fiscal impact(s) are as follows:

- Option A - \$10,000 FY17/18
- Option B - (\$33,000) FY17/18

The estimated fiscal impact to the District during the three year period of performance is broken further in Attachment A.

### **RECOMMENDATION**

- 1) Discuss 2) Deliberate 3) Accept SAFER grant and provide direction to staff on staffing option

### **ATTACHMENT**

- 1) Attachment A - Estimated Fiscal Impact of Staffing Options
- 2) Attachment B - Long Range Financial Plan with SAFER Staffing Options

**Attachment A**

**Estimated Fiscal Impact of Staffing Options**

**Option A – Accept SAFER grant to restore Medic 145 (19 minimum / 59 positions)**

Hire four (4) SAFER FFs & staff one additional vacancy on overtime

	FY17/18 (6 months)	FY18/19 (12 months)	FY19/20 (12 months)	FY20/21 (6 months)
Fiscal Impact to Annual Budget	\$10,000	\$5,000	\$154,000	\$175,000

\*Restore Medic 145 on June 1, 2017 (1mo. in FY17/18)

**Option B – Accept SAFER grant & maintain current staffing (17 minimum / 59 positions)**

Hire four (4) SAFER FFs & assign to rover positions

	FY17/18 (6 months)	FY18/19 (12 months)	FY19/20 (12 months)	FY20/21 (6 months)
Fiscal Impact to Annual Budget	(\$33,000)	(\$513,000)	(\$365,000)	(\$85,000)

Moraga-Orinda Fire Protection District  
 Long Range Financial Plan  
 Draft Update  
 September 27, 2017  
 SAFER Grant 17 Staffing

	ACTUALS 16/17	PROJ 17/18	PROJ 18/19	PROJ 19/20	PROJ 20/21	PROJ 21/22	PROJ 22/23	PROJ 23/24	PROJ 24/25	PROJ 25/26	PROJ 26/27	PROJ 27/28	PROJ 28/29	PROJ 29/30	PROJ 30/31	PROJ 31/32	ASSM	ASSM	ASSM	ASSM	ASSM	ASSM
1 GENERAL FUND BALANCE, BEGINNING OF YEAR	3,689,075	4,987,463	5,520,920	7,061,517	8,889,522	10,805,293	15,179,187	20,734,243	27,257,445	34,017,721	39,797,837	46,953,627	54,498,295	59,545,613	67,709,936	76,206,218	17/18	18/19	19/20	20/21	21/22	23+
2 CAPITAL FUND BALANCE, BEGINNING OF YEAR	10,068,070	9,856,415	5,668,568	5,887,864	5,006,979	4,210,022	3,408,659	1,803,100	1,806,809	1,805,720	1,898,698	1,985,600	1,965,286	1,998,229	1,968,539	1,934,520	17/18	18/19	19/20	20/21	21/22	23+
2a DEBT SERVICE FUND BALANCE, BEGINNING	2,587,823	2,793,645	3,012,049	3,248,145	3,491,281	3,751,065	1,691,844	3,910	4,910	4,910	4,910	4,911	4,911	4,911	4,911	4,911						
3 COMBINED UNRESTRICTED FUND BALANCE, BEGI	13,757,145	14,843,878	11,189,488	12,949,381	13,896,501	15,015,316	18,587,846	22,537,343	29,064,253	35,823,441	41,696,534	48,939,227	56,463,581	61,543,841	69,678,474	78,140,739	NA	NA	NA	NA	NA	NA
3a PERCENT OF GENERAL FUND REVENUE	23.51%	25.33%	31.16%	37.71%	44.07%	54.53%	67.56%	85.57%	102.88%	115.95%	131.78%	147.33%	155.05%	169.81%	184.07%	197.85%	NA	NA	NA	NA	NA	NA
4 ANNUAL GENERAL FUND SURPLUS	1,298,388	533,457	1,540,597	1,828,006	1,915,771	4,373,893	5,555,056	6,523,202	6,760,276	5,780,116	7,155,790	7,544,668	5,047,317	8,164,323	8,496,283	8,843,811	NA	NA	NA	NA	NA	NA
4a ANNUAL CAPITAL PROJECTS FUND SURPLUS (DEI)	(211,655)	(4,187,847)	219,296	(880,885)	(796,957)	(801,363)	(1,605,559)	3,709	(1,089)	92,978	86,903	(20,314)	32,942	(29,690)	(34,018)	(100,694)	NA	NA	NA	NA	NA	NA
5 GENERAL FUND REVENUES																						
5a PROPERTY TAX	18,901,827	19,671,559	20,509,253	21,391,681	22,309,026	25,601,878	28,426,057	29,563,099	30,745,623	31,975,448	33,254,466	34,584,644	35,968,030	37,406,751	38,903,021	40,459,142	HdL	4.4%	4.4%	4.4%	4.4%	4.0%
5b USE OF MONEY & PROPERTY	4,409	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	Budget	0.0%	0.0%	0.0%	0.0%	0.0%
5c INTERGOVERNMENTAL REVENUE	263,358	250,214	252,716	255,243	257,796	260,374	262,977	265,607	268,263	270,946	273,655	276,392	279,156	281,947	284,767	287,615	Budget	1.0%	1.0%	1.0%	1.0%	1.0%
5d CHARGES FOR SERVICES/OTHER	925,553	849,321	857,814	866,392	875,056	883,807	892,645	901,571	910,587	919,693	928,890	938,179	947,561	957,036	966,607	976,273	Budget	1.0%	1.0%	1.0%	1.0%	1.0%
5e AMBULANCE FEES	1,116,153	1,024,314	1,039,679	1,055,274	1,071,103	1,087,170	1,103,477	1,120,029	1,136,830	1,153,882	1,171,190	1,188,758	1,206,590	1,224,688	1,243,059	1,261,705	Budget	1.5%	1.5%	1.5%	1.5%	1.5%
5f OTHER REVENUE (FEDERAL GRANTS)																	NA	NA	NA	NA	NA	NA
5g FIRE FLOW TAX																	NA	NA	NA	NA	NA	NA
6 TOTAL GENERAL FUND REVENUES	21,211,300	21,798,408	22,662,462	23,571,590	24,515,981	27,836,228	30,688,156	31,853,307	33,064,303	34,322,969	35,631,201	36,990,973	38,404,336	39,873,423	41,400,454	42,987,734	NA	NA	NA	NA	NA	NA
7 CAPITAL FUND REVENUES	4,044,800	1,446,644	1,506,291	1,083,856	1,087,433	1,091,021	1,094,622	1,098,234	1,101,858	1,105,494	1,109,143	1,112,803	1,116,475	1,120,159	1,123,856	1,127,565	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%
7a DEBT SERVICE FUND REVENUES	3,220,105	3,376,281	3,543,473	3,709,744	3,884,311	1,730,869											NA	NA	NA	NA	NA	NA
8 TOTAL REVENUES	28,476,205	26,621,333	27,712,226	28,365,190	29,487,725	30,658,118	31,782,778	32,951,541	34,166,161	35,428,463	36,740,344	38,103,776	39,520,811	40,993,583	42,524,309	44,115,299	NA	NA	NA	NA	NA	NA
9 GENERAL FUND EXPENDITURES																						
9a REGULAR SALARIES	7,872,287	8,645,029	8,774,704	8,994,072	9,218,924	9,449,397	9,685,632	9,927,773	10,175,967	10,430,366	10,691,125	10,958,403	11,232,364	11,513,173	11,801,002	12,096,027	Budget	1.5%	2.5%	2.5%	2.5%	2.5%
9b TEMPORARY SALARIES	193,272	190,756	190,756	190,756	190,756	190,756	190,756	190,756	190,756	190,756	190,756	190,756	190,756	190,756	190,756	190,756	Budget	0.0%	0.0%	0.0%	0.0%	0.0%
9c OVERTIME	1,863,487	1,890,000	1,918,350	1,966,309	2,015,466	2,065,853	2,117,499	2,170,437	2,224,698	2,280,315	2,337,323	2,395,756	2,455,650	2,517,041	2,579,967	2,644,467	Budget	1.5%	2.5%	2.5%	2.5%	2.5%
9c1 OVERTIME STRIKE TEAM	333,095	355,000	360,325	369,333	378,566	388,031	397,731	407,675	417,867	428,313	439,021	449,997	461,246	472,778	484,597	496,712	Budget	1.5%	2.5%	2.5%	2.5%	2.5%
9d OTHER BENEFITS	332,038	213,788	213,788	213,788	213,788	213,788	213,788	213,788	213,788	213,788	213,788	213,788	213,788	213,788	213,788	213,788	Budget	0.0%	0.0%	0.0%	0.0%	0.0%
9f WORKERS COMPENSATION	513,918	620,745	626,952	633,222	639,554	645,950	652,409	658,933	665,523	672,178	678,900	685,689	692,546	699,471	706,466	713,530	Budget	1.0%	1.0%	1.0%	1.0%	1.0%
9g MEDICAL, DENTAL & VISION	1,699,725	1,861,240	1,879,852	1,898,651	1,917,637	1,936,814	1,956,182	1,975,744	1,995,501	2,015,456	2,035,611	2,055,967	2,076,527	2,097,292	2,118,265	2,139,447	Budget	1.0%	1.0%	1.0%	1.0%	1.0%
9h OPERATING EXPENSES	2,153,714	2,146,943	2,200,617	2,255,632	2,312,023	2,369,823	2,429,069	2,489,796	2,552,041	2,615,842	2,681,238	2,748,269	2,816,975	2,887,400	2,959,585	3,033,574	Budget	2.5%	2.5%	2.5%	2.5%	2.5%
9j CCCERA EMPLOYER PAYMENT	4,395,376	4,814,450	4,923,521	5,026,822	5,270,494	5,613,923	5,854,033	6,025,204	6,525,887	7,047,839	7,591,809	8,158,574	8,748,931	9,363,708	10,003,755	10,669,952	Budget	Actual	0.0%	1.3%	2.2%	1.0%
9k SINGLE ROLE PARAMEDIC IMPLEMENTATION																						
9m OPEB FUNDING (INTO TRUST)	256,000	280,000	273,000	280,000	264,000	294,000	318,000	335,000	371,000	424,000	457,920	494,554	534,118	576,847	622,995	672,835	Budget	Actual	Actual	Actual	Actual	Actual
9n PENSION RATE STABILIZATION (INTO TRUST)	300,000	280,000	273,000	280,000	264,000	294,000	318,000	335,000	371,000	424,000	457,920	494,554	534,118	576,847	622,995	672,835	Budget	Actual	Actual	Actual	Actual	Actual
9o 17 STAFFING WITH SAFER GRANT		(33,000)	(513,000)	(365,000)	(85,000)																	
10 TOTAL GENERAL FUND EXPENDITURES	19,912,912	21,264,951	21,121,865	21,743,584	22,600,210	23,462,335	24,133,100	24,730,105	25,704,027	26,742,853	27,775,411	28,846,305	29,957,019	31,109,100	32,304,171	33,543,923	NA	NA	NA	NA	NA	NA
11 CAPITAL EXPENDITURES	3,894,381	4,622,511	275,181	953,192	961,442	969,936	3,378,611	1,372,691	1,381,965	2,491,516	1,401,349	1,411,476	4,162,268	1,428,113	1,436,803	1,507,188	NA	NA	NA	NA	NA	NA
11a DEBT SERVICE FUND EXPENDITURES	3,376,357	4,169,857	4,319,191	4,478,157	4,547,475	4,712,538	2,009,504	320,835	320,982	321,001	320,890	321,641	321,264	321,737	321,071							
12 TOTAL EXPENDITURES	27,183,650	30,057,319	25,716,238	27,174,933	28,109,126	29,144,809	29,521,215	26,423,630	27,406,974	29,555,370	29,497,650	30,579,422	34,440,551	32,858,950	34,062,045	35,051,111	NA	NA	NA	NA	NA	NA
13 TRANSFERS OUT GENERAL FUND							(1,000,000)	(600,000)	(600,000)	(1,800,000)	(700,000)	(600,000)	(3,400,000)	(600,000)	(600,000)	(600,000)						
13A TRANSFER IN CAPITAL PROJECTS FUND							1,000,000	600,000	600,000	1,800,000	700,000	600,000	3,400,000	600,000	600,000	600,000						
13B TRANSFERS OUT CAPITAL PROJECTS FUND	(362,074)	(1,011,980)	(1,011,814)	(1,011,549)	(922,948)	(922,448)	(321,570)	(321,835)	(320,982)	(321,001)	(320,891)	(321,641)	(321,264)	(321,737)	(321,071)	(321,071)						
14 TRANSFER IN DEBT SERVICE FUND	362,074	1,011,980	1,011,814	1,011,549	922,948	922,448	321,570	321,835	320,982	321,001	320,891	321,641	321,264	321,737	321,071	321,071						
18 GENERAL FUND BALANCE, END OF YEAR	4,987,463	5,520,920	7,061,517	8,889,522	10,805,293	15,179,187	20,734,243	27,257,445	34,017,721	39,797,837	46,953,627	54,498,295	59,545,613	67,709,936	76,206,218	85,050,029	NA	NA	NA	NA	NA	NA
19 CAPITAL FUND BALANCE, END OF YEAR	9,856,415	5,668,568	5,887,864	5,006,979	4,210,022	3,408,659	1,803,100	1,806,809	1,805,720	1,898,698	1,985,600	1,965,286	1,998,229	1,968,539	1,934,520	1,833,826	NA	NA	NA	NA	NA	NA
19A DEBT SERVICE FUND BALANCE, END OF YEAR	2,793,645	3,012,049	3,248,145	3,491,281	3,751,065	1,691,844	3,910	4,910	4,910	4,910	4,911	4,911	4,911	4,911	4,911	4,911	NA	NA	NA	NA	NA	NA
20 COMBINED UNRESTRICTED FUND BALANCE, END	14,843,878	11,189,488	12,949,381	13,8																		

Moraga-Orinda Fire Protection District  
 Long Range Financial Plan  
 Draft Update  
 September 27, 2017  
 SAFER Grant 19 Staffing

	ACTUALS 16/17	PROJ 17/18	PROJ 18/19	PROJ 19/20	PROJ 20/21	PROJ 21/22	PROJ 22/23	PROJ 23/24	PROJ 24/25	PROJ 25/26	PROJ 26/27	PROJ 27/28	PROJ 28/29	PROJ 29/30	PROJ 30/31	PROJ 31/32	ASSM	ASSM	ASSM	ASSM	ASSM	ASSM	
1	GENERAL FUND BALANCE, BEGINNING OF YEAR	3,689,075	4,987,463	5,477,920	6,500,517	7,809,522	9,465,293	13,839,187	19,394,243	25,917,445	32,677,721	38,457,837	45,613,627	53,158,295	58,205,613	66,369,936	74,866,218	17/18	18/19	19/20	20/21	21/22	23+
2	CAPITAL FUND BALANCE, BEGINNING OF YEAR	10,068,070	9,856,415	5,668,568	5,887,864	5,006,979	4,210,022	3,408,659	1,803,100	1,806,809	1,805,720	1,898,698	1,985,600	1,965,286	1,998,229	1,968,539	1,934,520	17/18	18/19	19/20	20/21	21/22	23+
2a	DEBT SERVICE FUND BALANCE, BEGINNING	2,587,823	2,793,645	3,012,049	3,248,145	3,491,281	3,751,065	1,691,844	3,910	4,910	4,910	4,910	4,911	4,911	4,911	4,911	4,911						
3	COMBINED UNRESTRICTED FUND BALANCE, BEG	13,757,145	14,843,878	11,146,488	12,388,381	12,816,501	13,675,316	17,247,846	21,197,343	27,724,253	34,483,441	40,356,534	47,599,227	55,123,581	60,203,841	68,338,474	76,800,739	NA	NA	NA	NA	NA	NA
3a	PERCENT OF GENERAL FUND REVENUE	23.51%	25.13%	28.68%	33.13%	38.61%	49.72%	63.20%	81.37%	98.83%	112.05%	128.02%	143.71%	151.56%	166.45%	180.83%	194.73%	NA	NA	NA	NA	NA	NA
4	ANNUAL GENERAL FUND SURPLUS	1,298,388	490,457	1,022,597	1,309,006	1,655,771	4,373,893	5,555,056	6,523,202	6,760,276	5,780,116	7,155,790	7,544,668	5,047,317	8,164,323	8,496,283	8,843,811	NA	NA	NA	NA	NA	NA
4a	ANNUAL CAPITAL PROJECTS FUND SURPLUS (DEF)	(211,655)	(4,187,847)	219,296	(880,885)	(796,957)	(801,363)	(1,605,559)	3,709	(1,089)	92,978	86,903	(20,314)	32,942	(29,690)	(34,018)	(100,694)	NA	NA	NA	NA	NA	NA
5	GENERAL FUND REVENUES																						
5a	PROPERTY TAX	18,901,827	19,671,559	20,509,253	21,391,681	22,309,026	25,601,878	28,426,057	29,563,099	30,745,623	31,975,448	33,254,466	34,584,644	35,968,030	37,406,751	38,903,021	40,459,142	HdL	4.4%	4.4%	4.4%	4.4%	4.0%
5b	USE OF MONEY & PROPERTY	4,409	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	Budget	0.0%	0.0%	0.0%	0.0%	0.0%
5c	INTERGOVERNMENTAL REVENUE	263,358	250,214	252,716	255,243	257,796	260,374	262,977	265,607	268,263	270,946	273,655	276,392	279,156	281,947	284,767	287,615	Budget	1.0%	1.0%	1.0%	1.0%	1.0%
5d	CHARGES FOR SERVICES/OTHER	925,553	849,321	857,814	866,392	875,056	883,807	892,645	901,571	910,587	919,693	928,890	938,179	947,561	957,036	966,607	976,273	Budget	1.0%	1.0%	1.0%	1.0%	1.0%
5e	AMBULANCE FEES	1,116,153	1,024,314	1,039,679	1,055,274	1,071,103	1,087,170	1,103,477	1,120,029	1,136,830	1,153,882	1,171,190	1,188,758	1,206,590	1,224,688	1,243,059	1,261,705	Budget	1.5%	1.5%	1.5%	1.5%	1.5%
5f	OTHER REVENUE (FEDERAL GRANTS)																	NA	NA	NA	NA	NA	NA
5g	FIRE FLOW TAX																	NA	NA	NA	NA	NA	NA
6	TOTAL GENERAL FUND REVENUES	21,211,300	21,798,408	22,662,462	23,571,590	24,515,981	27,836,228	30,688,156	31,853,307	33,064,303	34,322,969	35,631,201	36,990,973	38,404,336	39,873,423	41,400,454	42,987,734	NA	NA	NA	NA	NA	NA
7	CAPITAL FUND REVENUES	4,044,800	1,446,644	1,506,291	1,083,856	1,087,433	1,091,021	1,094,622	1,098,234	1,101,858	1,105,494	1,109,143	1,112,803	1,116,475	1,120,159	1,123,856	1,127,565	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%
7a	DEBT SERVICE FUND REVENUES	3,220,105	3,376,281	3,543,473	3,709,744	3,884,311	1,730,869											NA	NA	NA	NA	NA	NA
8	TOTAL REVENUES	28,476,205	26,621,333	27,712,226	28,365,190	29,487,725	30,658,118	31,782,778	32,951,541	34,166,161	35,428,463	36,740,344	38,103,776	39,520,811	40,993,583	42,524,309	44,115,299	NA	NA	NA	NA	NA	NA
9	GENERAL FUND EXPENDITURES																						
9a	REGULAR SALARIES	7,872,287	8,645,029	8,774,704	8,994,072	9,218,924	9,449,397	9,685,632	9,927,773	10,175,967	10,430,366	10,691,125	10,958,403	11,232,364	11,513,173	11,801,002	12,096,027	Budget	1.5%	2.5%	2.5%	2.5%	2.5%
9b	TEMPORARY SALARIES	193,272	190,756	190,756	190,756	190,756	190,756	190,756	190,756	190,756	190,756	190,756	190,756	190,756	190,756	190,756	190,756	Budget	0.0%	0.0%	0.0%	0.0%	0.0%
9c	OVERTIME	1,863,487	1,890,000	1,918,350	1,966,309	2,015,466	2,065,853	2,117,499	2,170,437	2,224,698	2,280,315	2,337,323	2,395,756	2,455,650	2,517,041	2,579,967	2,644,467	Budget	1.5%	2.5%	2.5%	2.5%	2.5%
9c1	OVERTIME STRIKE TEAM	333,095	355,000	360,325	369,333	378,566	388,031	397,731	407,675	417,867	428,313	439,021	449,997	461,246	472,778	484,597	496,712	Budget	1.5%	2.5%	2.5%	2.5%	2.5%
9d	OTHER BENEFITS	332,038	213,788	213,788	213,788	213,788	213,788	213,788	213,788	213,788	213,788	213,788	213,788	213,788	213,788	213,788	213,788	Budget	0.0%	0.0%	0.0%	0.0%	0.0%
9f	WORKERS COMPENSATION	513,918	620,745	626,952	633,222	639,554	645,950	652,409	658,933	665,523	672,178	678,900	685,689	692,546	699,471	706,466	713,530	Budget	1.0%	1.0%	1.0%	1.0%	1.0%
9g	MEDICAL, DENTAL & VISION	1,699,725	1,861,240	1,879,852	1,898,651	1,917,637	1,936,814	1,956,182	1,975,744	1,995,501	2,015,456	2,035,611	2,055,967	2,076,527	2,097,292	2,118,265	2,139,447	Budget	1.0%	1.0%	1.0%	1.0%	1.0%
9h	OPERATING EXPENSES	2,153,714	2,146,943	2,200,617	2,255,632	2,312,023	2,369,823	2,429,069	2,489,796	2,552,041	2,615,842	2,681,238	2,748,269	2,816,975	2,887,400	2,959,585	3,033,574	Budget	2.5%	2.5%	2.5%	2.5%	2.5%
9j	CCCERA EMPLOYER PAYMENT	4,395,376	4,814,450	4,923,521	5,026,822	5,270,494	5,613,923	5,854,033	6,025,204	6,525,887	7,047,839	7,591,809	8,158,574	8,748,931	9,363,708	10,003,755	10,669,952	Budget	Actual	0.0%	1.3%	2.2%	1.0%
9k	SINGLE ROLE PARAMEDIC IMPLEMENTATION																						
9m	OPEB FUNDING (INTO TRUST)	256,000	280,000	273,000	280,000	264,000	294,000	318,000	335,000	371,000	424,000	457,920	494,554	534,118	576,847	622,995	672,835	Budget	Actual	Actual	Actual	Actual	Actual
9n	PENSION RATE STABILIZATION (INTO TRUST)	300,000	280,000	273,000	280,000	264,000	294,000	318,000	335,000	371,000	424,000	457,920	494,554	534,118	576,847	622,995	672,835	Budget	Actual	Actual	Actual	Actual	Actual
9o	19 STAFFING WITH SAFER GRANT		10,000	5,000	154,000	175,000																	
10	TOTAL GENERAL FUND EXPENDITURES	19,912,912	21,307,951	21,639,865	22,262,584	22,860,210	23,462,335	24,133,100	24,730,105	25,704,027	26,742,853	27,775,411	28,846,305	29,957,019	31,109,100	32,304,171	33,543,923	NA	NA	NA	NA	NA	NA
11	CAPITAL EXPENDITURES	3,894,381	4,622,511	275,181	953,192	961,442	969,936	3,378,611	1,372,691	1,381,965	2,491,516	1,401,349	1,411,476	4,162,268	1,428,113	1,436,803	1,507,188	NA	NA	NA	NA	NA	NA
11a	DEBT SERVICE FUND EXPENDITURES	3,376,357	4,169,857	4,319,191	4,478,157	4,547,475	4,712,538	2,009,504	320,835	320,982	321,001	320,890	321,641	321,264	321,737	321,071							
12	TOTAL EXPENDITURES	27,183,650	30,100,319	26,234,238	27,693,933	28,369,126	29,144,809	29,521,215	26,423,630	27,406,974	29,555,370	29,497,650	30,579,422	34,440,551	32,858,950	34,062,045	35,051,111	NA	NA	NA	NA	NA	NA
13	TRANSFERS OUT GENERAL FUND							(1,000,000)	(600,000)	(600,000)	(1,800,000)	(700,000)	(600,000)	(3,400,000)	(600,000)	(600,000)	(600,000)						
13A	TRANSFER IN CAPITAL PROJECTS FUND							1,000,000	600,000	600,000	1,800,000	700,000	600,000	3,400,000	600,000	600,000	600,000						
13B	TRANSFERS OUT CAPITAL PROJECTS FUND	(362,074)	(1,011,980)	(1,011,814)	(1,011,549)	(922,948)	(922,448)	(321,570)	(321,835)	(320,982)	(321,001)	(320,891)	(321,641)	(321,264)	(321,737)	(321,071)	(321,071)						
14	TRANSFER IN DEBT SERVICE FUND	362,074	1,011,980	1,011,814	1,011,549	922,948	922,448	321,570	321,835	320,982	321,001	320,891	321,641	321,264	321,737	321,071	321,071						
18	GENERAL FUND BALANCE, END OF YEAR	4,987,463	5,477,920	6,500,517	7,809,522	9,465,293	13,839,187	19,394,243	25,917,445	32,677,721	38,457,837	45,613,627	53,158,295	58,205,613	66,369,936	74,866,218	83,710,029	NA	NA	NA	NA	NA	NA
19	CAPITAL FUND BALANCE, END OF YEAR	9,856,415	5,668,568	5,887,864	5,006,979	4,210,022	3,408,659	1,803,100	1,806,809	1,805,720	1,898,698	1,985,600	1,965,286	1,998,229	1,968,539	1,934,520	1,833,826	NA	NA	NA	NA	NA	NA
19A	DEBT SERVICE FUND BALANCE, END OF YEAR	2,793,645	3,012,049	3,248,145	3,491,281	3,751,0																	



# Moraga-Orinda Fire District

**TO:** Board of Directors  
**FROM:** Gloriann Sasser, Administrative Services Director  
**DATE:** September 27, 2017  
**SUBJECT:** Item 4.4 – Draft Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2017

---

## **BACKGROUND**

Each year the District engages a certified public accountant to audit the financial statements of the District. The District's Administrative Services Division prepared the financial statements for the fiscal year ending June 30, 2017. The financial statements have been audited by Vavrinek, Trine, Day & Co., LLP. A draft Comprehensive Annual Financial Report (CAFR) has been completed (Attachment A.)

The draft CAFR is complete except for items relating to the net OPEB liability. The net OPEB liability is pending completion of the actuarial valuation.

The final CAFR is scheduled to be completed and presented to the Board at the October 18, 2017 board meeting.

## **RECOMMENDATION**

- 1) Discuss; 2) Deliberate; 3) Provide direction to staff

## **ATTACHMENTS**

- 1) Attachment A – Draft Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2017



Moraga-Orinda Fire  
Protection District  
Comprehensive Annual Financial Report  
2017

**DRAFT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
MORAGA, CALIFORNIA

# MORAGA-ORINDA FIRE PROTECTION DISTRICT MORAGA, CALIFORNIA



## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017 PREPARED BY THE ADMINISTRATIVE SERVICES DIVISION



**Moraga-Orinda Fire Protection District  
Comprehensive Annual Financial Report  
For the year ended June 30, 2017**

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**Moraga-Orinda Fire Protection District  
Comprehensive Annual Financial Report  
For the year ended June 30, 2017**

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# MORAGA-ORINDA FIRE PROTECTION DISTRICT COMPREHENSIVE ANNUAL FINANCIAL REPORT

## DIRECTORY OF OFFICIALS

### Board of Directors

Kathleen Famulener  
President

Brad Barber  
Vice President

John Jex  
Secretary

Craig Jorgens  
Treasurer

Stephen Anderson  
Director

### Principal Staff

Jerry Lee  
Interim Fire Chief

Felipe Barreto  
Battalion Chief

Grace Santos  
District Secretary/District Clerk

Daryle Balao  
Acting Battalion Chief

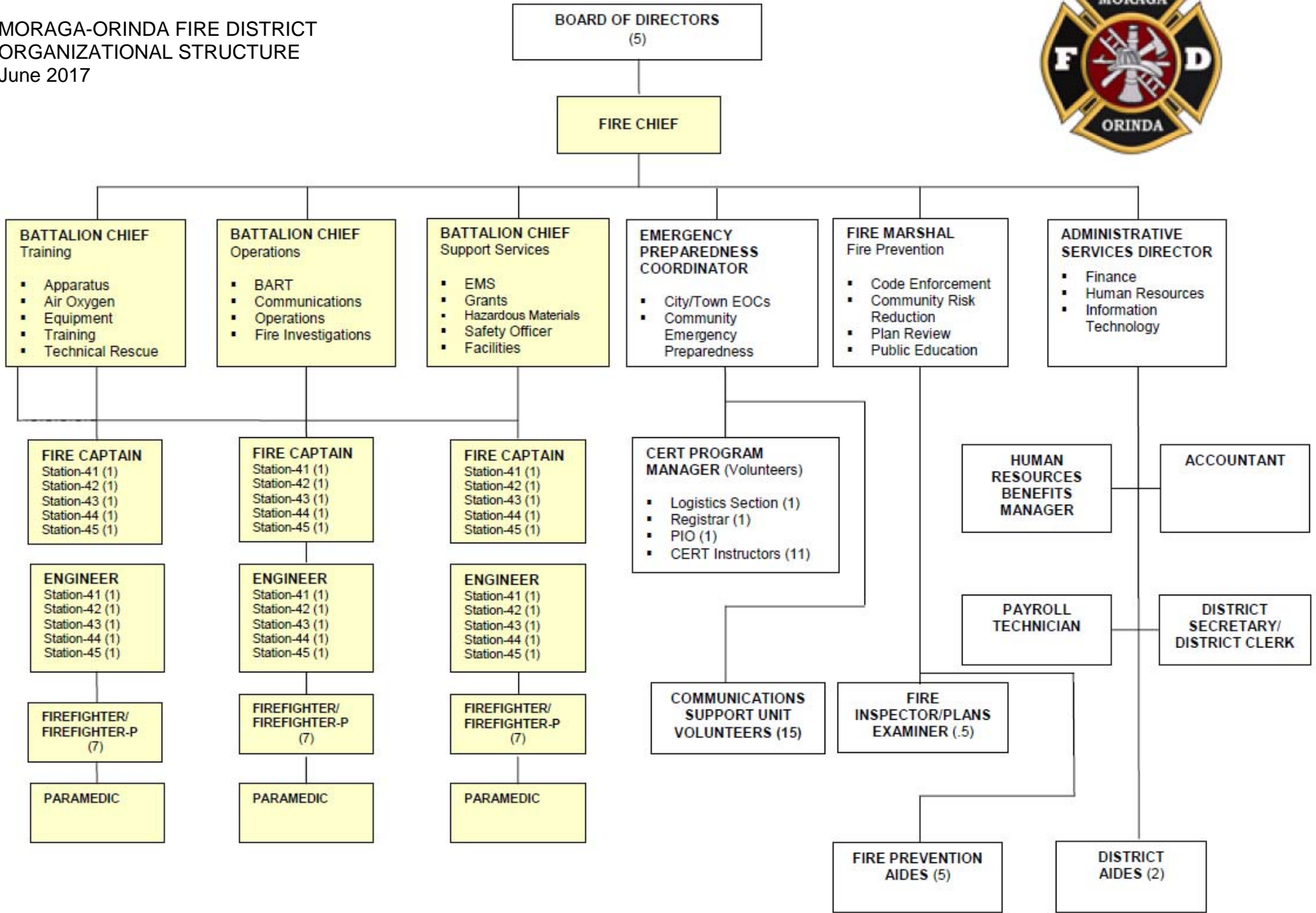
Kathy Leonard  
Fire Marshal

Sean Perkins  
Battalion Chief

Gloriann Sasser  
Administrative Services Director

Dennis Rein  
Emergency Preparedness Coordinator

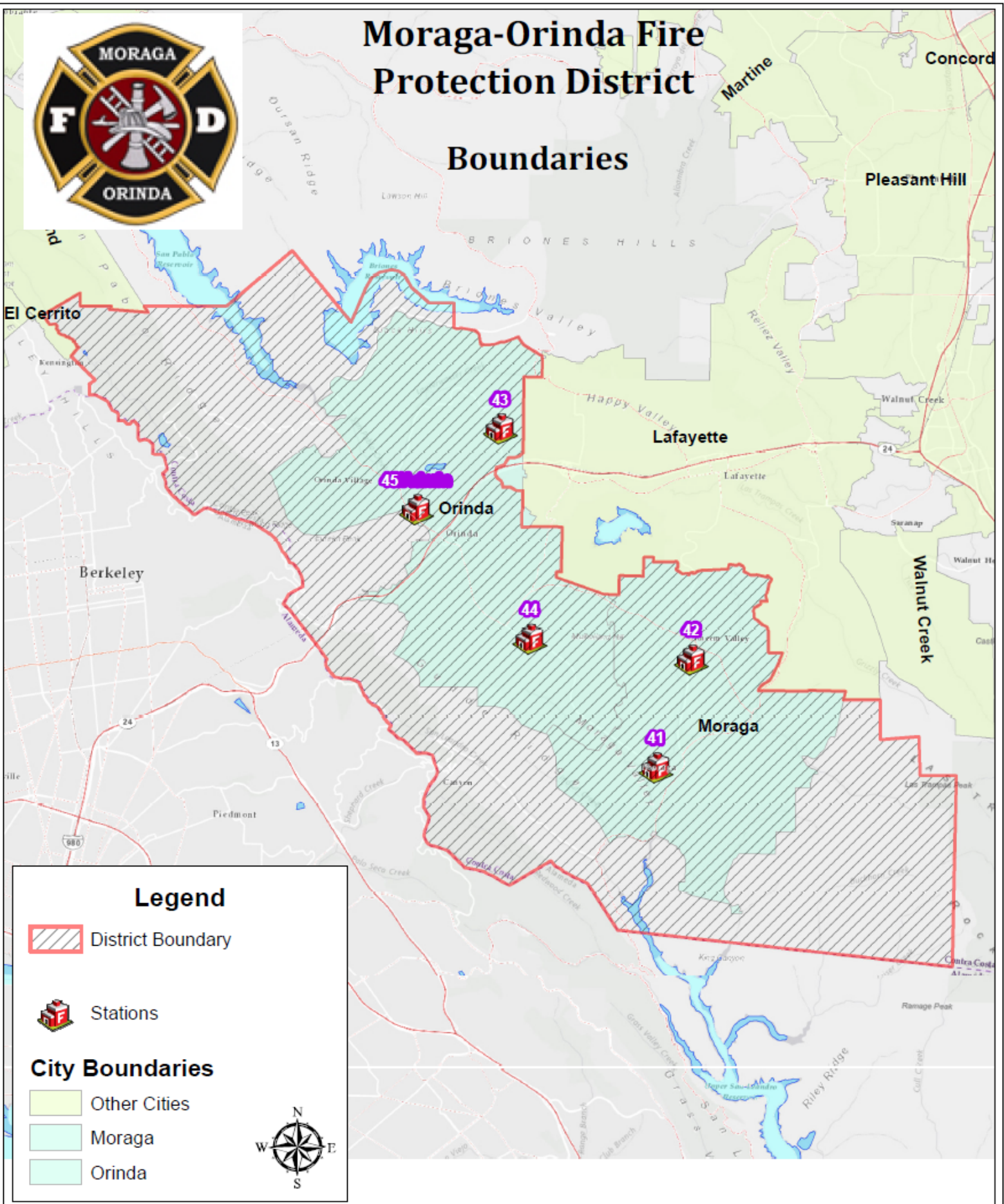
MORAGA-ORINDA FIRE DISTRICT  
 ORGANIZATIONAL STRUCTURE  
 June 2017






# Moraga-Orinda Fire Protection District

## Boundaries





### Legend


 District Boundary

 Stations

### City Boundaries

 Other Cities

 Moraga

 Orinda



0 0.5 1 2 3 4 Miles



## STATIONS & FACILITIES



ADMINISTRATION  
1280 Moraga Way, Moraga



STATION 41  
1280 Moraga Way, Moraga



STATION 42  
555 Moraga Road, Moraga



STATION 43  
20 Via Las Cruces, Orinda



STATION 44  
295 Orchard Road, Orinda



Station 45  
33 Orinda Way, Orinda



# Moraga-Orinda Fire District

October XX, 2017

Board of Directors  
Moraga-Orinda Fire Protection District  
1280 Moraga Way  
Moraga, CA 94556

Members of the Board:

We are pleased to present the Moraga-Orinda Fire Protection District Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. This is the fourth CAFR prepared by the District.

This report has been prepared by the Administrative Services Division following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA) and is in conformance with generally accepted accounting principles for state and local governmental entities established by the Governmental Accounting Standards Board (GASB). Responsibility for the accuracy, completeness and fairness of the presented data and the clarity of presentation, including all disclosures, rests with the management of the District.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report providing a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

## **The District**

The District is an autonomous Special District as defined under the Fire Protection District Law of 1987, Health and Safety Code, Section 13800, of the State of California. The District was formed in 1997, when over 80% of the voters affirmatively voted to form the District. The District is responsible for providing the highest level of emergency and non-emergency services to the community in an effort to protect life, the environment and property.

A five-member Board of Directors, elected by their constituents and each serving a four-year term, governs the District. The Directors meet twice a month to determine overall policy for the District. The Board Finance Committee also provided oversight this year.

The Fire Chief is the administrative and operational Chief Executive Officer of the District under the direction and control of the District Board. At present, the Fire Chief is supported by his executive staff, consisting of three Battalion Chiefs, the Fire Marshal, the Emergency Preparedness Coordinator and the Administrative Services Director.

The District has six divisions: *Operations, Fire Prevention, Support Services, Training, Emergency Preparedness* and *Administrative Services*. These divisions provide a full-range of services, including emergency and non-emergency services, fire prevention, emergency preparedness and public education. The District employs 76 personnel, in addition to approximately 30 volunteers. The District maintains five Fire Stations and one Administration Office Building, all strategically

located within the District. All five fire stations house paid firefighters. The District staffs seven companies, which includes four fire engines, one truck, two medic units, and one command unit. All other Administrative personnel work at the Administration Office.

The District covers a broad geographic and population base consisting primarily of urban/suburban/semi-rural and rural service areas. Within the District, there are a wide variety of target hazards including portions of the Berkeley-Oakland Hills, several East Bay Regional Parks, three reservoirs, BART, the Caldecott Tunnel, Saint Mary's College, the City of Orinda, Town of Moraga and unincorporated areas of Contra Costa County.

Internal Control In developing and evaluating the District's accounting system, priority is given to the accuracy of internal accounting control. Internal accounting controls are designed to provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, the accuracy and reliability of accounting data and the adherence to prescribed managerial policy. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived, and the cost-benefit analysis requires estimates and judgments by management.

Accounting System and Budgeting Controls The District's accounting and budgeting records for the basic financial statements in this report conform to generally accepted accounting principles (GAAP) according to standards established by the GASB.

The District maintains extensive budgetary controls. The District's Annual Budget, adopted prior to July 1, provides overall control of revenue and expenditures, including appropriations (budgeted expenditures) on a line item basis and the means of financing them (budgeted revenue). The District's accounting system produces monthly reports on expenditure activity that assist Division Managers to monitor activities and programs. These reports are also reviewed by the Accountant, Administrative Services Director and Fire Chief to assure budgetary compliance.

As a recipient of federal, state and county financial assistance, the District is responsible for ensuring that an adequate control structure is in place to comply with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by District Finance staff.

Financial Policies In 2013 the District adopted the provisions of GASB 54 and established a Fund Balance Policy. The District's Fund Balance Policy requires a minimum unrestricted fund balance in the General Fund of at least 17% of budgeted General Fund revenue at fiscal year-end. As of June 30, 2017, unrestricted fund balance in the General Fund was 23% of budgeted General Fund revenue. The District regularly monitors fund balance and the financial condition of the District.

Audit of Financial Statements The District contracts for an independent audit each year to provide reasonable assurance that its financial statements are free of material misstatements. This annual audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The District engaged the accounting firm of Vavrinek, Trine, Day & Co., LLP to perform the audit of its financial statements. The auditor has issued an unqualified opinion on the District's financial statements indicating they are fairly presented in conformity with GAAP.

Major Initiatives There were several major initiatives during the fiscal year:

- **Balanced Budget** – The primary goal in 2016/17 was to produce a balanced financial plan that retains current service levels and addresses capital equipment needs to fully maintain firefighter safety and operational effectiveness. Considerable effort was made to reduce costs wherever possible. The General Fund surplus of \$1.3M was made possible through the cooperation of our employees. The District reached agreements with all three labor groups that resulted in substantial employee cost reductions, both short and long-term. The General Fund structural deficit has been eliminated through a combination of employee concessions and increased property tax revenue. The General Fund continues to be sustainable.
- **Station 43** - The District continued the rebuild of Station 43 in Orinda. Construction of the new station is expected to be complete in 2018.
- **OPEB Trust Account** – In March 2015 the District established an Other Post Employment Benefits (OPEB) trust account. The purpose of an OPEB trust is to accumulate funds for payment of the District's future retiree health insurance obligations. The District continued to make the annual contribution to the trust account in the amount of \$256,000. The establishment of the account significantly reduces the District's net OPEB liability and strengthens the District's financial position.
- **Pension Rate Stabilization Fund** – In January 2017 the District established a Pension Rate Stabilization Fund. The purpose of the fund is to prefund pension costs. During FY2016/17 the District contributed \$300,000 to the fund. The establishment of the account sets aside money to help the District properly manage volatile pension costs.
- **Minimum Fund Balance** – In June 2017 the District increased the minimum amount of fund balance that will be maintained in the General Fund from 10% to 17%.

## **Awards**

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Moraga-Orinda Fire Protection District for its comprehensive annual financial report for the fiscal year ended June 30, 2015. The District did not apply for the award for the fiscal year ended June 30, 2016.

## Acknowledgements

The preparation of this report reflects the combined and dedicated effort of District staff, particularly in the Administrative Services Division. Staff in each division has our appreciation for their contributions in the preparation of this report.

Staff would also like to take this opportunity to recognize the Board of Directors for their continued support to maintain the highest standards of professionalism in the management of the District's finances.

The District remains committed to providing the highest level of emergency and public service in response to the needs of our community.

Sincerely,



Jerry Lee  
Interim Fire Chief



Gloriann Sasser, CPA  
Administrative Services Director



## INDEPENDENT AUDITOR'S REPORT

To the Honorable Chairman and District Board  
of the Moraga-Orinda Fire Protection District  
Moraga, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, and each major fund of the (District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Emphasis of Matter - Change in Accounting Principles***

As discussed in Note \_\_\_\_\_ to the financial statements, in 2017, the District adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of June 30, 2017 and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of District's changes in net other postemployment benefits (OPEB) liability, schedule of District's OPEB contributions (may include money weighted rate of return), schedule of the District's proportionate share of net pension liability, and the schedule of District's pension contributions, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying capital projects and debt service budgetary comparison schedules and the other supplementary information such as the introductory section and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The capital projects and debt service budgetary comparison schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the capital projects and debt service budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated \_\_\_\_\_, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Palo Alto, California  
\_\_\_\_\_, 2017



# Moraga-Orinda Fire Protection District Comprehensive Annual Financial Report For the year ended June 30, 2017

## Management's Discussion and Analysis

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This section of the Moraga-Orinda Fire Protection District's (District) basic financial statements presents management's overview and analysis of the financial activities of the organization for the fiscal year ended June 30, 2017. The Management's Discussion and Analysis (MD&A) describes the significant changes from the prior year that occurred in general operations and discusses the activities during the year for capital assets and long-term debt. The discussion concludes with a description of currently known facts, decisions and conditions that are expected to impact the financial position of the District's operations. We encourage the reader to consider the information presented here in conjunction with the additional information furnished in our letter of transmittal.

### Annual Report Overview

This annual report consists of a series of financial statements. The District's basic financial statements are comprised of three components: Government-wide financial statements, Fund financial statements and Notes to the basic financial statements. This report also contains supplementary information and statistical data in addition to the basic financial statements.

### Government-wide Financial Statements

The *government-wide financial statements* provide the reader with a longer-term view of the District's activities as a whole and comprise the Statement of Net Position and Statement of Activities. The manner of presentation is similar to a private-sector business.

The *Statement of Net Position* presents information about the financial position of the District as a whole, including all its capital assets and long-term liabilities on the full accrual basis. Over time, increases or decreases in net position is one indicator in monitoring the financial health of the District.

The *Statement of Activities* provides information about all the District's revenue and expenses on the full accrual basis, with the emphasis on measuring net revenues or expenses of each specific program. This statement explains in detail the change in Net Position for the year.

All of the District's activities in the government-wide financial statements are principally supported by general District revenues such as taxes or user-fee related charges such as ambulance services and inspection fees. The government-wide financial statements also include general government and interest on long-term debt.

The government-wide financial statements use the full accrual basis of accounting method which records revenues when earned and expenses at the time the liability is incurred, regardless of when the related cash flows take place.

The government-wide financial statements can be found on pages **11 and 12** of this report.



# Moraga-Orinda Fire Protection District Comprehensive Annual Financial Report For the year ended June 30, 2017

## Management's Discussion and Analysis, Continued

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### Fund Financial Statements

The *fund financial statements* report the District's operations in more detail than the government-wide financial statements and focus primarily on the short-term activities of the District. The fund financial statements measure only current revenues and expenditures and fund balances; excluding capital assets, long-term debt and other long-term obligations.

The fund financial statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long term liabilities, are not presented in the fund financial statements. These financial statements help determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship or differences between the government-wide and fund financial statements in a reconciliation following the fund financial statements.

The fund financial statements provide detailed information about each of the District's most significant funds, called Major Funds. The District's Major Funds are the General Fund, the Capital Projects Fund and the Debt Service Fund. The District currently has no non-major funds.

Comparisons of Budget and Actual financial information are presented for the General Fund.

### Notes to the Basic Financial Statements

The *notes* provide additional information that is essential to the reader for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on **page 23** of this report.

### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's liabilities related to pension and OPEB.

The budgetary comparison schedules are presented immediately following the required supplementary information.

### Government-wide Overall Financial Analysis

This analysis focuses on the net position and change in net position of the District's Governmental Activities. Over time, net position may serve as a useful indicator of a government's financial position. The District's net position is reported as follows:



**Moraga-Orinda Fire Protection District**  
**Comprehensive Annual Financial Report**  
**For the year ended June 30, 2017**

**Management's Discussion and Analysis, Continued**

	<u>Governmental Activities</u>	
	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Cash and investments	\$ 11,517,008	\$ 9,632,435
Restricted cash and investments	6,070,031	6,591,054
Other assets	942,145	1,183,570
Other restricted assets	300,000	-
Capital assets, net	11,388,310	8,327,292
Total assets	<u>30,217,494</u>	<u>25,734,351</u>
Deferred outflows of resources		
– pension plans	8,800,082	12,186,885
Current liabilities	4,791,771	4,107,188
Long-term liabilities	64,809,893	67,068,752
Total liabilities	<u>69,601,664</u>	<u>71,175,940</u>
Deferred inflows of resources –		
– pension plans	8,767,541	6,529,982
Net Position:		
Net investment in capital assets	7,318,954	8,327,292
Restricted	2,955,444	12,655,893
Unrestricted (deficit)	(44,834,256)	(60,767,871)
Total net position	<u>\$ (34,559,858)</u>	<u>\$ (39,784,686)</u>

The District's total liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources by **\$34,559,858** as of June 30, 2017. A portion of the net position **(-21%)** reflects its investment in capital assets (land, buildings, improvements, equipment and vehicles). **Note by VTD: Keep those as is until OPEB is finalized.**

An additional portion of the District's net position **(-32%)** represents resources that are subject to external restrictions on how they may be used.

The remaining balance of net position of **(\$44,834,256)** is unrestricted, but as a deficit, will reduce the District's ability to meet its ongoing obligations to its citizens and creditors. The District has an unrestricted net position deficit as of June 30, 2017 and 2016.

The following points explain the major changes impacting net position as shown above:

- Cash and investments increased \$1,884,573 from the prior year. This was primarily due to receipts that exceeded disbursements.
- Restricted cash and investments decreased by \$521,023 due to payment of expenditures for the Station 43 construction project.
- Other assets decreased \$241,425 primarily due to a decrease in taxes receivable
- Capital assets increased \$3,060,740 primarily due to the Station 43 construction project and purchase of new fire apparatus.



**Moraga-Orinda Fire Protection District  
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**Management's Discussion and Analysis, Continued**

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- Deferred outflows of resources related to the pension plan decreased \$3,386,803 due to changes in projected over actual earnings on pension plan investments and changes in actuarial assumptions.
- Long-term liabilities decreased \$2,258,859 primarily due to a decrease in the net pension liability.
- Deferred inflows of resources related to the pension plan increased \$8,114,559 due to changes differences between expected and actual experience in the total pension liability.
- Investment in capital assets decreased \$1,008,338 primarily due to including debt related to capital assets.
- Restricted net position includes property tax revenue held in a bond fund account for the payment of Taxable Pension Obligation Bonds, Series 2005 in the amount of \$2,793,645 less interest payable on the bonds in the amount of \$500,610. Funds for the Taxable Pension Obligation Bonds are held with the Trustee at Wells Fargo Bank.
- Unrestricted net position is the part of net position that can be used to finance day-to day operations without constraints established by debt covenants or other legal requirements or restrictions. The District has \$44,834,256 of unrestricted net deficit as of June 30, 2017.

The Statement of Activities presents program revenues and expenses and general revenues in detail. All of these are elements in the Changes in Governmental Net Position. The narrative that follows describes the individual program expenses, program revenues and general revenues in more detail.



**Moraga-Orinda Fire Protection District**  
**Comprehensive Annual Financial Report**  
**For the year ended June 30, 2017**

**Management's Discussion and Analysis, Continued**

	2017	2016
<u>Expenses</u>		
Fire protection - operations	\$ 19,392,589	\$ 18,610,768
Interest	996,870	1,079,259
Total expenses	<u>20,389,459</u>	<u>19,690,027</u>
<u>Revenues</u>		
Program revenues:		
Charges for services	1,531,589	1,303,760
Operating grants & contributions	106,929	436,499
Total program revenues	<u>1,638,518</u>	<u>1,740,259</u>
General revenues:		
Property taxes	22,121,300	20,693,314
Fire flow taxes	1,076,738	1,070,214
Investment earnings	22,103	10,948
State and federal grants	156,429	158,460
Other revenues	599,199	406,279
Gain on sale of capital assets	-	315,507
Total general revenues	<u>23,975,769</u>	<u>22,654,722</u>
Change in net position	5,224,828	4,704,954
Net position - beginning	(39,784,686)	(44,489,640)
Restatement of beginning net position	-	-
Net position - ending	<u>\$ (34,559,858)</u>	<u>\$ (39,784,686)</u>



**Moraga-Orinda Fire Protection District  
Comprehensive Annual Financial Report  
For the year ended June 30, 2017**

**Management's Discussion and Analysis, Continued**

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**Expenses**

Fire protection – operations expenses totaled \$19,392,589 for fiscal year 2016-2017. This was an increase from the prior year of \$781,821.

**Program Revenues**

Program revenues classified as "Charges for Services" in the amount of \$1,531,589 include revenue for ambulance service fees, plan review fees, inspection fees, and public education class fees. Program revenues classified as "Operating Grants and Contributions" in the amount of \$106,929 include revenue from the State of California and Contra Costa County.

**General Revenues**

The primary source of revenue for the operations of the District is generated through the collection of secured, unsecured and supplemental property taxes. The District utilized the Teeter Plan to borrow from Contra Costa County during part of the fiscal year. During the fiscal year, property tax revenue increased \$1,437,986 or 6.95%. In addition, the District collects a fire flow tax, which amounted to \$1,076,738 in 2016-2017.

**Government Activities – Governmental Funds**

At June 30, 2017, the District's governmental funds reported combined fund balances of \$17,937,523. This is an increase of \$1,592,555 compared to the prior year. Unassigned fund balance of \$4,905,518 is available for spending at the District's discretion. The rest of the District's fund balance is either nonspendable, restricted or committed to indicate that it is 1) nonspendable for prepaid items \$81,945; 2) legally required to be maintained intact \$6,370,031 or 2) committed for particular purposes \$6,580,029.

**Analysis – General Fund**

The General Fund is the chief operating fund of the District. During the current fiscal year, fund balance increased \$1,598,388. Unassigned fund balance at June 30, 2017, which is available for spending at the District's discretion, was \$4,905,518.

General Fund revenues increased \$1,360,769 or 6.86% over the prior fiscal year. Property tax revenue increased \$1,277,606 which resulted in no need to use fire flow tax revenue in the General Fund. General Fund expenditures increased \$149,423 from the prior fiscal year. Salaries increased \$547,858 or 7.29% primarily due to a 7% salary increase during the fiscal year. Overtime increased \$364,205 or 19.88% due to the salary increase and increased participation on strike teams. Retirement contribution costs increased \$332,228 or 8.18% due to the salary increase (retirement costs are based on payroll.) Also, services and supplies expenditures increased \$172,350 or 8.70% primarily due to increased fleet maintenance costs, increased technology services costs and increased recruitment costs.



# Moraga-Orinda Fire Protection District Comprehensive Annual Financial Report For the year ended June 30, 2017

## Management's Discussion and Analysis, Continued

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### Debt Service Fund

The Debt Service Fund, a major governmental fund, had an increase in fund balance during the current year of \$205,822 to bring the year end fund balance to \$2,793,645. The increase is due to the requirements of the District's Taxable Pension Obligation Bonds (bonds). The trust agreement for the bonds requires Contra Costa County to transfer property tax to the District's trustee in an amount sufficient to pay the District's bond obligations in the next calendar year. The District's bond obligations increased, resulting in an increase in fund balance during the current fiscal year.

The Debt Service Fund ending fund balance of \$2,793,645 is legally restricted and may only be used to meet the District's bond obligations.

### Capital Projects Fund

The Capital Projects Fund accounts for the Fire Flow Tax proceeds and related expenditures. The Fire Flow Tax Ordinance stipulates that the revenues raised by this tax are to be used solely for the purpose of obtaining, furnishing, operating, and maintaining fire protection, prevention and suppression and emergency medical equipment, apparatus or facilities, including water distribution facilities for fire suppression purposes, for paying the salaries and benefits of firefighting and emergency medical personnel, and for such other fire protection, prevention and suppression and emergency medical expenses as are deemed necessary by the District. This fund accounts for District capital asset purchases as well as miscellaneous tax collection fees.

The Capital Projects Fund had a decrease in fund balance during the current fiscal year in the amount of \$211,655. This was primarily due to expenditures that exceeded revenue due to the Station 43 construction project. During fiscal year end June 30, 2017, the District entered into a lease/purchase agreement resulting in lease proceeds of \$2,855,000 for the purchase of one fire truck, two fire engines and two ambulances. The fund reports restricted fund balance of \$3,276,386 and committed fund balance of \$6,580,029 at fiscal year-end.

### General Fund Budgetary Highlights

During the year General Fund appropriations between the original and final amended budget increased due to revised projections during the mid-year budget review process. There were no significant variances between actual revenue or expenditures and the amended budget.

### Debt Administration

In 2005, the District issued Taxable Pension Obligation Bonds in the original principal amount of \$28,435,000. The bonds were issued to finance payment of the unfunded actuarial accrued pension liability. At the end of the fiscal year, total bonds outstanding were \$16,465,000. The District's bonds payable decreased \$2,100,000 during the fiscal year. The bonds are scheduled to be paid off on July 1, 2022. The average coupon rate is 5.22%, which is less than the amount the District would have been charged by Contra Costa County Employees' Retirement Association. The District's lease purchase debt increased by \$2,655,000 due to the issuance of the 2017 lease purchase agreement. The bonds are discussed in Note 7.



# Moraga-Orinda Fire Protection District Comprehensive Annual Financial Report For the year ended June 30, 2017

## Management's Discussion and Analysis, Continued

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### Capital Assets

As of June 30, 2017, the District's capital assets net of accumulated depreciation totaled \$11,388,310 which is an increase of \$3,061,018 over the capital assets net of accumulated depreciation at June 30, 2016. Capital assets include the District's entire major infrastructure incorporating land, fire stations and buildings, apparatus, vehicles, firefighting equipment and furniture.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at estimated fair market value on the date contributed. Capital assets with a value of \$5,000 or more are recorded as capital assets. All capital assets are depreciated over estimated useful lives, using the straight line method.

Significant capital asset activity during the current fiscal year included the following:

- The District continued the Station 43 rebuild project with construction in progress of \$1,032,827. This project is funded through a lease/purchase agreement issued in May 2016 in the amount of \$4,069,000.
- The District purchased one new fire truck and two new fire engines that are being built and therefore are recorded as construction in progress of \$2,492,591. This new apparatus is funded through a lease/purchase agreement issued in May 2017 in the amount of \$2,855,000. Additional information on the District's capital assets can be found in Note 5.

### Economic Outlook

The District continued to improve its financial condition during 2016/17. Faced with unprecedented fiscal challenges four years ago, the District continues to strengthen the financial health of the District. The District adopted a balanced budget for fiscal year 2016/17. Unassigned fund balance in the General Fund increased to \$4,905,518 at June 30, 2017, or 23% of budgeted General Fund revenue. This exceeded the District's minimum fund balance policy of 17%.

In order to continue to control expenditures, the District continued to reduce daily minimum staffing during the winter and spring. In response to the severe drought conditions, the District increased daily staffing during the summer and fall of 2016. In addition, the District reduced other spending in the General Fund to match revenue. This was accomplished by continuing to leave one chief officer position unfilled. The District also increased General Fund revenue through increased charges for services.



# Moraga-Orinda Fire Protection District Comprehensive Annual Financial Report For the year ended June 30, 2017

## Management's Discussion and Analysis, Continued

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The District continued to address its unfunded liability for retiree health insurance. The District maintains an Other Post-Employment Benefits (OPEB) trust account. The purpose of an OPEB trust is to accumulate funds for payment of the District's future retiree health insurance costs. During 2016/17 the District made the annual contribution to the trust account in the amount of \$256,000. The establishment of the account reduces the District's net OPEB liability and strengthens the District's financial position. In addition, in order to control the OPEB unfunded liability, employee and retiree health insurance is capped at a fixed dollar amount with no future increases in existing labor agreements. For all new hires, retiree medical insurance is reduced to a required minimum amount.

The volatility of pension costs is a significant financial challenge facing the District. In order to mitigate this financial risk, in January 2017 the District established a Pension Rate Stabilization Fund. The purpose of the fund is to set aside additional money to prefund pension costs above and beyond what is required by the retirement association. During FY2016/17 the District contributed \$300,000 to the fund. The balance in the account as of June 30, 2017 is \$304,837.

The changing environmental conditions facing the world and the State of California is another significant issue for fire suppression and fire prevention within the District. The District monitors and adjusts daily staffing levels in response to risks within the District.

The District regularly reviews financial projections and makes adjustments based on recent trends in revenue and expenditures. District spending choices are prioritized and reflect public values, with service levels balanced against adequate funding to maintain facilities, vehicles and equipment while providing sustainable employee compensation and benefits. The District continues to monitor revenues, expenditures and overall financial condition while striving to maintain a high level of service to the community.

The District maintains a Long Range Financial Plan to project anticipated revenues and expenditures for a 15-year period. The Plan helps the District identify and anticipate future financial challenges.

The United States has historically experienced a recession every 7 to 9 years. The economy is currently 8 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. Prudent levels of fund balance reserves are necessary to help the District adjust when the next economic downturn occurs.

In summary, the District remains committed to providing the highest level of emergency and public service in response to the needs of our community within its financial constraints.

### Financial Contact

This Comprehensive Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the District's finances. Questions about this Report should be directed to the Administrative Services Division, at 1280 Moraga Way, Moraga, CA 94556.



**Moraga-Orinda Fire Protection District**  
**Statement of Net Position**

June 30, 2017

	<u>Governmental</u> <u>Activities</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	
<b>Current assets:</b>	
Cash and investments	\$ 11,517,008
Receivables, net	839,179
Prepaid items	81,945
Other assets	21,021
Other restricted assets	300,000
<b>Total current assets</b>	<u>12,759,153</u>
<b>Noncurrent assets:</b>	
Restricted cash and investments	6,070,031
Capital assets, net	11,388,310
<b>Total noncurrent assets</b>	<u>17,458,341</u>
<b>Total assets</b>	30,217,494
<b>Deferred outflows of resources - Pension plans</b>	<u>8,800,082</u>
<b>Total assets and deferred outflows of resources</b>	<u>\$ 39,017,576</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	
<b>Current liabilities:</b>	
Accounts payable and accrued liabilities	\$ 242,200
Salaries and benefits payable	649,461
Interest payable	500,610
Compensated absences - current portion	165,000
Current portion of long-term liabilities	3,234,500
<b>Total current liabilities</b>	<u>4,791,771</u>
<b>Noncurrent liabilities:</b>	
Compensated absences	417,743
Due after one year	20,213,833
Net OPEB liability	<u>6,816,633</u>
Net pension liability	<u>32,569,913</u>
<b>Total noncurrent liabilities</b>	<u>60,018,122</u>
<b>Total liabilities</b>	64,809,893
<b>Deferred inflows of resources - Pension plans</b>	<u>8,767,541</u>
<b>Total liabilities and deferred inflows of resources</b>	<u>73,577,434</u>
<b>Net position</b>	
Net investment in capital assets	7,318,954
Restricted for debt service	2,655,444
Restricted for other postemployment benefits	300,000
Unrestricted (deficit)	<u>(44,834,256)</u>
<b>Total net position</b>	<u>(34,559,858)</u>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<u>\$ 39,017,576</u>

The accompanying notes are an integral part of these basic financial statements.



**Moraga-Orinda Fire Protection District**  
**Statement of Activities**

For the year ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>				
Fire protection - operations	\$ 19,392,589	\$ 1,531,589	\$ 106,929	\$ (17,754,071)
Interest on long-term debt	996,870	-	-	(996,870)
<b>Total governmental activities</b>	<b>\$ 20,389,459</b>	<b>\$ 1,531,589</b>	<b>\$ 106,929</b>	<b>(18,750,941)</b>
General revenues:				
Taxes:				
Property taxes				22,121,300
Fire flow taxes				1,076,738
Investment earnings				22,103
State and federal grants				156,429
Other revenues				599,199
Total general revenues				23,975,769
Change in net position				5,224,828
Net position:				
Net position - beginning, as restated				(39,784,686)
Net position - ending				\$ (34,559,858)

The accompanying notes are an integral part of these basic financial statements.



# Moraga-Orinda Fire Protection District

## Balance Sheet

Governmental Funds

June 30, 2017

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>ASSETS</b>				
Cash and investments	\$4,833,062	\$ -	\$ 6,683,946	\$ 11,517,008
Restricted cash and investments	-	2,793,645	3,276,386	6,070,031
Receivables:				
Taxes	240,672	-	-	240,672
Interest	3,774	-	4,760	8,534
Ambulance billing, net	538,476	-	-	538,476
Other receivable	51,497	-	-	51,497
Prepaid items	81,945	-	-	81,945
Other assets	21,021	-	-	21,021
Other restricted assets	300,000	-	-	300,000
<b>Total assets</b>	<u>\$6,070,447</u>	<u>\$2,793,645</u>	<u>\$ 9,965,092</u>	<u>\$ 18,829,184</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 133,523	\$ -	\$ 108,677	\$ 242,200
Salaries and benefits payable	649,461	-	-	649,461
<b>Total liabilities</b>	<u>782,984</u>	<u>-</u>	<u>108,677</u>	<u>891,661</u>
<b>Fund balances:</b>				
Nonspendable for prepaid items	81,945	-	-	81,945
Restricted for debt service	-	2,793,645	362,409	3,156,054
Restricted for capital projects	-	-	2,913,977	2,913,977
Restricted for other postemployment benefit	300,000	-	-	300,000
Committed for capital projects	-	-	6,580,029	6,580,029
Unassigned	4,905,518	-	-	4,905,518
<b>Total fund balances</b>	<u>5,287,463</u>	<u>2,793,645</u>	<u>9,856,415</u>	<u>17,937,523</u>
<b>Total liabilities and fund balances</b>	<u>\$6,070,447</u>	<u>\$2,793,645</u>	<u>\$ 9,965,092</u>	<u>\$ 18,829,184</u>

The accompanying notes are an integral part of these basic financial statements.



**Moraga-Orinda Fire Protection District**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
June 30, 2017

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**Total fund balances reported on the governmental funds balance sheet**      \$ 17,937,523

Amounts reported for governmental activities in the Statement of Net Position are different from those reported in the Governmental Funds due to the following:

Capital assets amount reported in governmental activities are not current assets or financial resources and therefore are not reported in the Governmental Funds balance sheet. 11,388,310

Pension liabilities result in deferred outflows and inflows of resources associated with the actuarial value of contributions, assets, and liabilities.

Deferred outflows	8,800,082	
Deferred inflows	(8,767,541)	32,541

Long-term liabilities are not due and payable in the current period and therefore are not reported in the Governmental Funds balance sheet.

Interest payable	(500,610)	
Net pension liabilities	(32,569,913)	
Compensated absences	(582,743)	
Net OPEB liabilities	(6,816,633)	
Long term debt	(23,448,333)	(63,918,232)

**Net position of governmental activities** \$ (34,559,858)

The accompanying notes are an integral part of these basic financial statements.



**Moraga-Orinda Fire Protection District**  
**Reconciliation of Fund Basis Balance Sheet to Government-wide**  
**Statement of Net Position**  
 Governmental Activities  
 June 30, 2017

<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	Total Governmental Funds Balance Sheet	Reclass	Changes in GAAP	Statement of Net Position
<b>Current assets:</b>				
Cash and investments	\$ 11,517,008	\$ -	\$ -	\$ 11,517,008
Receivables (net)	839,179	-	-	839,179
Prepaid items	81,945	-	-	81,945
Other assets	21,021	-	-	21,021
Other restricted assets	300,000	-	-	300,000
<b>Total current assets</b>	<u>12,759,153</u>	<u>-</u>	<u>-</u>	<u>12,759,153</u>
<b>Noncurrent assets:</b>				
Restricted cash and investments	6,070,031	-	-	6,070,031
Capital assets, net	-	-	11,388,310	11,388,310
<b>Total noncurrent assets</b>	<u>6,070,031</u>	<u>-</u>	<u>11,388,310</u>	<u>17,458,341</u>
<b>Total assets</b>	<u>18,829,184</u>	<u>-</u>	<u>11,388,310</u>	<u>30,217,494</u>
<b>Deferred outflows of resources - Pension</b>	<u>-</u>	<u>-</u>	<u>8,800,082</u>	<u>8,800,082</u>
<b>Total assets and deferred outflows</b>	<u>\$ 18,829,184</u>	<u>\$ -</u>	<u>\$ 20,188,392</u>	<u>\$ 39,017,576</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/NET POSITION</b>				
<b>Current liabilities:</b>				
Accounts payable & accrued liabilities	\$ 242,200	\$ -	\$ -	\$ 242,200
Salaries and benefits payable	649,461	-	-	649,461
Interest payable	-	-	500,610	500,610
Compensated absences	-	-	165,000	165,000
Current portion of long-term liabilities	-	-	3,234,500	3,234,500
<b>Total current liabilities</b>	<u>891,661</u>	<u>-</u>	<u>3,900,110</u>	<u>4,791,771</u>
<b>Noncurrent liabilities:</b>				
Net pension liabilities	-	-	32,569,913	32,569,913
Compensated absences	-	-	417,743	417,743
Net OPEB liabilities	-	-	6,816,633	6,816,633
Due after one year	-	-	20,213,833	20,213,833
<b>Total noncurrent liabilities</b>	<u>-</u>	<u>-</u>	<u>60,018,122</u>	<u>60,018,122</u>
<b>Total liabilities</b>	<u>891,661</u>	<u>-</u>	<u>63,918,232</u>	<u>64,809,893</u>
<b>Deferred inflows of resources - Pension</b>	<u>-</u>	<u>-</u>	<u>8,767,541</u>	<u>8,767,541</u>
<b>Fund balances:</b>				
Nonspendable	81,945	(81,945)	-	-
Restricted	6,370,031	(6,370,031)	-	-
Committed	6,580,029	(6,580,029)	-	-
Unassigned	4,905,518	(4,905,518)	-	-
<b>Net position:</b>				
Net investment in capital assets	-	2,913,977	4,404,977	7,318,954
Restricted	-	2,955,444	-	2,955,444
Unrestricted	-	12,068,102	(56,902,358)	(44,834,256)
<b>Total fund balances/net position</b>	<u>17,937,523</u>	<u>-</u>	<u>(52,497,381)</u>	<u>(34,559,858)</u>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<u>\$ 18,829,184</u>	<u>\$ -</u>	<u>\$ 20,188,392</u>	<u>\$ 39,017,576</u>

The accompanying notes are an integral part of these basic financial statements.



**Moraga-Orinda Fire Protection District**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**

For the year ended June 30, 2017

	Major Funds			Total Governmental Funds
	General Fund	Debt Service	Capital Projects	
<b>REVENUES:</b>				
Property taxes	\$ 18,901,827	\$3,219,473	\$ -	\$ 22,121,300
Fire flow taxes	-	-	1,076,738	1,076,738
Use of money and property	4,409	632	17,062	22,103
Intergovernmental	263,358	-	-	263,358
Charges for services	319,436	-	96,000	415,436
Charges for services - Ambulance	1,116,153	-	-	1,116,153
Other revenues	599,199	-	-	599,199
<b>Total revenues</b>	<b>21,204,382</b>	<b>3,220,105</b>	<b>1,189,800</b>	<b>25,614,287</b>
<b>EXPENDITURES:</b>				
Fire protection:				
Salaries	8,065,559	-	-	8,065,559
Overtime	2,196,582	-	-	2,196,582
Benefits	6,113,452	-	-	6,113,452
OPEB Contribution	256,000	-	-	256,000
Retiree health insurance	827,605	-	-	827,605
Service and supplies	2,153,714	-	12,229	2,165,943
Capital outlay	-	-	3,882,152	3,882,152
Debt service:				
Principal	-	2,383,359	-	2,383,359
Interest and fiscal charges	-	992,998	-	992,998
<b>Total expenditures</b>	<b>19,612,912</b>	<b>3,376,357</b>	<b>3,894,381</b>	<b>26,883,650</b>
<b>REVENUES OVER EXPENDITURES</b>	<b>1,591,470</b>	<b>(156,252)</b>	<b>(2,704,581)</b>	<b>(1,269,363)</b>
<b>OTHER FINANCING SOURCES AND USES:</b>				
Lease proceeds	-	-	2,855,000	2,855,000
Proceeds from sales of capital assets	6,918	-	-	6,918
Transfers in	-	362,074	-	362,074
Transfers out	-	-	(362,074)	(362,074)
<b>Total other financing sources</b>	<b>6,918</b>	<b>362,074</b>	<b>2,492,926</b>	<b>2,861,918</b>
<b>Net change in fund balances</b>	<b>1,598,388</b>	<b>205,822</b>	<b>(211,655)</b>	<b>1,592,555</b>
<b>FUND BALANCES:</b>				
Beginning of year	3,689,075	2,587,823	10,068,070	16,344,968
End of year	\$ 5,287,463	\$ 2,793,645	\$ 9,856,415	\$ 17,937,523

The accompanying notes are an integral part of these basic financial statements.



**Moraga-Orinda Fire Protection District**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds to the**  
**Statement of Activities**

For the year ended June 30, 2017

**Net change in fund balances - total governmental funds** \$ 1,592,555

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense:

Capital asset purchases capitalized	3,754,951	
Depreciation expense	(668,451)	
Loss on sale of capital assets	(25,482)	3,061,018

Issuance of long term debt is an other financing source in the governmental funds, but in the Statement of Net Position the issuance increases long term liabilities:

Capital leases	(2,855,000)
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Repayment of debt principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long term liabilities:

Repayment of Pension liabilities bond principal	2,100,000	
Repayment of capital lease liabilities	283,359	2,383,359

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in net pension liability	6,729,444	
Change in deferred outflows of resources	(3,386,803)	
Change in deferred inflows of resources	(2,237,559)	
Change in long-term compensated absences	(58,314)	
Change in interest payable	(3,872)	
Change in Net OPEB liabilities	-	1,042,896

**Change in net position of governmental activities** \$ 5,224,828

The accompanying notes are an integral part of these basic financial statements.



**Moraga-Orinda Fire Protection District**  
**Reconciliation of Total Expenditures Reported on the**  
**Governmental Funds to Expenses Reported on the**  
**Statement of Activities**

For the year ended June 30, 2017

<b>Functions/Programs</b>	<b>Total Expenditures Reported on the Governmental Funds</b>	<b>Debt Service/ Compensated Absences</b>	<b>Depreciation</b>
<b>Governmental activities:</b>			
Fire protection - operations	\$ 19,625,141	\$ 58,314	\$ 668,451
Capital outlay	3,882,152	-	-
Debt service / interest expense	3,376,357	(2,379,487)	-
<b>Total governmental activities</b>	<b>\$ 26,883,650</b>	<b>\$ (2,321,173)</b>	<b>\$ 668,451</b>

The accompanying notes are an integral part of these basic financial statements.

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<b>Capital Asset (Additions)/ Retirements</b>	<b>OPEB</b>	<b>Pension</b>	<b>Total Expenses Reported on the Statement of Activities</b>
\$ 18,564	\$ -	\$ (1,105,082)	\$ 19,265,388
(3,754,951)	-	-	127,201
-	-	-	996,870
<u>\$ (3,736,387)</u>	<u>\$ -</u>	<u>\$ (1,105,082)</u>	<u>\$ 20,389,459</u>



**Moraga-Orinda Fire Protection District**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget to Actual - General Fund**  
 For the year ended June 30, 2017

	Original Budget	Amended Budget	Actual	Variance With Amended Positive (Negative)
<b>REVENUES:</b>				
Property taxes	\$ 18,569,298	\$ 18,575,410	\$ 18,901,827	\$ 326,417
Use of money and property	-	3,000	4,409	1,409
Intergovernmental	270,585	261,302	263,358	2,056
Charges for services	214,138	346,523	319,436	(27,087)
Charges for services - Ambulance	983,140	994,120	1,116,153	122,033
Other revenues	380,892	555,728	599,199	43,471
<b>Total revenues</b>	<b>20,418,053</b>	<b>20,736,083</b>	<b>21,204,382</b>	<b>468,299</b>
<b>EXPENDITURES:</b>				
Fire protection:				
Salaries	8,290,861	8,267,001	8,065,559	201,442
Overtime	2,136,755	2,335,000	2,196,582	138,418
Benefits	6,266,646	6,236,425	6,113,452	122,973
OPEB contribution	118,000	256,000	256,000	-
Pension Rate Stabilization Fund	-	300,000	-	300,000
Retiree health insurance	870,000	857,352	827,605	29,747
Service and supplies	2,487,103	2,487,103	2,153,714	333,389
<b>Total expenditures</b>	<b>20,169,365</b>	<b>20,738,881</b>	<b>19,612,912</b>	<b>1,125,969</b>
<b>REVENUES OVER EXPENDITURES</b>	<b>248,688</b>	<b>(2,798)</b>	<b>1,591,470</b>	<b>1,594,268</b>
<b>OTHER FINANCING SOURCES:</b>				
Proceeds from sales of capital assets	1,000	6,918	6,918	-
<b>Total other financing sources</b>	<b>1,000</b>	<b>6,918</b>	<b>6,918</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>249,688</b>	<b>4,120</b>	<b>1,598,388</b>	<b>1,594,268</b>
<b>FUND BALANCES:</b>				
Beginning of year	3,689,075	3,689,075	3,689,075	-
End of year	<b>\$ 3,938,763</b>	<b>\$ 3,693,195</b>	<b>\$ 5,287,463</b>	<b>1,594,268</b>

The accompanying notes are an integral part of these basic financial statements.



# Moraga-Orinda Fire Protection District Comprehensive Annual Financial Report For the year ended June 30, 2017

## Notes to Basic Financial Statements

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting principles.

#### A. Description of the Reporting Entity

The Moraga-Orinda Fire Protection District (District) was incorporated on July 1, 1997 as an independent special district, under the laws and regulations of the State of California (State). The District was formed through the consolidation of the Moraga Fire Protection District and the Orinda Fire Protection District, to provide more efficient fire protection and emergency medical services. The principal act that governs the District is the Fire Protection District Law of 1987.

The District provides fire protection, rescue, and emergency medical services to an area approximately 63 square miles, including the City of Orinda, the Town of Moraga, some unincorporated county areas adjacent to the municipalities, and the community of Canyon. The District also provides automatic aid into Lafayette and State Responsibility Areas that lie within the District's boundaries. A five member board of directors, elected by voters, governs the District.

As required by GAAP, these financial statements present the primary government and its component unit, an entity for which the government is considered to be financially accountable. This component unit is reported on a blended basis. A blended component unit, although a legally separate entity, is, in substance, part of the government's operations and so data from this unit is combined with data of the primary government. Separate financial statements are not issued for this component unit.

The District's reporting entity includes the following blended component unit:

The Moraga-Orinda Fire Protection District Public Facilities Financing Corporation (Corporation) was established to provide for financing of public capital improvements for the District, the Corporation and other local agencies. The Board of Directors serve as the Governing Board of the Corporation and all accounting and administrative functions are performed by the District, which records all activity of the Corporation as a blended component unit.

#### B. Basis of Presentation

##### *Government-Wide Financial Statements*

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. The District had no business-type activities reported.



**Moraga-Orinda Fire Protection District  
Comprehensive Annual Financial Report  
For the year ended June 30, 2017**

**Notes to Basic Financial Statements, Continued**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

Amounts reported as *program revenues* include 1) charges to residents for fire protection services, or privileges provided by a given function or segment 2) grants and contributions for fire protection services. All taxes and internally dedicated resources are reported as *general revenues* rather than program revenues.

*Fund Financial Statements*

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, deferred inflows, fund balances, revenues, and expenditures.

The District reports the following major governmental funds:

- General Fund
- Debt Service Fund
- Capital Projects Fund

These funds are described below.

**Governmental Funds**

*General Fund*

The General Fund is the general operating fund of the District. It is used to account for the District's resources which are not required legally or by sound financial management to be accounted for in another fund. The major revenue sources for this fund are property taxes and ambulance service fees. Expenditures are made for the District's general operating expenditures, the fixed charges, and the capital costs that are not paid through other funds.

*Debt Service Fund*

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal and interest. Resources are provided by property tax revenue.

*Capital Projects Fund*

The Capital Projects Fund is used to account for financial resources used for the replacement of fire-fighting equipment, software and equipment, apparatus, building upgrades, acquisition and construction of major capital projects. Resources are provided by the fire flow tax and proceeds from debt issuance.



# Moraga-Orinda Fire Protection District Comprehensive Annual Financial Report For the year ended June 30, 2017

## Notes to Basic Financial Statements, Continued

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

#### C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, or other taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 180 days of year end).

#### D. Cash Deposits and Investments

The District's cash and cash equivalents are comprised of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The District pools cash and investments from all funds for the purpose of increasing income through investment activities. Investments are stated at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Market value is used as fair value for those securities for which market quotations are readily available.



**Moraga-Orinda Fire Protection District  
Comprehensive Annual Financial Report  
For the year ended June 30, 2017**

**Notes to Basic Financial Statements, Continued**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**E. Interfund Receivables and Payables**

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. The District currently reports no interfund balances, including receivables and payables at year-end.

**F. Receivables**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include property taxes, fire flow taxes, intergovernmental subventions, interest earnings, and expense reimbursements.

In the fund financial statements, receivables in governmental funds include revenue accruals such as property tax, fire flow tax, and intergovernmental subventions since they are usually both measurable and available.

The District estimates and records an allowance for doubtful accounts based on prior experience. The District’s allowance for ambulance receivables was \$44,186 as of June 30, 2017.

**G. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. In the governmental fund financial statements, prepaid items are reported as nonspendable fund balance to indicate they do not constitute current resources available for appropriation.

**H. Capital Assets**

The District's capital assets are valued at historical cost or estimated historical cost, if actual is unavailable, except for donated capital assets which are recorded at their acquisition value at the date of donation. Policy has set the capitalization threshold for reporting at \$5,000 and with a useful life greater than one year.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over assets estimated useful life using the straight-line method of depreciation.

The range of estimated useful lives by type of asset is as follows:

Buildings	30 years
Vehicles	10-25 years
Equipment	5-15 years



# Moraga-Orinda Fire Protection District Comprehensive Annual Financial Report For the year ended June 30, 2017

## Notes to Basic Financial Statements, Continued

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

#### I. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The District reports deferred outflows of resources for its pension plan.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows of resources for its pension plan. **Once the valuation is in, modify wording for OPEB**

#### J. Compensated Absences

Employees accrue vacation, sick, holiday, administrative leave and compensatory time off benefits. District employees have vested interests in the amount of accrued time off, with the exception of sick leave and administrative leave, and are paid on termination. Also, annually some employees may elect to be compensated for up to 80 hours of unused vacation leave. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements and is currently payable. The District had no employee resignations or retirements for which compensated absences should be accrued in governmental funds at year-end. The general fund is used to liquidate compensated absences.

#### K. Pensions

The District recognizes a net pension liability, which represents the District's proportionate share of the excess of the total pension liability over the fiduciary net position of the Plan reflected in an actuarial report provided by the Contra Costa County Employees' Retirement Association (CCCERA). The net pension liability is measured as of the District's prior Plan year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change in the liability. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred. For the purposes of measuring the net pension liability, deferred outflows, deferred inflows of resources related to pensions and pension expense information about the fiduciary net position of the District's defined benefit pension plan, and additions to/ deductions from fiduciary net position have been determined on the same basis as they are reported by CCCERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.



**Moraga-Orinda Fire Protection District  
Comprehensive Annual Financial Report  
For the year ended June 30, 2017**

**Notes to Basic Financial Statements, Continued**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**L. Net Position/Fund Balance**

*Government-Wide Statements*

Equity is classified as net position and is displayed in three components:

- a. *Net investment in capital assets* – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net position* – consists of net position with constraints placed on the use by external groups such as creditors, grantors, contributors, or by laws or regulations of other governments or law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

*Fund Financial Statements*

Governmental fund equity is classified as fund balance. Fund balance is classified as nonspendable, restricted, committed, assigned, or unassigned. The classifications for governmental funds are defined as follows by the District’s Fund Balance Policy:

***Nonspendable Fund Balance***

- Assets that will never convert to cash (prepaid items, inventory)
- Assets that will not convert to cash soon enough to affect the current period (long-term notes or loans receivable).
- Resources that must be maintained intact pursuant to legal or contractual requirements (the principal of an endowment).

***Restricted Fund Balance***

- Resources that are subject to externally enforceable legal restrictions imposed by parties altogether outside the government (creditors, grantors, contributors and other governments).
- Resources that are subject to limitations imposed by law through constitutional provisions or enabling legislation.



**Moraga-Orinda Fire Protection District  
Comprehensive Annual Financial Report  
For the year ended June 30, 2017**

**Notes to Basic Financial Statements, Continued**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***Committed Fund Balance***

- Self-imposed limitations set in place prior to the end of the period (encumbrances, economic contingencies and uncertainties).
- Limitation at the highest level of decision-making (Board) that requires formal action at the same level to remove.
- Board Resolution is required to be taken to establish, modify, or rescind a fund balance commitment.
- Fund balance derived from the Fire Flow Tax is committed to pay for District capital improvement projects as approved by the Board of Directors. The amount is equal to the fund balance of the Capital Projects fund.

***Assigned Fund Balance***

- Amounts in excess of nonspendable, restricted, and committed fund balance in funds other than the general fund automatically are reported as assigned fund balance.
- Assigned amounts for a specific purpose are as authorized by the District's Fire Chief or Administrative Services Director through its fund balance policy.

***Unassigned Fund Balance***

- Residual net resources.
- Total fund balance in the general fund in excess of nonspendable, restricted, committed and assigned fund balance (surplus).
- Excess of nonspendable, restricted, and committed fund balance over total fund balance (deficit).

***Fund Balance Policy***

The District believes that sound financial management principles require that sufficient funds be retained by the District to provide a stable financial base at all times. To retain this stable financial base, the District needs to maintain unrestricted fund balance in its District funds sufficient to fund cash flows of the District and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed and unassigned fund balances are considered unrestricted.

The purpose of the District's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

The District has adopted a policy to achieve and maintain unassigned fund balance in the General Fund of 17% of budgeted General Fund revenue at fiscal year-end.



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**Notes to Basic Financial Statements, Continued**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**M. Program Revenues**

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**N. Property Tax**

The County of Contra Costa is responsible for assessing, collecting and apportioning property taxes for the District. Under California law, property taxes are assessed and collected by the County up to 1% of the full cash value of taxable property, plus other increases approved by the voters and distributed in accordance with statutory formulas. The District recognizes property taxes when the individual installments are due, provided they are collected within 60 days after year-end.

Secured property taxes are levied on or before the first day of September of each year. They become a lien on real property on March 1 preceding the fiscal year for which taxes are levied. These taxes are paid in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Secured property taxes, which are delinquent and unpaid as of June 30, are declared to be tax defaulted and are subject to redemption penalties, cost, and interest when paid. If the delinquent taxes are not paid at the end of five years, the property is sold at public auction and the proceeds are used to pay the delinquent amounts due. Any excess is remitted, if claimed, to the taxpayer. Additional tax liens are created when there is a change in ownership of property or upon completion of new construction. Tax bills for these new tax liens are issued throughout the fiscal year and contain various payments and delinquent dates, but are generally due within one year. If the new tax liens are lower, the taxpayer receives a tax refund rather than a tax bill. Unsecured personal property taxes are not a lien against real property. These taxes are due on March 1, and become delinquent, if unpaid on August 31.

The District participates in an alternative method of distribution of property tax levies and assessments known as the "Teeter Plan." The State Revenue and Taxation Code allow counties to distribute secured real property, assessment, and supplemental property taxes on an accrual basis resulting in full payment to taxing agencies each fiscal year. Any subsequent delinquent payments and penalties and interest during a fiscal year will revert to the County. The Teeter Plan payment, which includes 95% of the outstanding accumulated delinquency, is included in property tax revenue retained by the County under the revenue neutrality agreement. Under the Teeter Plan Code, 5% of the delinquency must remain with the County as a reserve for Teeter plan funding.



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**Notes to Basic Financial Statements, Continued**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**O. Fire Flow Taxes**

Fire flow taxes represent a special tax on property on the secured tax roll, collected by the District since its inception in 1997. The fire flow taxes are collected in each of the District's two service zones for the purpose of obtaining, furnishing, operating, and maintaining fire protection, prevention and suppression and emergency medical equipment, apparatus or facilities, including water distribution facilities for fire suppression purposes, for paying the salaries and benefits of firefighting and emergency medical personnel, and for such other fire protection, prevention and suppression and emergency medical expenses as are deemed necessary by the District. For fiscal year 2016-2017, the fire flow tax rate was established at six cents (\$0.06) in Moraga, and six cents (\$0.06) in Orinda.

**P. Budgetary Accounting**

The District Board of Directors establishes budgets for the General Fund, Debt Service Fund and Capital Projects Fund. Budgetary control is legally maintained at the fund level for these funds. The budget includes appropriations (budgeted expenditures) on a line-item basis and the means of financing them (budgeted revenues.) The coordinators of the Budget are the Fire Chief, Administrative Services Director or designee(s), with direct support from each division in the District.

Budget development begins with a mid-year Budget review in January or during a month selected by the Fire Chief. The mid-year review is a detailed analysis of District revenue and expenditure line items for the current fiscal year. The District fiscal year is from July 1 through June 30 of the next calendar year. The mid-year review is published and distributed to the Board, staff and general public for consideration during the month of January or during a month selected by the Fire Chief. The mid-year financial analysis provides the starting point for next fiscal year's Budget.

Administrators receive a written Budget Packet and a written Budget Timeline in February that provides detailed instructions and deadlines for the Budget process. Administrators meet with the Fire Chief or designated representative and submit the following for the next fiscal year: 1) goals and objectives, 2) preliminary Budget requests, 3) personnel requests and 4) capital equipment requests. During this time, revenue sources are projected by Administrative Services Division staff.

A draft Budget is compiled for review by the Fire Chief, Administrative Services Director or designated representative(s). Individual meetings with each division are held with the Fire Chief or designated representative as deemed necessary by the Fire Chief. Programs, projects and staffing are reviewed in these sessions and approval is dependent on available funding and Fire Chief's recommendation.



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**Notes to Basic Financial Statements, Continued**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

After deliberation and final changes, the Budget is adopted by the Board of Directors. Preferably the Budget is adopted in June, prior to the beginning of the next fiscal year. In the event of unusual circumstances, the Budget may be adopted after the beginning of the fiscal year. Regardless, in accordance with Health and Safety Code Section 13895, the final Budget is adopted by October 1 of each fiscal year.

Formal budgetary integration is employed as a management control device during the year for all funds. Budgeted and actual revenues and expenditures are reviewed monthly by the Board and budget amendments and transfers are made as needed. The Accountant monitors appropriations on a division basis and conveys this information to the Fire Chief who can approve appropriation transfers so long as appropriations in total by fund do not change. This approach allows the Fire Chief to hold division heads accountable. The District reports expenditures and appropriations on a line-item basis to the Board.

Only the Board may approve amendments to appropriations in total by fund. This approach allows the Board to hold the Fire Chief accountable for the overall District operations.

Budgets are adopted on a basis consistent with generally accepted accounting principles for all funds. Budgeted amounts presented in the financial statements are as originally adopted and as amended by the Board. Supplemental amendments to the budget were adopted by the Board and have been included in the budget to actual statements.

**Q. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the financial statements. Actual results could differ from those estimates.



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**Notes to Basic Financial Statements, Continued**

**2. CASH AND INVESTMENTS**

At June 30, 2017, the District's pooled cash and investments, classified by maturity, consisted of the following stated at fair market value:

	Balance June 30, 2017
Cash in bank	\$ 275,937
Cash with Contra Costa County	4,021,799
Petty cash	200
State of California Local Agency Investment Fund (LAIF)	7,219,072
Total unrestricted cash equivalents and investments	<u>11,517,008</u>
Restricted cash with fiscal agent	5,707,622
Money Market in lease escrow	362,409
Total restricted cash equivalents and investments	<u>6,070,031</u>
Total cash and investments	<u>\$ 17,587,039</u>

California statutes authorize governments to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. For the year ended June 30, 2017, the District's permissible investments included the following instruments:

Authorized Investment Type	Maximum Maturity
U.S. Treasury Obligations	5 Years
U.S. Agency Securities	5 Years
Insured or Collateralized Certificates of Deposit	5 Years
State of California Local Agency Investment Fund	N/A
Local Government Investment Pools	N/A
Money Market Funds	N/A
Passbook Savings and Money Market Accounts	N/A

*Interest rate risk* – In accordance with its investment policy, the District manages its exposures to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than 5 years.

*Credit risk* – The State of California Local Agency Investment Fund is not rated. As of June 30, 2017 the District's investments in money market funds were not rated.

*Concentration of credit risk* – The investments made by the District are limited to those allowable under State statutes as incorporated into the District's Investment Policy, which is accepted annually by the District Board. There were no concentrations in any one issuer for the year.



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**Notes to Basic Financial Statements, Continued**

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**2. CASH AND INVESTMENTS, Continued**

The District participates in an investment pool managed by Contra Costa County which has invested 0.20% of the pool funds in Structured Notes and Asset-Backed Securities. The County's investments are subject to credit risk with the full faith and credit of Contra Costa County collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to changes in interest rates.

The District participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which has invested 2.89% of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to changes in interest rates.

*Custodial credit risk – deposits.* For deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's Investment Policy addresses custodial credit risk, which follows the Government Code. Any uninsured bank balance is collateralized by the pledging financial institutions at 110% of the deposits, in accordance with the State of California Government Code.

At June 30, 2017, the carrying amount of the District's deposits was \$275,601 and the balances in financial institutions were \$374,049. Of the balance in financial institutions, \$250,000 was covered by federal depository insurance and \$124,049 was collateralized as required by State law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the District and other governmental agencies, but not in the name of the District.

*Custodial credit risk – investments.* For investments, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside counterparty. None of the District's investments were subject to investment custodial credit risks.

**Investment in LAIF:** LAIF is stated at amortized cost, which approximates fair value. The LAIF, although not registered with the SEC, is a special fund of the California State Treasury through which local governments may pool investments and is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The total balance invested by all public agencies in LAIF is approximately \$77.6 billion of which the District had a balance of \$7,219,072 which approximated market value and was managed by the State Treasurer. The Board consists of five members as designated by State Statute. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.



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**Notes to Basic Financial Statements, Continued**

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**3. ACCOUNTS RECEIVABLE**

Accounts receivable consisted of the following at June 30, 2017:

	Balance June 30, 2017
Taxes	\$240,672
Interest	8,534
Ambulance billing	538,476
Other receivable	51,497
	<u>\$839,179</u>

**4. FIRE STATION 43 CONSTRUCTION PROJECT**

In October 2016, the District awarded a contract for the construction of Fire Station 43 in Orinda, California. The project was scheduled for completion in October 2017. The new Fire Station 43 is to be built on the same property as the existing Fire Station 43; therefore, the existing Fire Station 43 was demolished. Subsequently the project was delayed and construction of the new fire station did not begin as planned. In September 2017, the District terminated the contract with the original contractor and awarded a contract to a new contractor. The District projects total completion costs for the project to be \$4,213,911 which will be paid out of the Capital Projects Fund.



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**Notes to Basic Financial Statements, Continued**

**5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2017, was as follows:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
<b>Governmental activities:</b>				
<b>Nondepreciable assets:</b>				
Land	\$ 502,000	\$ -	\$ -	\$ 502,000
Construction in Progress	822,541	3,535,901	(8,160)	4,350,282
<b>Total nondepreciable assets</b>	<b>1,324,541</b>	<b>3,535,901</b>	<b>(8,160)</b>	<b>4,852,282</b>
<b>Depreciable assets:</b>				
Buildings	6,370,763	-	(282,801)	6,087,962
Improvements	818,937	36,292	(50,057)	805,172
Equipment	1,694,994	23,131	-	1,718,125
Vehicles	6,388,438	167,787	(125,000)	6,431,225
<b>Total depreciable assets</b>	<b>15,273,132</b>	<b>227,210</b>	<b>(457,858)</b>	<b>15,042,484</b>
<b>Total</b>	<b>\$16,597,673</b>	<b>\$ 3,763,111</b>	<b>\$ (466,018)</b>	<b>\$19,894,766</b>
<b>Accumulated depreciation:</b>				
Buildings	\$ 3,573,948	\$ 156,422	\$ (282,801)	\$ 3,447,569
Improvements	310,550	52,442	(24,575)	338,417
Equipment	518,305	146,321	-	664,626
Vehicles	3,867,578	313,266	(125,000)	4,055,844
<b>Total accumulated depreciation</b>	<b>8,270,381</b>	<b>668,451</b>	<b>(432,376)</b>	<b>8,506,456</b>
<b>Total net capital assets</b>	<b>\$ 8,327,292</b>	<b>\$ 3,094,660</b>	<b>\$ (33,642)</b>	<b>\$11,388,310</b>

Depreciation expense for capital assets was charged to functions as follows:

	Balance June 30, 2017
Fire protection - operations	\$ 668,451

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities consisted of the following at June 30, 2017:

	Balance June 30, 2017
Accounts payable and accrued liabilities	\$ 242,200
Salaries and benefits payable	649,461
<b>Total</b>	<b>\$ 891,661</b>



**Moraga-Orinda Fire Protection District  
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**Notes to Basic Financial Statements, Continued**

**7. LONG-TERM LIABILITIES**

The District's long-term liabilities consist of taxable pension obligation bonds, lease obligations and compensated absences. The following is a summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Retirements	June 30, 2017	Due Within One Year
Pension obligation bonds	\$18,565,000	\$ -	\$ (2,100,000)	\$16,465,000	\$ 2,360,000
Capital lease obligations	342,692	-	(83,359)	259,333	84,883
Lease/purchase	4,069,000	2,855,000	(200,000)	6,724,000	789,617
Total debt	22,976,692	2,855,000	(2,383,359)	23,448,333	3,234,500
Compensated absences	524,429	223,314	(165,000)	582,743	165,000
Total long-term liabilities	<u>\$23,501,121</u>	<u>\$ 3,078,314</u>	<u>\$ (2,548,359)</u>	<u>\$24,031,076</u>	<u>\$ 3,399,500</u>

**Pension Obligation Bonds**

On October 6, 2005, the District issued taxable Pension Obligation Bonds in the amount of \$28,435,000. The bonds bear a fixed annual interest rate of 5.22%. Principal amounts are paid in annual installments on July 1 and interest payments are due semi-annually on July 1 and January 1. The bonds will mature on July 1, 2022.

**Capital Lease Obligations**

On June 17, 2015, the District entered into a five year lease agreement at a rate of 1.82% with JP Morgan Chase Bank for the purchase of two fully equipped ambulances. Payments are to be made semi-annually beginning December 2015 and ending June 24, 2020. Each installment is \$44,609.

**2016 and 2017 Lease/Purchase Agreement**

On May 1, 2016 the District entered into a lease/purchase agreement in the amount of \$4,069,000 for the construction, renovation and equipping of Station 43 in Orinda, California. The agreement bears a fixed annual interest rate of 2.14%. Principal and interest amounts are paid in semi-annual installments on October 1 and April 1. The agreement matures on April 1, 2031.

On May 30, 2017 the District entered into a lease/purchase agreement in the amount of \$2,855,000 for the construction and purchase of one fire truck, two fire engines, and two ambulances. The agreement bears a fixed annual interest rate of 1.899%. Principal and interest amounts are paid in semi-annual installments on November 30 and May 30. The agreement matures on May 30, 2022.



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**Notes to Basic Financial Statements, Continued**

**7. LONG-TERM LIABILITIES, Continued**

The following is the debt service obligations of the District:

Year Ending June 30	Pension Obligation Bond		2016 Lease/Purchase Agreement	
	Principal	Interest	Principal	Interest
2018	\$ 2,360,000	\$ 797,878	\$ 240,000	\$ 81,513
2019	2,640,000	667,378	244,999	76,345
2020	2,945,000	521,609	250,000	71,079
2021	3,265,000	359,528	256,001	65,699
2022	3,610,000	137,156	261,000	60,198
2023-2027	1,645,000	85,869	1,391,000	214,278
2028-2031	-	-	1,226,000	51,392
Total	<u>\$ 16,465,000</u>	<u>\$ 2,569,418</u>	<u>\$ 3,869,000</u>	<u>\$ 620,504</u>
Due within one year	\$ 2,360,000	\$ 797,878	\$ 240,000	\$ 81,513
Due after one year	14,105,000	1,771,540	3,629,000	538,991
Total	<u>\$ 16,465,000</u>	<u>\$ 2,569,418</u>	<u>\$ 3,869,000</u>	<u>\$ 620,504</u>

Year Ending June 30	2017 Lease/Purchase Agreement		Capital Lease	
	Principal	Interest	Principal	Interest
2018	\$ 549,617	\$ 51,632	\$ 84,883	\$ 4,335
2019	560,107	41,143	86,435	2,783
2020	570,796	30,454	88,015	1,203
2021	581,689	19,559	-	-
2022	592,791	8,458	-	-
2023-2027	-	-	-	-
2028-2031	-	-	-	-
Total	<u>\$ 2,855,000</u>	<u>\$ 151,246</u>	<u>\$ 259,333</u>	<u>\$ 8,321</u>
Due within one year	\$ 549,617	\$ 51,632	\$ 84,883	\$ 4,335
Due after one year	2,305,383	99,614	174,450	3,986
Total	<u>\$ 2,855,000</u>	<u>\$ 151,246</u>	<u>\$ 259,333</u>	<u>\$ 8,321</u>



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**Notes to Basic Financial Statements, Continued**

**7. LONG-TERM LIABILITIES, Continued**

Year Ending June 30	Total	
	Principal	Interest
2018	\$ 3,234,500	\$ 935,358
2019	3,531,541	787,649
2020	3,853,811	624,345
2021	4,102,690	444,785
2022	4,463,791	205,812
2023-2027	3,036,000	300,148
2028-2031	1,226,000	51,392
Total	<u>\$ 23,448,333</u>	<u>\$ 3,349,489</u>
Due within one year	\$ 3,234,500	\$ 935,358
Due after one year	20,213,833	2,414,131
Total	<u>\$ 23,448,333</u>	<u>\$ 3,349,489</u>

**Compensated Absences**

The District records employee absences, such as vacations, illness, deferred overtime, and holidays, for which it is expected that employees will be paid compensated absences. As of June 30, 2017, the District had a compensated absences balance of \$582,743.

**8. NET POSITION/FUND BALANCES**

**Net Position**

As of June 30, 2017, net position is as follows:

Net Position	June 30, 2017
Net investment in capital assets	\$ 7,318,954
Restricted for debt service	2,655,444
Restricted for other postemployment benefits	300,000
Unrestricted (deficit)	(44,834,256)
Total	<u>\$ (34,559,858)</u>

Restricted balances are for the same purposes as fund balance restrictions because external restriction requirements are the same. See descriptions of the restrictions below.



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**Notes to Basic Financial Statements, Continued**

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**8. NET POSITION/FUND BALANCES, Continued**

**Fund Balance**

As of June 30, 2017, the District's Restricted and Committed fund balances are as follows:

<u>Fund Balances</u>	<u>June 30, 2017</u>
Nonspendable prepaid retirement	\$ 81,945
Restricted for debt service	3,156,054
Restricted for for capital projects	2,913,977
Restricted for other postemployment benefits	300,000
Committed for capital projects	6,580,029
Unassigned	4,905,518
Total	<u>\$ 17,937,523</u>

The following describes the purpose of each restriction and commitment account used by the District:

**Nonspendable**

- **General Fund** – represents a nonspendable prepaid portion of employer contributions to Contra Costa County Employees Retirement Association (CCCERA).

**Restricted**

- **Debt Service** – represents amounts restricted for repayment of principal and payment of interest in the next calendar year of the District's Taxable Pension Obligation Bonds.
- **Capital Projects** – represents amounts restricted for District capital projects.
- **Other postemployment benefits** – represents amounts restricted for payment of the District's other postemployment benefits liabilities.

**Committed**

- **Capital projects** – used to represent that portion of fund balance committed for capital construction and purchases. All balances reported in the Capital Projects Fund are committed for this purpose. This amount can only be changed by Board Resolution.

The District considers restricted amounts to have been spent prior to unrestricted amounts when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Committed, assigned, and unassigned amounts, in this order, are considered to have been spent when an expenditure is incurred for which amounts in any of those unrestricted fund balance classifications could be used.



**Moraga-Orinda Fire Protection District  
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**Notes to Basic Financial Statements, Continued**

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**9. RISK MANAGEMENT**

The District is a member of the Fire Agencies Insurance Risk Authority (FAIRA), a public agency joint powers authority (JPA) providing insurance risk management services tailored to meet only specific needs of fire and emergency service agencies in the states of California and Nevada.

The FAIRA Joint Powers Authority is owned entirely by participating fire protection districts and agencies, and functions solely for their benefit. The District participates in the following FAIRA coverage:

Property

Property coverage is for direct physical loss or damage to real and personal properties. In addition, the carrier will pay for actual loss of income and necessary expenses incurred during the period of restoration for up to one year if the insured operation is interrupted as a result of direct physical loss or damage to real or personal properties. The District has a deductible of up to \$5,000 per occurrence and a coverage limit of the guaranteed replacement cost of the Real or Personal Property. More detailed information regarding sub-limits is given in the District's FAIRA policy.

Crime

Coverage is provided for dishonest acts committed by an employee, forgery or alteration of checks, drafts, losses arising out of the failure of an individual to perform duties, loss or damage resulting from computer fraud. The District is covered for up to \$1,000,000 for any criminal loss, with a deductible of \$1,000.

Portable Equipment

Coverage is provided for direct physical loss or damage to portable equipment. Portable equipment includes portable firefighting, ambulance or rescue related equipment and portable communications equipment commonly used in emergency, fire and rescue operations away from the insured's premises. Also includes equipment specific to fire fighting and rescue related activities, such as training videos, manuals, and mannequins. The District pays the first \$1,000 for deductible and the guaranteed replacement cost is covered by the insurance.

General Liability

General liability covers bodily injury and property damage, personal injury and advertising injury, professional healthcare liability or medical expense. The District has no deductible and a coverage limit of up to \$1,000,000 for each occurrence, \$10,000 for medical expense, and annual aggregate limit of \$10,000,000.

Management Liability

Management liability covers monetary damages as a result of wrongful act arising out of employment related practices, administration of employee benefit plans and other wrongful acts. Coverage includes wrongful termination, sexual harassment, public officials' errors and omissions. For each wrongful act, the District pays the first \$5,000 and the insurance covers the remaining up to \$1,000,000 for each wrongful act and \$10,000,000 annual aggregate limit.



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**Notes to Basic Financial Statements, Continued**

**9. RISK MANAGEMENT, Continued**

Automobile Coverage

Covers bodily injury, property damage and automobile physical damage resulting from an accident involving vehicles such as fire engines, pumpers, ambulances, paramedic vans, rescue vans, private passenger and other vehicles. The insurance covers up to \$1,000,000 for bodily injury, property damage, and uninsured/underinsured motorists. The District's deductible is \$10,000 for medical payments and \$0 for each accident.

Covers direct physical loss or damage to automobiles in the event of fire, lightning, explosion, theft, windstorm, hail, earthquake, flood, mischief, vandalism, or the sinking, burning, collision or derailment of any conveyance transporting the covered automobile and collision, resulting from collision with another object, or overturn. The insurance covers the agreed value of Emergency Response/Antique vehicles and the actual cash value of Private Passenger, Service Vehicles, Trailers, and Other Non-Emergency Vehicles. The deductible is up to \$3000 depending on the vehicle.

A summary of the District's insurance coverage under FAIRA is as follows:

Coverage	Insurance Company/ Pool	Limit of Liability	Deductible
Property	FAIRA	Guaranteed Replacement Cost Up to 12 months loss of income/additional expense \$5,000,000 earthquake sprinkler leakage	Up to \$5000
Crime	FAIRA	\$1,000,000 for all crime	\$1,000
Portable Equipment	FAIRA	Guaranteed Replacement Cost	\$1,000
General Liability	FAIRA	\$1,000,000 each occurrence \$10,000 medical expenses each accident	None
Management	FAIRA	\$1,000,000 each wrongful act	\$5,000
Automobile	FAIRA	\$1,000,000 bodily injury Agreed value/FMV auto damage	\$10,000 medical Up to \$3000



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**Notes to Basic Financial Statements, Continued**

**10. PENSION PLAN**

**A. General Information about the Pension Plan**

**Plan Descriptions** - Substantially, all qualified permanent and probationary District employees are eligible to participate in pension plans, either Safety (law enforcement, fire suppression, and certain others) or General (all other), offered by Contra Costa County Employees' Retirement Association (CCCERA), a cost sharing multiple employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and County resolution. CCCERA provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries.

**B. Benefits Provided** - CCCERA provides service retirement and disability benefits, annual cost of living adjustments and death benefits to eligible employees. Benefits are based on years of credited service, equal to one year of full time employment. Funding contributions for the Plan are determined annually on an actuarial basis by CCCERA; the District must contribute these amounts.

The Plan's provisions and benefits in effect at June 30, 2017, are summarized as follows:

	<b>Safety</b>	<b>Non-Safety</b>
Benefit vesting schedule	5 years	5 years
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 or 57	55 or 67
Required employee contribution rates	15.60% – 21.31%	8.35% - 14.37%
Required employer contribution rates	70.60% 61.17% new hires	25.13% 20.68% new hires
Monthly benefits as percentage of annual salary	3% 2.7% new hires	2% 2.5% new hires

**C. Contributions** - The District is required to contribute at an actuarially determined rate which is established and may be amended by the CCCERA Board. The District's required contribution rate for the year ended June 30, 2017 was 70.60% (61.17% for hires after January 1, 2013) and 25.13% (20.68% for hires after January 1, 2013) of annual payroll of the safety and non-safety, respectively. This amount is actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District's contributions for the year ended June 30, 2017 was \$4,395,376, which was equal to the required contributions for current fiscal year. *Note by VTD: Let's double check this amount. CCCERA typically reports contributions at \$4.9M. Do employees pay a portion of the District's. If so, the number above should be increased.*



**Moraga-Orinda Fire Protection District  
Comprehensive Annual Financial Report  
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**Notes to Basic Financial Statements, Continued**

**10. PENSION PLAN, Continued**

***D. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources***

***Related to Pensions*** - At June 30, 2017, the District reported a liability of \$32,569,913 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2016, the District's proportion was 2.326%, which was a decrease from its proportion measured as of December 31, 2015 of 2.608%

***E.*** For the year ended June 30, 2017, the District recognized pension expense of \$3,894,918.

At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions paid to CCCERA subsequent to measurement date	\$ 2,108,123	\$ -
Difference between expected and actual experience in the Total Pension Liability	-	2,671,618
Changes in proportion and differences between employer's contributions and proportionate share of contributions	942,456	616
Net excess of projected over actual earnings on pension plan investments	-	6,095,307
Total	5,749,503	-
	<u>\$ 8,800,082</u>	<u>\$ 8,767,541</u>



**Moraga-Orinda Fire Protection District  
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For the year ended June 30, 2017**

**Notes to Basic Financial Statements, Continued**

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**10. PENSION PLAN, Continued**

\$2,108,123 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2018	\$ (1,215,007)
2019	(584,594)
2020	520,588
2021	(796,569)
Thereafter	-

**F. Actuarial Assumptions** - The Total Pension Liabilities as of December 31, 2016 and December 31, 2015 were determined by actuarial valuations as of December 31, 2015 and December 31, 2014, respectively. The actuarial assumptions used were based on the results of an experience study for the period January 1, 2012 through December 31, 2014. They are generally the same as the assumptions used in the December 31, 2015 and the December 31, 2016 funding actuarial valuations, except that, for GASB 68 purposes, the investment return assumption used is net of investment expenses only and is not net of administrative expenses. In particular, the following actuarial assumptions were applied to all periods included in the measurement of the December 31, 2016 actuarial valuation:

Inflation	2.75%
Salary increases	Non-safety 4% to 13.25% and safety 4% to 13.75%, varying by service
Investment rate of return	7%, net of pension plan's investments expense
Valuation date	December 31, 2015
Measurement date	December 31, 2016
Actuarial cost method	Entry-Age Actuarial Cost Method

A complete copy of the Actuarial Valuation Summary is available in separately issued financial statements of the plan which can be obtained from CCCERA located at 1355 Willow Way, Suite 221, Concord, CA 94520.



**Moraga-Orinda Fire Protection District  
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For the year ended June 30, 2017**

**Notes to Basic Financial Statements, Continued**

**10. PENSION PLAN, Continued**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. This return is combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of</b>
Large Cap U.S. Equity	6.00%	5.75%
Developed International Equity	10.00%	6.99%
Emerging Markets Equity	14.00%	8.95%
Short-Term Govt/Credit	24.00%	0.20%
U.S. Treasury	2.00%	0.30%
Real Estate	7.00%	4.45%
Cash & Equivalents	1.00%	-0.46%
Risk Diversifying Strategies	2.00%	4.30%
Private Credit	17.00%	6.30%
Private Equity	17.00%	8.10%
<b>Total</b>	<b>100.00%</b>	

**G. Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of December 31, 2016 and as of December 31, 2015. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the Total Pension Liability as of December 31, 2016.

**H. Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the net pension liability as of December 31, 2016, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:



**Moraga-Orinda Fire Protection District  
Comprehensive Annual Financial Report  
For the year ended June 30, 2017**

**Notes to Basic Financial Statements, Continued**

**10. PENSION PLAN, Continued**

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net pension liability as of December 31, 2016	\$ 57,993,669	\$ 32,569,913	\$11,856,931

**Pension Plan Fiduciary Net Position** - Detailed information about each pension plan's fiduciary net position is available in the separately issued CCCERA financial reports.

**Payable to the Pension Plan** - At June 30, 2017, the District reported a payable of \$182,933 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.

**11. OTHER POST EMPLOYMENT BENEFITS**

**Plan Description.** The District Retiree Healthcare Plan (Plan) is a single-employer defined benefit healthcare plan administered by the District. The Plan provides access to lifetime healthcare benefits to eligible retirees and their dependents. The District provides retiree medical benefits through the California Public Employees' Retirement System healthcare program (PEMHCA). For eligible retirees, the District contributes up to a cap. The District also provides dental insurance up to a cap.

**Eligibility.** Employees are eligible to participate in the District's Plan if they retire directly from the District under CCCERA with ten years of CCCERA service (there is a five year service requirement if retirement is due to a service-connected disability.) Since PEMHCA is a community rated plan for most employers, an implied subsidy is reflected under Actuarial Standards of Practice No. 6 (ASOP 6). The District does not provide vision, life, or Medicare Part B reimbursement to retirees. The Plan does not issue a financial report.

Membership of the Plan consisted of the following at June 30, 2017:

Retirees and beneficiaries receiving benefits	93
Other participants not yet fully eligible for benefits	60
Total	<u>153</u>

**Funding Policy.** The contribution requirements of the Plan participants and the District are established by and may be amended by the District.

The annual required contribution (ARC) is an amount actuarially determined in accordance with the parameters of GASB Statement No.45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

For fiscal year 2017, the District contributed \$953,224 to the Plan, including \$859,224 for current benefit payments and \$94,000 to prefund Plan benefits.



**Moraga-Orinda Fire Protection District  
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For the year ended June 30, 2017**

**Notes to Basic Financial Statements, Continued**

**11. OTHER POST EMPLOYMENT BENEFITS, Continued**

**Annual OPEB Cost and Net OPEB Obligation.** The District's annual other postemployment benefit cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the District's Net OPEB obligation:

	2016-2017
Annual required contribution	1,292,000
Interest on net OPEB obligation	243,000
Adjustment to net OPEB obligation	(321,000)
Annual OPEB cost	1,214,000
Contributions made:	
Payment to irrevocable trust	(94,000)
Benefit payment made outside of trust	(859,224)
Increase in net OPEB obligation	260,776
Net OPEB obligation – beginning of year	6,816,633
Net OPEB obligation – end of year	7,077,409

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year 2017 and the two preceding fiscal years were as follows:

Fisca Year Ended	Annual OPEB Cost	Annual Employer Contribution	Percentage Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	1,174,000	969,770	82.6%	6,555,857
6/30/2016	1,214,000	953,224	78.5%	6,555,857
6/30/2017	1,214,000	953,224	78.5%	7,077,409

**Funded Status and Funding Progress.** The funded status of the Plan as of June 30, 2017, the Plan's most recent actuarial valuation date, was as follows:



**Moraga-Orinda Fire Protection District  
Comprehensive Annual Financial Report  
For the year ended June 30, 2017**

**Notes to Basic Financial Statements, Continued**

**11. OTHER POST EMPLOYMENT BENEFITS, Continued**

Actuarial accrued liability (AAL)	\$15,518,000
Actuarial value of plan assets	188,000
Unfunded actuarial accrued liability (UAAL)	\$15,330,000
Funded ratio (actuarial value of plan assets/AAL)	1.2%
Covered payroll (active plan participants)	\$7,288,000
UAAL as a percentage of covered payroll	210.3%

Actuarial valuations of an ongoing plan involve estimates of the value of expected benefit payments and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions.** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan participants) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan participants to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

For the June 30, 2016 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 6.5% investment rate of return (net of administrative expenses) in the 2016 valuation, and a 3% general inflation assumption. Medical costs were actual rates for 2016, and assumed to increase 5.0% to 6.7% per year. The total UAAL calculated in the June 30, 2016 valuation was amortized as a level percentage of projected payroll over a fixed 25-year period beginning June 30, 2013 (22 years remaining on June 30, 2016). Assumption changes and gains/losses developed in the June 30, 2016 valuation were amortized over 15 years as of June 30, 2016.

**12. COMMITMENTS AND CONTINGENCIES**

The District is a party to claims and lawsuits arising in the ordinary course of business. The District's management and legal counsel are of the opinion that the ultimate liability, if any, arising from these claims will not have material adverse impact on the financial position of the District. The District participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.



**Moraga-Orinda Fire Protection District  
Comprehensive Annual Financial Report  
For the year ended June 30, 2017**

**Statistical Section**

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**13. NEW ACCOUNTING PRONOUNCEMENTS**

The GASB has issued Statement No. 75, *“Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB).

It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 45, *“Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions”*, as amended, and No. 57, *“OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans”*, for OPEB. Statement No. 74, *“Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans”*, establishes new accounting and financial reporting requirements for OPEB plans. The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. **The District has early implemented this statement, to its financial statements for the year ending June 30, 2017.**



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**Required Supplementary Information**



**Moraga-Orinda Fire Protection District**  
**Required Supplementary Information - Schedule of Contributions**  
**Contra Costa County Employees' Retirement Association (CCCERA)**  
 Last 10 Fiscal Years\*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution (actuarially determined)	\$ 4,395,376	\$ 4,063,149	\$ 4,517,403	\$ 3,107,945
Contributions in relation to the actuarially determined contributions	<u>4,395,376</u>	<u>4,063,149</u>	<u>4,517,403</u>	<u>3,107,945</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 7,347,757	\$ 6,858,003	\$ 6,966,539	\$ 7,871,587
Contributions as a percentage of covered-employee payroll	59.8%	59.2%	64.8%	39.5%

**Notes to Schedule**

1) Covered payroll represents compensation earnable and pensionable compensation.

Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

\*Fiscal year 2015 was the first year of implementation, therefore only the first four years were available.



**Moraga-Orinda Fire Protection District**  
**Required Supplementary Information - Schedule of the District's**  
**Proportionate Share of the Net Pension Liability**  
**Contra Costa County Employees' Retirement Association (CCCERA)**  
 Last 10 Fiscal Years\*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability	2.326%	2.608%	2.393%	2.393%
Proportionate share of the net pension liability	\$ 32,569,913	\$ 39,299,357	\$ 28,612,847	\$ 35,211,427
Covered payroll	\$ 7,347,757	\$ 6,858,003	\$ 7,350,163	\$ 7,353,174
Proportionate Share of the net pension liability as percentage of covered employee payroll	443.26%	573.04%	389.28%	478.86%
Plan fiduciary net position as a percentage of the total pension liability	82.41%	78.77%	83.79%	80.06%

**Notes to Schedule:**

1) Covered payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

\* Fiscal year 2015 was the first year of implementation, therefore only the first four years were available.



**Moraga-Orinda Fire Protection District**  
**Required Supplementary Information - Schedule of Contributions**  
**Other Postemployment Benefits**  
Last 10 Fiscal Years\*

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	<u>2017</u>
Contractually required contribution (actuarially determined)	\$ -
Contributions in relation to the actuarially determined contributions	-
Contribution deficiency (excess)	\$ -
Covered-employee payroll	\$ 7,347,757
Contributions as a percentage of covered-employee payroll	0.0%

**Notes to Schedule**

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

\*Fiscal year 2017 was the first year of implementation, therefore only the first year is available.



**Moraga-Orinda Fire Protection District**  
**Required Supplementary Information - Schedule of the District's**  
**Changes in Net OPEB Liability**  
Last 10 Fiscal Years\*

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Pending



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**Supplementary Information**



**Moraga-Orinda Fire Protection District**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget to Actual - Debt Service Fund**  
 For the year ended June 30, 2017

	Original Budget	Amended Budget	Actual	Variance With Amended Positive (Negative)
<b>REVENUES:</b>				
Property taxes	\$ 3,219,473	\$ 3,219,473	\$ 3,219,473	\$ -
Use of money and property	-	3,000	632	(2,368)
<b>Total revenues</b>	<b>3,219,473</b>	<b>3,222,473</b>	<b>3,220,105</b>	<b>(2,368)</b>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	2,383,359	2,383,359	2,383,359	-
Interest	993,089	993,089	992,998	91
<b>Total expenditures</b>	<b>3,376,448</b>	<b>3,376,448</b>	<b>3,376,357</b>	<b>91</b>
<b>REVENUES OVER EXPENDITURES</b>	<b>(156,975)</b>	<b>(153,975)</b>	<b>(156,252)</b>	<b>(2,277)</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	362,165	362,165	362,074	-
<b>Total other financing sources</b>	<b>362,165</b>	<b>362,165</b>	<b>362,074</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>205,190</b>	<b>208,190</b>	<b>205,822</b>	<b>(2,277)</b>
<b>FUND BALANCES:</b>				
Beginning of year	2,587,823	2,587,823	2,587,823	-
End of year	\$ 2,793,013	\$ 2,796,013	\$ 2,793,645	\$ (2,277)



**Moraga-Orinda Fire Protection District**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget to Actual - Capital Projects Fund**  
 For the year ended June 30, 2017

	Original Budget	Amended Budget	Actual	Variance With Amended Positive (Negative)
<b>REVENUES:</b>				
Fire flow taxes	\$ 1,070,214	\$ 1,076,738	\$ 1,076,738	\$ -
Use of money and property	1,000	12,500	17,062	4,562
Charges for services	10,000	92,000	96,000	4,000
<b>Total revenues</b>	<b>1,081,214</b>	<b>1,181,238</b>	<b>1,189,800</b>	<b>8,562</b>
<b>EXPENDITURES:</b>				
Service and supplies	11,600	12,206	12,229	(23)
Capital outlay	5,021,470	7,871,719	3,882,152	3,989,567
<b>Total expenditures</b>	<b>5,033,070</b>	<b>7,883,925</b>	<b>3,894,381</b>	<b>3,989,544</b>
<b>REVENUES OVER EXPENDITURES</b>	<b>(3,951,856)</b>	<b>(6,702,687)</b>	<b>(2,704,581)</b>	<b>3,998,106</b>
<b>OTHER FINANCING SOURCES:</b>				
Lease proceeds	-	2,860,000	2,855,000	(5,000)
Transfers out	(362,165)	(362,165)	(362,074)	91
<b>Total other financing sources</b>	<b>(362,165)</b>	<b>2,497,835</b>	<b>2,492,926</b>	<b>(4,909)</b>
<b>Net change in fund balances</b>	<b>(4,314,021)</b>	<b>(4,204,852)</b>	<b>(211,655)</b>	<b>3,993,197</b>
<b>FUND BALANCES:</b>				
Beginning of year	10,068,070	10,068,070	10,068,070	-
End of year	<b>\$ 5,754,049</b>	<b>\$ 5,863,218</b>	<b>\$ 9,856,415</b>	<b>\$ 3,993,197</b>



# Moraga-Orinda Fire Protection District Comprehensive Annual Financial Report For the year ended June 30, 2017

## Statistical Section

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This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and footnotes says about the District's overall financial health.

### **Financial Trends – Pages 62 - 69**

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

### **Revenue Capacity – Pages 70 – 76**

These schedules contain information to help the reader assess the District's most significant revenue source, the property tax.

### **Debt Capacity – Pages 77 – 81**

These schedules contain information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

### **Demographic and Economic Information – Pages 82**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

### **Operating Information – Pages 83 - 84**

These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

### *Sources*

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



**Moraga-Orinda Fire Protection District**  
**Net Position by Component**  
 Last Ten Fiscal Years  
 (Fiscal year ended June 30)

	2008	2009	2010	2011	2012
<b>Governmental activities:</b>					
Net investment in					
capital assets	\$ 6,975,172	\$ 7,828,328	\$ 7,712,538	\$ 8,348,722	\$ 9,081,906
Restricted	834,819	435,971	41,979	-	-
Unrestricted (deficit)	4,458,004	2,952,567	3,290,391	2,575,866	1,330,209
<b>Total governmental activities</b>					
<b>net position</b>	<u>\$ 12,267,995</u>	<u>\$ 11,216,866</u>	<u>\$ 11,044,908</u>	<u>\$ 10,924,588</u>	<u>\$ 10,412,115</u>

\* Implemented GASB 68

2013	2014	2015*	2016	2017
\$ 9,314,274	\$9,930,092	\$ 9,466,042	\$ 8,327,292	\$ 7,318,954
2,037,710	2,206,339	2,812,780	12,655,893	2,955,444
<u>(2,697,070)</u>	<u>(2,337,332)</u>	<u>(56,768,462)</u>	<u>(60,767,871)</u>	<u>(44,834,256)</u>
<u>\$ 8,654,914</u>	<u>\$9,799,099</u>	<u>\$(44,489,640)</u>	<u>\$(39,784,686)</u>	<u>\$(34,559,858)</u>



## Moraga-Orinda Fire Protection District

### Changes in Net Position

Last Ten Fiscal Years

(Fiscal year ended June 30)

(Accrual basis of accounting)

	2008	2009	2010	2011	2012
<b>Expenses:</b>					
Governmental activities:					
Fire protection - operations	\$ 17,116,824	\$ 17,668,240	\$ 16,952,041	\$ 17,199,159	\$ 17,298,393
OPEB	-	1,192,047	1,112,953	1,188,000	1,262,063
Interest and fiscal charges	1,497,988	1,486,551	1,423,521	1,351,267	1,289,602
Total governmental activities expenses	18,614,812	20,346,838	19,488,515	19,738,426	19,850,058
Total primary government expenses	\$ 18,614,812	\$ 20,346,838	\$ 19,488,515	\$ 19,738,426	\$ 19,850,058
<b>Program revenues:</b>					
Governmental activities:					
Charges for services:					
Fire protection - operations	\$ 1,607,108	\$ 1,750,233	\$ 1,420,196	\$ 1,395,534	\$ 1,242,317
Operating grants & contributions	-	-	-	-	-
Total governmental activities program revenues	1,607,108	1,750,233	1,420,196	1,395,534	1,242,317
Total primary government program revenues	\$ 1,607,108	\$ 1,750,233	\$ 1,420,196	\$ 1,395,534	\$ 1,242,317
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$(17,007,704)	\$(18,596,605)	\$(18,068,319)	\$(18,342,892)	\$(18,607,741)
Total primary government net expense	\$(17,007,704)	\$(18,596,605)	\$(18,068,319)	\$(18,342,892)	\$(18,607,741)
<b>General Revenues and Other Changes in Net Position:</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 15,805,123	\$ 16,407,887	\$ 16,827,597	\$ 16,882,276	\$ 16,524,808
Fire flow taxes	884,763	1,066,761	1,064,888	1,067,969	1,067,763
Investment earnings	89,247	54,431	3,776	4,463	3,252
State and federal grants	-	-	-	149,845	280,069
Other general revenues	196,000	16,397	100	118,019	219,379
Gain (loss) on sale of assets	-	-	-	-	-
Total governmental activities	16,975,133	17,545,476	17,896,361	18,222,572	18,095,271
Total primary government	\$ 16,975,133	\$ 17,545,476	\$ 17,896,361	\$ 18,222,572	\$ 18,095,271
<b>Changes in Net Position</b>					
Governmental activities	\$ (32,571)	\$ (1,051,129)	\$ (171,958)	\$ (120,320)	\$ (512,470)
Total primary government	\$ (32,571)	\$ (1,051,129)	\$ (171,958)	\$ (120,320)	\$ (512,470)

2013	2014	2015	2016	2017
\$ 18,285,971	\$ 19,149,488	\$ 18,372,152	\$ 18,610,768	\$ 19,392,589
1,356,223	273,867	-	-	-
1,225,394	1,151,010	1,041,717	1,079,259	996,870
20,867,588	20,574,365	19,413,869	19,690,027	20,389,459
<u>\$ 20,867,588</u>	<u>\$ 20,574,365</u>	<u>\$ 19,413,869</u>	<u>\$ 19,690,027</u>	<u>\$ 20,389,459</u>
\$ 1,455,540	\$ 1,037,735	\$ 1,180,935	\$ 1,303,760	\$ 1,531,589
-	1,773,086	1,814,670	436,499	106,929
1,455,540	2,810,821	2,995,605	1,740,259	1,638,518
<u>\$ 1,455,540</u>	<u>\$ 2,810,821</u>	<u>\$ 2,995,605</u>	<u>\$ 1,740,259</u>	<u>\$ 1,638,518</u>
<u>\$(19,412,048)</u>	<u>\$(17,763,544)</u>	<u>\$(16,418,264)</u>	<u>\$(17,949,768)</u>	<u>\$(18,750,941)</u>
<u>\$(19,412,048)</u>	<u>\$(17,763,544)</u>	<u>\$(16,418,264)</u>	<u>\$(17,949,768)</u>	<u>\$(18,750,941)</u>
\$ 16,471,345	\$ 17,670,263	\$ 19,235,847	\$ 20,693,314	\$ 22,121,300
1,069,288	1,071,747	1,068,288	1,070,214	1,076,738
784	209	1,996	10,948	22,103
1,239	165,510	160,407	158,460	156,429
112,191	-	-	406,279	599,199
-	-	-	315,507	-
17,654,847	18,907,729	20,466,538	22,654,722	23,975,769
<u>\$ 17,654,847</u>	<u>\$ 18,907,729</u>	<u>\$ 20,466,538</u>	<u>\$ 22,654,722</u>	<u>\$ 23,975,769</u>
\$ (1,757,201)	\$ 1,144,185	\$ 4,048,274	\$ 4,704,954	\$ 5,224,828
<u>\$ (1,757,201)</u>	<u>\$ 1,144,185</u>	<u>\$ 4,048,274</u>	<u>\$ 4,704,954</u>	<u>\$ 5,224,828</u>



**Moraga-Orinda Fire Protection District**  
**Fund Balances, Governmental Funds**  
Last Ten Fiscal Years  
(Fiscal year ended June 30)

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	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>General Fund</b>				
Nonspendable	\$ 77,929	\$ 163,937	\$ 115,990	\$ 97,436
Restricted	-	-	-	2,230,328
Unassigned (deficit)	3,912,099	3,333,605	3,571,416	1,389,986
<b>Total General Fund</b>	<u>3,990,028</u>	<u>3,497,542</u>	<u>3,687,406</u>	<u>3,717,750</u>
<b>All Other Governmental Funds</b>				
Nonspendable	\$ 810,604	\$ -	\$ -	\$ 30,184
Restricted	834,819	435,971	41,979	-
Committed	-	-	-	-
Assigned	2,332,163	2,568,942	3,076,361	2,959,234
<b>Total Other Governmental Funds</b>	<u>3,977,586</u>	<u>3,004,913</u>	<u>3,118,340</u>	<u>2,989,418</u>
<b>Total All Governmental Funds</b>	<u>\$7,967,614</u>	<u>\$6,502,455</u>	<u>\$6,805,746</u>	<u>\$6,707,168</u>

2012	2013	2014	2015	2016	2017
\$ 101,742	\$ 179,419	\$ 314,360	\$ 150,767	\$ -	\$ 81,945
-	-	700	-	-	300,000
981,806	(103,719)	250,906	1,809,814	3,689,075	4,905,518
1,083,548	75,700	565,966	1,960,581	3,689,075	5,287,463
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,377,847	2,037,710	2,205,639	2,812,780	6,591,527	6,070,031
-	3,607,437	3,445,991	3,890,011	6,064,366	6,580,029
3,041,382	-	-	-	-	-
5,419,229	5,645,147	5,651,630	6,702,791	12,655,893	12,650,060
\$ 6,502,777	\$ 5,720,847	\$ 6,217,596	\$ 8,663,372	\$ 16,344,968	\$ 17,937,523



## Moraga-Orinda Fire Protection District Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(Fiscal year ended June 30)

(Modified accrual basis of accounting)

<b>Revenues:</b>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Property taxes	\$ 15,805,123	\$ 16,407,887	\$ 16,827,597	\$ 16,882,276
Fire flow taxes	884,763	1,066,761	1,064,888	1,067,969
Use of money and property	89,247	54,431	3,776	4,463
State and federal grants	-	-	-	149,845
Charges for services	1,607,108	1,750,233	1,420,196	1,395,534
Charges for services - ambulance	-	-	-	-
Other revenues	196,000	16,397	100	118,019
Impact mitigation fees	-	-	-	-
<b>Total revenues</b>	<u>\$ 18,582,241</u>	<u>\$ 19,295,709</u>	<u>\$ 19,316,557</u>	<u>\$ 19,618,106</u>
<b>Expenditures:</b>				
Fire protection - operations:	\$ 16,483,324	\$ 16,852,131	\$ 15,925,826	\$ 16,013,010
Salaries				
Overtime	-	-	-	-
Benefits	-	-	-	-
Retiree health insurance	-	-	-	-
Services and supplies	-	-	-	-
Capital outlay	548,156	1,275,745	349,161	1,149,290
Debt service:				
Principal	714,049	1,130,912	1,295,574	1,179,888
Interest and fiscal charges	1,509,865	1,502,080	1,442,705	1,374,496
<b>Total expenditures</b>	<u>\$ 19,255,394</u>	<u>\$ 20,760,868</u>	<u>\$ 19,013,266</u>	<u>\$ 19,716,684</u>
<b>Reconciliation of Governmental Revenues</b>				
<b>Less Expenditures to Fund Equity:</b>				
Revenue over (under) expenditures	\$ (673,153)	\$ (1,465,159)	\$ 303,291	\$ (98,578)
Other financing sources:				
Proceeds of debt issued	1,645,423	-	-	-
Proceeds from sales of assets	-	-	-	-
Total other financing sources	1,645,423	-	-	-
<b>Net change in fund balances</b>	<u>\$ 972,270</u>	<u>\$ (1,465,159)</u>	<u>\$ 303,291</u>	<u>\$ (98,578)</u>
 Debt service as a percentage of noncapital expenditures	 <u>11.89%</u>	 <u>13.51%</u>	 <u>14.67%</u>	 <u>13.76%</u>

2012	2013	2014	2015	2016	2017
\$ 16,524,808	\$ 16,471,345	\$ 17,670,263	\$ 19,235,847	\$ 20,693,314	\$ 22,121,300
1,067,763	1,069,288	1,071,747	1,068,288	1,070,214	1,076,738
3,252	784	209	1,996	10,948	22,103
280,069	1,239	853,927	950,669	594,959	263,358
1,242,317	1,455,540	226,745	273,205	228,372	319,436
-	-	810,990	907,730	997,388	1,116,153
219,379	112,191	1,026,669	798,753	406,279	599,199
-	-	58,000	225,655	78,000	96,000
<u>\$ 19,337,588</u>	<u>\$ 19,110,387</u>	<u>\$ 21,718,550</u>	<u>\$ 23,462,143</u>	<u>\$ 24,079,474</u>	<u>\$ 25,614,287</u>
\$ 15,928,710					
	\$ 7,725,838	\$ 8,181,676	\$ 7,250,708	\$ 7,517,701	\$ 8,065,559
-	2,421,630	1,541,123	2,048,524	1,832,377	2,196,582
-	4,001,208	4,649,384	6,442,501	5,924,823	6,369,452
-	937,777	896,659	885,770	859,224	827,605
-	1,824,534	2,059,857	1,810,195	2,091,521	2,165,943
1,241,129	493,832	1,279,899	266,114	792,794	3,882,152
1,055,000	1,230,000	1,425,000	1,630,000	1,936,862	2,383,359
<u>1,317,137</u>	<u>1,257,498</u>	<u>1,188,203</u>	<u>1,108,467</u>	<u>1,091,276</u>	<u>992,998</u>
<u>\$ 19,541,976</u>	<u>\$ 19,892,317</u>	<u>\$ 21,221,801</u>	<u>\$ 21,442,279</u>	<u>\$ 22,046,578</u>	<u>\$ 26,883,650</u>
\$ (204,388)	\$ (781,930)	\$ 496,749	\$ 2,019,864	\$ 2,032,896	\$ (1,269,363)
-	-	-	424,554	4,069,000	2,855,000
-	-	-	1,358	1,579,700	6,918
-	-	-	425,912	5,648,700	2,861,918
<u>\$ (204,388)</u>	<u>\$ (781,930)</u>	<u>\$ 496,749</u>	<u>\$ 2,445,776</u>	<u>\$ 7,681,596</u>	<u>\$ 1,592,555</u>
12.96%	12.82%	13.10%	12.93%	14.25%	14.68%



**Moraga-Orinda Fire Protection District**  
**Assessed Value and Actual Value of Taxable Property**  
Last Ten Fiscal Years

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	<u>Secured</u>	<u>Public Utility</u>	<u>Unsecured</u>	<u>Total</u>
2008	7,243,958,240	56,814	68,385,461	7,312,400,515
2009	7,555,324,246	-	66,510,754	7,621,835,000
2010	7,857,318,244	-	72,485,758	7,929,804,002
2011	7,789,473,983	-	70,448,664	7,859,922,647
2012	7,651,638,646	202,420	66,910,960	7,718,752,026
2013	7,717,894,690	116,479	70,187,146	7,788,198,315
2014	8,185,959,045	116,479	61,878,545	8,247,954,069
2015	8,856,613,012	-	54,622,692	8,911,235,704
2016	9,513,818,540	-	51,023,341	9,564,841,881
2017	10,092,398,210	-	56,765,474	10,149,163,684

Source: HdL, Coren & Cone



**Moraga-Orinda Fire Protection District**  
**Direct and Overlapping Property Tax Rates**  
 Last Ten Fiscal Years

	Basic Direct Rate	Overlapping Rates				
		Acalanes Union High School District	BART Bond	Contra Costa Comm College District	EBMUD District 1 Bond	East Bay Regional Park District Bond
2008	1.00000	0.02590	0.00760	0.01080	0.00650	0.00800
2009	1.00000	0.02890	0.00900	0.00660	0.00640	0.01000
2010	1.00000	0.02980	0.00570	0.01260	0.00650	0.01080
2011	1.00000	0.03110	0.00310	0.01330	0.00670	0.00840
2012	1.00000	0.03330	0.00410	0.01440	0.00670	0.00710
2013	1.00000	0.03330	0.00430	0.00870	0.00680	0.00510
2014	1.00000	0.03610	0.00750	0.01330	0.00660	0.00780
2015	1.00000	0.03500	0.00450	0.02520	0.00470	0.00850
2016	1.00000	0.03320	0.00260	0.02200	0.00340	0.00670
2017	1.00000	0.03230	0.00800	0.01200	0.00280	0.00320

Source: HdL, Coren & Cone

**Notes:**

Rate per \$100 of assessed value

In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

Overlapping rates are those of local and county governments that apply to property owners within the District. Not all overlapping rates apply to all District property owners.

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Lafayette School District Bond 1995	Moraga School District Bond 1995	Orinda Union School District Bond	Orinda Roads Bond	West Contra Costa Unified School District	Total Tax Rate
0.03400	0.03130	0.02370	0.00000	0.10350	1.25130
0.03300	0.03090	0.02470	0.00000	0.12300	1.27250
0.03260	0.03020	0.02360	0.00000	0.18280	1.33460
0.03260	0.03110	0.02440	0.00000	0.18690	1.33760
0.02790	0.03120	0.02740	0.00000	0.23220	1.38430
0.02840	0.02790	0.02730	0.00000	0.21570	1.35750
0.02670	0.02640	0.02550	0.00000	0.28180	1.43170
0.02410	0.02430	0.02320	0.01300	0.28030	1.44280
0.02090	0.02290	0.01900	0.01850	0.27810	1.42730
0.04370	0.02240	0.01650	0.01690	0.26040	1.41820



## Moraga-Orinda Fire Protection District

### Principal Property Taxpayers

Current Year and Ten Years Ago

Property Owner	Primary Land Use	2016-17	
		Assessed Valuation	Rank
OG Property Owner LLC	Vacant Orinda	\$ 55,907,557	1
PWRP-Moraga LP	Commercial Orinda	37,414,939	2
Davidon Homes	Vacant Orinda	36,660,000	3
Taylor Morrison of California LLC	Vacant Orinda	35,858,175	4
Orinda Dunhill LLC	Commercial Orinda	31,769,406	5
Pine Grove LLC	Commercial Orinda	27,798,350	6
Russell J Bruzzone Inc	Commercial Moraga	22,177,549	7
Summerhill RL LLC	Vacant Moraga	13,313,978	8
ASC Moraga LLC	Commercial Moraga	12,482,830	9
Moraga Country Club HOA	Recreational Moraga	11,428,538	10
GLL BVK Properties LP	Commercial Orinda		
R Jacobs Family LP	Commercial Orinda		
Orinda Gateway LLC	Dry Farm Orinda		
PK I Rheem Valley LP	Commercial Moraga		
AXA Rosenberg Group LLC	Unsecured Orinda		
Orinda Country Club	Commercial Orinda		
Oakmont of Moraga	Institutional Moraga		
Moraga Builders Corporation	Vacant Moraga		
Michael J Novogradac Trust	Residential Moraga		
		<u>\$ 284,811,322</u>	

Source: HdL, Coren & Cone

2007-08			
% of Net AV	Assessed Valuation	Rank	% of Total
0.55%			0.33%
0.37			
0.36			
0.35			
0.31			
0.27			
0.22	19,595,550	5	0.27
0.13			
0.12			
0.11			
	29,000,000	1	0.40
	28,481,263	2	0.39
	27,800,952	3	0.38
	22,512,403	4	0.31
	10,513,294	6	0.14
	10,448,095	7	0.14
	9,952,211	8	0.14
	8,862,240	9	0.12
	8,017,009	10	0.11
<u>2.81%</u>	<u>\$ 175,183,017</u>		<u>2.40%</u>



**Moraga-Orinda Fire Protection District**  
**Property Tax Levies and Collections**  
 Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2008	\$ 15,805,123	\$ 15,805,123	100%
2009	16,407,887	16,407,887	100%
2010	16,827,597	16,827,597	100%
2011	16,882,276	16,882,276	100%
2012	16,524,808	16,524,808	100%
2013	16,471,345	16,471,345	100%
2014	17,670,263	17,670,263	100%
2015	19,235,848	19,235,848	100%
2016	20,693,314	20,693,314	100%
2017	22,121,300	22,121,300	100%

Source: Administrative Services Division

Note: Taxes reported and collected under the Teeter Plan are distributed to the District in the year of the levy. Contra Costa County retains any interest or penalties on uncollected balances.



## Moraga-Orinda Fire Protection District

### Ratio of Outstanding Debt by Type

Last Ten Fiscal Years

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<b>Fiscal Year</b>	<b>Pension Obligation Bonds</b>	<b>Equipment Capital Lease</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
2008	\$ 27,980,000	\$ 1,386,374	\$29,366,374	1.16%	\$ 872
2009	27,385,000	850,461	\$28,235,461	1.12%	834
2010	26,650,000	289,888	\$26,939,888	0.96%	788
2011	25,760,000	-	\$25,760,000	1.00%	762
2012	24,705,000	-	\$24,705,000	0.96%	726
2013	23,475,000	-	\$23,475,000	0.90%	687
2014	22,050,000	-	\$22,050,000	0.83%	640
2015	20,420,000	424,554	\$20,844,554	0.73%	594
2016	18,565,000	4,411,692	\$22,976,692	0.77%	652
2017	16,465,000	6,983,333	\$23,448,333	0.78%	658

Source: Administrative Services Division, State of California, Department of Finance, Employment Development Department



## Moraga-Orinda Fire Protection District

### Direct and Overlapping Debt

June 30, 2017

2016-17 Assessed Valuation	\$ 10,149,163,684		
	<u>Gross Bonded Debt Balance</u>	<u>Percent Applicable <sup>(1)</sup></u>	<u>Net Bonded Debt</u>
<b>Direct Debt</b>			
Pension Obligation Bonds	\$ 16,465,000	100.000%	\$ 16,465,000
Capital Lease Ambulances	259,333	100.000%	259,333
Capital Lease Fire Engine/Truck/Amb	2,855,000	100.000%	2,855,000
Capital Lease Fire Station 43	3,869,000	100.000%	3,869,000
<b>Total Direct Debt</b>			<u><b>23,448,333</b></u>
<b>Overlapping Tax and Assessment Debt</b>			
100300 PENSION OBLIGATION BOND	185,830,000	5.554	10,320,514
100300 CCC PFA 1998A LRB	11,555,000	5.554	641,735
100300 CCC PFA 1999A LRB	9,050,000	5.554	502,613
100300 CCC PFA 2002A LRB	6,185,000	5.554	343,499
100300 CCC PFA 2002B LRB	2,825,000	5.554	156,893
100300 CCC PFA 2003A LRB	5,065,000	5.554	281,297
100300 CCC PFA 2007A LRB	121,185,000	5.554	6,730,299
100300 CCC PFA 2007B LRB	3,655,000	5.554	202,989
100300 CCC PFA 2009A LRB	13,738,985	5.554	763,027
100300 CCC PFA 2010A-1 LRB	3,120,000	5.554	173,277
100300 CCC PFA 2010A-2 LRB	13,130,000	5.554	729,206
100300 CCC PFA 2010A-3 LRB	20,700,000	5.554	1,149,624
100300 CCC PFA 2010B LRB	11,170,000	5.554	620,353
100300 CCC PFA 2012 LRB	9,839,621	5.554	546,467
100300 CCC PFA 2015 A&B LRB	63,090,000	5.554	3,503,854
100300 CCC PFA 2017 A LRB	99,810,000	5.554	5,543,188
100300 CCC PFA 2017B LRB	100,285,000	5.554	5,569,568
400900 BART	250,836,245	5.554	13,930,792
402700 EAST BAY REGIONAL PARK BOND	53,895,650	5.554	2,993,224
402800 EAST BAY MUD DIST 1 BOND	209,701	0.053	110
421800 COP	7,350,000	100.000	7,350,000
509100 ACALANES UNION 1997 BOND	71,263,818	32.063	22,849,041
509600 ACALANES UNION 2002 & 2008 BONDS	240,537,772	32.063	77,122,690
529000 LAFAYETTE ELEMENTARY BOND 1995	20,610,000	0.175	36,053
529100 LAFAYETTE ELEMENTARY BOND 2016	30,000,000	0.175	52,479
539100 MORAGA ELEMENTARY BOND 1995	19,915,000	100.000	19,915,000
549000 ORINDA ELEMENTARY BOND	12,617,364	99.808	12,593,150
779000 WEST CONTRA COSTA UNIFIED 1998 BOND	16,595,000	0.001	86
779100 WEST CONTRA COSTA UNIFIED 2000 BOND	176,900,000	0.001	922
779200 WEST CONTRA COSTA UNIFIED 2002 BOND	342,118,910	0.001	1,782
779400 WEST CONTRA COSTA UNIFIED BOND 2005	430,460,706	0.001	2,242
779600 WEST CONTRA COSTA UNIFIED 2010 BOND	221,785,000	0.001	1,155
779700 WEST CONTRA COSTA UNIFIED 2012 BOND	211,000,000	0.001	1,099
792100 CONTRA COSTA COMMUNITY COLLEGE 2002 BOND	174,490,000	5.574	9,726,732
792200 CONTRA COSTA COMMUNITY COLLEGE 2006 BOND	291,710,000	5.574	16,261,018
792300 CONTRA COSTA COMMUNITY COLLEGE 2014 BOND	84,440,000	5.574	4,707,005
<b>Total Overlapping Tax and Assessment Debt</b>			<u><b>\$ 225,322,983</b></u>
<b>Total Direct and Overlapping Debt</b>			<u><b>\$ 248,771,316</b></u> <sup>(2)</sup>
<b>Ratios to Assessed Valuation</b>			
Combined Direct Debt		0.23%	
Total Overlapping Tax and Assessment Debt		2.22%	
Combined Total Debt		2.45%	

<sup>(1)</sup> Percentage of overlapping agency's assessed valuation located within the boundaries of the District.

<sup>(2)</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and tax allocation bonds and non-bonded capital lease obligations.

Source: HdL, Coren & Cone



## Moraga-Orinda Fire Protection District

### Legal Bonded Debt Margin

Last Ten Fiscal Years

(Thousands)

	2008	2009	2010	2011
Debt limit	\$ 271,648,434	\$ 283,324,659	\$ 294,649,434	\$ 292,105,274
Total debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 271,648,434</u>	<u>\$ 283,324,659</u>	<u>\$ 294,649,434</u>	<u>\$ 292,105,274</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%

#### Legal Debt Margin Calculation for Fiscal Year 2017

Assessed value - secured	<u>\$ 9,513,818,540</u>
Debt limit (3.75% of assessed value) (a)	356,768,195
Debt applicable to limit: None	<u>-</u>
Legal debt margin	<u>\$ 356,768,195</u>

(a) California Health and Safety Code, Section 13937 sets the debt limit at 10%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

Source: HdL, Coren & Cone

2012	2013	2014	2015	2016	2017
\$ 286,936,449	\$ 289,421,051	\$ 306,973,464	\$ 332,122,988	\$ 356,768,195	\$ -
-	-	-	-	-	-
<u>\$ 286,936,449</u>	<u>\$ 289,421,051</u>	<u>\$ 306,973,464</u>	<u>\$ 332,122,988</u>	<u>\$ 356,768,195</u>	<u>\$ -</u>
0%	0%	0%	0%	0%	



## Moraga-Orinda Fire Protection District

### Demographic and Economic Statistics

Last Ten Calendar Years

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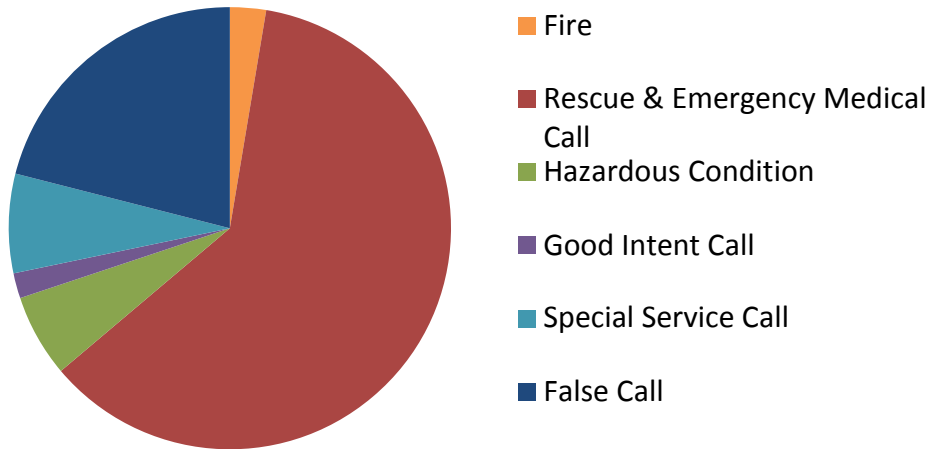
Calendar Year	Town of Moraga Population	City of Orinda Population	Total Population	Per Capita Personal Income	Personal Income (Thousands)	Unemployment Rate
2008	16,138	17,542	33,680	75,441	2,540,853	2.3%
2009	16,204	17,669	33,873	74,250	2,515,070	4.0%
2010	16,332	17,866	34,198	82,339	2,815,829	4.3%
2011	16,076	17,712	33,788	76,163	2,573,395	4.0%
2012	16,168	17,839	34,007	75,432	2,565,216	2.6%
2013	16,238	17,925	34,163	76,023	2,597,174	2.5%
2014	16,348	18,089	34,437	77,509	2,669,177	2.4%
2015	16,466	18,612	35,078	81,141	2,846,264	2.5%
2016	16,513	18,749	35,262	84,985	2,996,741	2.9%
2017	16,676	18,935	35,611	87,033	3,099,332	2.3%

Source: State of California Department of Finance, Employment Development Department



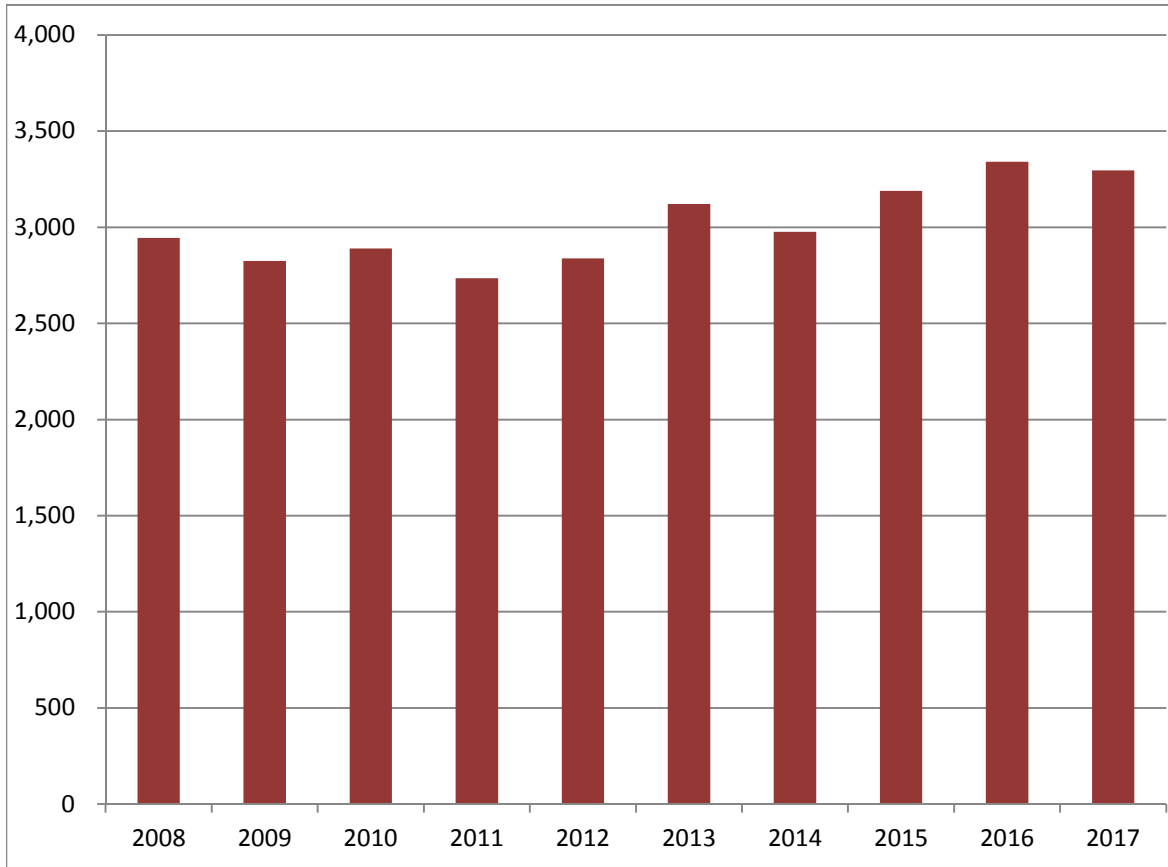
**Moraga-Orinda Fire Protection District**  
**Emergency Response Detail Analysis**  
 Fiscal Year 2016-2017

<u>Category</u>	<u>Number of Incidents</u>	<u>Percent of Total Responses</u>
Fire	87	2.6%
Rescue & Emergency Medical Call	2,017	61.2%
Hazardous Condition	199	6.0%
Good Intent Call	61	1.9%
Special Service Call	239	7.3%
False Call	693	21.0%
<b>Total</b>	<b>3,296</b>	<b>100.0%</b>





**Moraga-Orinda Fire Protection District**  
**Total Emergency Responses**  
Last Ten Fiscal Years



<u>Fiscal Year</u>	<u>Number of Emergency Responses</u>
2008	2,945
2009	2,824
2010	2,889
2011	2,735
2012	2,838
2013	3,121
2014	2,976
2015	3,189
2016	3,341
2017	3,296