



Moraga-Orinda Fire District  
**BOARD OF DIRECTORS**  
**REGULAR BOARD MEETING MINUTES**  
April 21, 2021  
(APPROVED MAY 19, 2021)

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**1. OPENING CEREMONIES**

The Board of Directors convened a teleconference Open Session at **5:00 p.m.** on **April 21, 2021**, via the Zoom application <https://us02web.zoom.us/j/84540180239>, webinar id: 84540180239 and by phone 669-900-6833. Pursuant to Executive Order N-29-20, teleconferencing restrictions of the Brown Act have been suspended. MOFD is closely following the latest Public Health Order from the Contra Costa Health Services issued on March 17, 2020. At this time, all formal public meetings will continue remotely.

President Jorgens called the meeting to order and requested an attendance roll call. Present were the following Directors and Staff:

President Jorgens	Director Donner	Gloriann Sasser, Admin. Services Director
Director Baitx	Director Jex	Jonathan Holtzman, District Council
Director Danziger	Dave Winnacker, Fire Chief	Marcia Holbrook, District Clerk

**2. PUBLIC COMMENT (audio 0:)**

President Jorgens opened Public Comment on the closed session items. There were no requests to address the Board. President Jorgens closed Public Comment.

At **5:01 p.m.**, the Board adjourned to Closed Session.

**3. CLOSED SESSION**

**3.1 Conference with Labor Negotiator**

(Government Code Section 54957.6)  
Agency Designated Rep: Donna Williamson  
Employee Organization: Employee Organization:  
Local 1230, International Association of Firefighters IAFF

**3.2 Conference with Labor Negotiator**

(Government Code Section 54957.6)  
Agency Designated Rep: Jonathan Holtzman  
Employee Organization: Unrepresented Employees

**3.3 Conference with Labor Negotiator**

(Government Code Section 54957.6)  
Agency Designated Rep: Donna Williamson  
Employee Organization: Moraga-Orinda Fire Chief  
Officers' Association

**4. RECONVENE THE MEETING (audio 0:10)**

**4.1 Call the Meeting to Order**

**4.2 Roll Call**

President Jorgens reconvened the Moraga-Orinda Fire District Board of Directors' regular business meeting at **7:00 p.m.** and requested an attendance roll call. Present were the following Directors and Staff:

President Jorgens	Director Jex	Jonathan Holtzman, District Council
Director Baitx	Dave Winnacker, Fire Chief	Mariam Morley, District Council
Director Danziger	Gloriann Sasser, Admin. Services Director	Marcia Holbrook, District Clerk
Director Donner	Jeff Isaacs, Fire Marshal	

**5. REPORT OF CLOSED SESSION ACTION (audio 0:50)**

President Jorgens stated that the Board took no reportable action on agenda items 3.1-3.3.

**6. PUBLIC COMMENT - ITEMS NOT ON THE AGENDA (audio 0:57 )**

Mark, a Moraga resident, expressed concern that the fire hydrants in Moraga and Orinda are not being inspected annually. Mark requested MOFD take the lead on the annual fire hydrant inspections and proposed forming a small group to include members of MOFD, the Moraga Town Council, and residents.

Jonathan Goodwin, a Canyon resident, thanked the MOFD for the fuel mitigation work. Mr. Goodwin stated that he is unable to locate the fire code on the website. Mr. Goodwin commented on Fire Chief Winnacker's statements made during the March 17, 2021, public hearing and felt it was prejudicial testimony against the appellant.

Steve Woehleke, a Moraga resident, shared his concerns regarding fire hydrants and replacement due to age with two-by-four inch bib hydrants. Mr. Woehleke acknowledged that EBMUD owns the fire hydrant system but stated MOFD has certain oversight authority.

Director Danziger requested that the fire hydrant discussion be placed on the future agenda.

**There were no further requests to address the Board. President Jorgens closed public comment.**

**7. PUBLIC HEARING (audio 13:54)**

**7.1 Public Hearing on First Reading of Ordinance 21-01 adopting the Administrative Citation Program**

Fire Marshal Isaacs provided the report. The District is empowered to provide fire protection services and enforce violations of the California Fire Code, California Health and Safety Code, California Code of Regulations, Government Code, and all District Ordinances. Ordinance 21-01 provides for Administrative Citations, which are in addition to all other legal remedies, criminal or civil, that the District may pursue to address a violation of the Code or other public nuisances. A pre-citation notice will be issued before issuing a citation unless there is an immediate threat to health or safety. The Board will also function as the hearing officer for any challenges to citations and fines. District Council Holtzman introduced Mariam Morley, Of Counsel, to Renne Public Law Group, who drafted and researched the Citation Ordinance.

Director Danziger asked if the Citation Ordinance was based on ordinances from other local jurisdictions and how the fines were determined. District Council Morley stated that Council reviewed three Fire Protection Districts and City ordinances for Administrative Citations. District Council Morley explained that the fines were determined by State law. Fire Marshal Isaacs directed to set the penalty amounts as infractions, which was a policy decision. The Board could increase the penalty amounts if the violations were treated as misdemeanors. District Council Holtzman added that the District has a generous policy of inspection and re-inspection. The idea is to have a coercive approach when the District has already given many opportunities to comply. In addition, there are provisions of the Fire Code that do not lead to abatement, and the District currently has no citation authority in those situations. The Citation Ordinance creates an opportunity to achieve cooperation with the other Fire Code provisions.

Director Donner supported the Citation Ordinance. Fire Marshal Isaacs explained situations where the violations are outside Chapter 3, and the District has no mechanism to gain that compliance. Issuing a pre-citation that gives 15 days to fix the violation or a \$100 penalty for a first violation will be helpful.

Director Danziger asked for an example of when a Citation would be issued. Fire Marshal Isaacs shared that a business in the jurisdiction painted over the Fire Department Connection (FCD) sign that directs the engine companies for connecting to the fire sprinkler system in the building. The District issued the violation of the fire code and, after 60 days, the violation had not been corrected.

Fire Chief Winnacker pointed out that it comes down to a business or property owner being aware of the violation and is choosing not to comply with the notice. The Citation Ordinance is another enforcement tool to achieve compliance in circumstances where the amount of work needed is relatively minor. The Citation is a viable alternative to lien-funded work.

President Jorgens asked why the Administrative Citation has a 15-day cure period versus 30 days for abatement violation notices. Fire Marshal Isaacs answered that the Pre-citation notice is similar to the 15-day Notice to Abate. Fire Marshal Isaacs explained that the District would issue the required 30-day assessment for Chapter 3 violations. After the 30-day assessment notice, Staff would determine if a Notice to Abate or Pre-citation should be issued. Both avenues give an additional 15-days to comply.

Director Jex asked how the District becomes aware of the violations. Fire Chief Winnacker answered citizen complaints and during the annual inspections.

President Jorgens asked if the Citation Ordinance gave MOFD authority to go on private property without permission. Fire Chief Winnacker answered that it does not give authority. The Citation would eliminate the need to go on private property. If the District determined there was a need to perform work on private property, Staff would obtain the required warrant.

Director Danziger asked if the Citation Ordinance would require property owners to be liable for both the abatement costs and citation fine. Fire Chief Winnacker answered that a Citation or Order to Abate would be issued, but not both. President Jorgens asked if the decision is subjective. Fire Chief Winnacker explained it would be challenging to write an exhaustive list of every possible scenario and stated that the Citation is appropriate for minor violations and situations where District-funded work is either not appropriate or impossible.

**President Jorgens opened the Public Hearing. There were no requests to address the Board. President Jorgens closed the Public Hearing. No further discussion by the Board.**

**Motion by Director Danziger and seconded by Director Jex to introduce and waive the first reading of Ordinance 21-01 An Ordinance of the Moraga-Orinda Fire District of Contra Costa County**

**Adopting the Administrative Citation Program. Said motion carried 5-0 roll call vote (Ayes: Baitx, Danziger, Donner, Jex, and Jorgens; Noes: None; Absent: None; Abstain: None).**

**8. CONSENT AGENDA (audio 31:40)**

**8.1 Meeting Minutes – March 17, 2021 (Regular), March 17, 2021 (Special), March 30, 2021 (Special), and April 7, 2021 (Special).** Staff Recommendation: Approve and File

**8.2 Monthly Incident Report – March 2021.** Staff Recommendation: Approve and File

**8.3 Monthly Check/Voucher Register – March 2021.** Staff Recommendation: Approve and File

**8.4 Monthly Financial Report – March 2021.** Staff Recommendation: Approve and File

**President Jorgens opened Public Comment. There were no requests to address the Board. President Jorgens closed Public Comment. No discussion by the Board.**

**Motion by Director Jex and seconded by Director Danziger to approve Consent Agenda items 8.1 through 8.4. Said motion carried 5-0 roll call vote (Ayes: Baitx, Danziger, Donner, Jex, and Jorgens; Noes: None; Absent: None; Abstain: None).**

**9. REGULAR AGENDA**

**9.1 Long Range Financial Forecast April 2021 (audio 32:50)**

Administrative Services Director Sasser provided the report and shared a PowerPoint presentation, attached to these minutes, item 9.1 Attachment A. Staff prepared an updated Long Range Financial Forecast (LRFF) based on input from the March 17, 2021, public workshop. The update was published on the District's website. Administrative Services Director Sasser presented three scenarios:

1. Scenario A – Illustrates issuing debt for the Station 41/Administration building rebuild. Under this scenario, MOFD could build the new fire station and administration building in FY2022.
2. Scenario B – Illustrates paying cash for the Project using fire flow tax money – projected the District would accumulate enough money for this Project by the FY2031. MOFD could build the new fire station ten years from now under this scenario.
3. Scenario C – Illustrates paying cash for the Project using both fire flow tax money and the property tax revenue previously used to pay for the pension obligation bonds. Under this scenario, it is projected that the District would have enough money for the architectural design to occur in the FY2022, and the actual construction could occur in FY2024.

District Council Holtzman introduced Adam Benson with the Renne Public Law Group, who provided an analysis of the LRFF with a focus on the assumptions used by the District. Mr. Benson presented a PowerPoint presentation, attached to these minutes, Item 9.1 Attachment B. Mr. Benson started with a review of the revenue forecast and stated that 94% of FY 2021-22 projected General Fund revenues are derived from Property Taxes, a single source revenue that makes up the vast majority of the budget. The Property tax revenue provides a relatively stable revenue source, even during severe periods of economic contraction. Other revenues (linked to service delivery) such as ambulance fees and services are reasonably lowered in the forecast based upon current expectations, with moderate (CPI) based adjustment in the outer years.

Mr. Benson discussed the property tax revenues and identified three years of negative growth (FY 2008, 2012, and 2013). During that time, the impact of the great recession took about 12 to 18 months for assessed home values to reach the property tax rolls. Mr. Benson explained that the compound annual growth rate for property taxes over 15 years is 4.4%, the ten-year rate is 4.9%, and the 5-year period is 5.9%. Mr. Benson does not expect the short-term growth experience going forward. Mr. Benson shared a comparison of the property tax data against the information provided by HDL, the District's outside property tax consultant. The data was consistent with Mr. Benson's analysis which showed a 4.3% growth rate variable over the five-year horizon. Mr. Benson concluded that the District's numbers in the property tax line item in the five-year forecast at 3% are reasonable and on the conservative side. Mr. Benson reiterated that the property tax data is consistent with the HDL data and with the data included in the LRFF. The HDL analysis also looked at normal increases in assessed valuations. Proposition 13 restricts year-over-year growth and assessed valuation at the CPI rate. Historically, the assessed valuation on a property tax bill would increase 2%/year. The current year CPI is lower than the State Department of Finance which has recommended a 1.03% natural growth rate. The HDL analysis also considered growth due to property turnover.

Mr. Benson stated that MOFD is structurally balanced with ongoing revenues equaling or exceeding ongoing expenditures. MOFD has a healthy unassigned fund balance but short of the 50% goal in reserves and will not achieve that goal at any point during the five-year forecast. Mr. Benson has seen some Special Districts have a significantly higher fund balance than the Government Finance Officers Association

(GFOA) recommendation. The GFOA recommends that each entity evaluate its unique financial circumstances and develop a policy for unassigned fund balances. The GFOA recommendation is two months of reserves or 16-17%. MOFD's policy to build reserves is particularly important given the reliance on a single source of revenue.

Mr. Benson explained that personnel costs make up a significant majority of overall expenditures. Personnel costs have been increasing predominantly due to double-digit growth in pension expenses and expenses related to other employee benefits. The growth rates have far exceeded CPI and other post-employment benefits or retiree medical benefits. The LRFF has captured the likely scenario that will occur over the multi-year forecast horizon. The other cost is wage growth and is reflected at 3% and consistent with historical practices. Wage growth is difficult to forecast because it is subject to the negotiation process. Health care is accurately captured.

Mr. Benson commented that there could be some slightly higher than forecast changes in the OPEB costs due to missed actuarial assumptions (people live longer). Mr. Benson recommended looking at increasing the OPEB expense line in the out years. Mr. Benson expressed that he did not think it would be significant and change the overall forecast. The change would be within a \$50K or less than \$100,000 potential increase overall. Mr. Benson commended the LRFF for fully funding the pension and OPEB annual required contribution. Mr. Benson praised the District for establishing an OPEB trust fund to cover long-term liabilities and stated that many California agencies fund OPEB on a pay-go basis.

Director Jex commented that the GFOA recommendation of two to three months of reserve would not cover expenses and require the District to borrow money. The 50% goal for the District is to prevent the need to borrow money to operate. Mr. Benson clarified that the GFOA recommendation is based on the unassigned fund balance at the end of a fiscal year, and short-term cash flow needs are not considered. The 50% reserve puts MOFD in a position to not need a tax revenue anticipation note or any short-term borrowing to cover gaps due to timing.

Mr. Benson reviewed the three different scenarios presented to the Board. President Jorgens expressed reservations about issuing debt and suggested building a fund to afford the expense. Mr. Benson stated that Option B uses the fire flow tax to build up a balance over a long-term period, and Option C uses fire flow tax and the previous POB money. Building up \$10-12M dollars in a short period might place pressure on the District's finances. Mr. Benson reviewed the pros and cons for each of the Options but did not provide a recommendation.

**Option A**

- Issue Debt for Station 41/Administration Rebuild

**Pros**

- Timing – Infrastructure delivered when needed
- Spreads cost over the useful life of the asset (can be 30, 25, 15-year bond)
- Increases capacity to invest in infrastructure (if needed)
- Beneficiaries of the capital project share in the cost (inter-generational taxpayer equity)

**Cons**

- Interest cost
- Debt payments limit budgetary flexibility in the future.

**Option B**

- Pay Cash for Station 41/Administration Rebuild Using Fire Flow Tax

**Option C**

- Pay Cash for Station 41/Administration Rebuild Using Fire Flow Tax and Previous Pension Obligation Bond Money

**Pros**

- Interest savings
- Avoid the risk of default (low)
- Future funds are not tied up to service debt

**Cons**

- Long wait time for capital project (particularly in Option B)
- Exhausts capital funds
- Reduces available unassigned fund balance
- Inflation risk (future cost increases)
- May need to expend resources in the short-term to keep the asset in use.

Mr. Benson concluded that MOFD has reasonable revenue and expenditure projections given the uncertainty in the broader economy. The District has a strong adherence to the best practices in financial management evidenced by the healthy reserve and the long-term reserve goal of 50%. The budget is structurally balanced and reserves funds for long-term liabilities. The scenarios are all reasonable options. Mr. Benson commented that an independent analysis would have determined the same three scenarios.

Mr. Benson stated that Option B has more drawbacks due to the time it takes to build sufficient assets, but it is certainly something MOFD may want to incorporate into plans. There is an inherent risk in Option C because it reduces the District's projected unassigned fund balance. Mr. Benson recommended that the

Board balance capital assets needs with the need for future financial flexibility. Mr. Benson recommended that the Board consider looking at some additional scenarios that model out an economic contraction. As an example, what if revenues do not come in at the 3% that were analyzed. Mr. Benson suggested looking at some expense testing on the pensions to see what happens if the equity market does not perform at the discount rate currently included in the actuarial report.

President Jorgens suggested an option, instead of rebuilding Station 41 next year, wait a year or a year and a half to reduce the pressure on the general fund balances. Mr. Benson stated that delay comes with the risk of having more maintenance costs and risks of litigation. The longer the delay could result in short-term incurred costs. If there is an aversion to debt among the Board then delaying is an option. Director Danziger added that the interest rates are at historically low levels, and it is unknown what future rates will be in a year or two. Mr. Benson stated that if MOFD will issue debt, now is a good time to take advantage of the low-interest rates.

Director Baitx commented that MOFD delayed the capital project of Station 41 last year and asked if the need for a new station is sooner rather than later. Fire Chief Winnacker confirmed and stated that the District built the station when MOFD did not have as many members, and there were no women in the fire service. The station requires replacement, but there is nothing urgent about our ability to respond at the station today. Fire Chief Winnacker stated there is a risk given the station's age and possible failure of major systems. Other risk factors include a single shared bathroom facility for five members and the potential of a co-ed crew.

Director Danziger commented that Station 45 needs some significant renovations and upgrades and asked if it was possible to put the two projects together for one package. Fire Chief Winnacker responded that the District could not run two capital projects simultaneously. Director Danziger asked if it was because it would put both stations temporarily out of service. Fire Chief Winnacker answered that the Stations would continue to operate and provide around-the-clock service as required. Depending on the scale of the repair, upgrade, or rebuilding, alternate facilities would need to be developed.

Director Jex commented that the assumption was that MOFD would look for land but was not aware if the District has acquired land or has decided what would be done with the existing site or determined the value if sold. Fire Chief Winnacker answered that real estate negotiations are a closed session item.

Fire Chief Winnacker discussed the property tax revenue and stated that the +4.27% calculated for the next year is the actual assessment and not a projection. Fire Chief Winnacker stated that the subsequent year of +2% was from last year's Board direction during a time with a tremendous amount of uncertainty regarding the COVID pandemic. President Jorgens responded that the +2% is just that one year, and then it is +3.5% thereafter. Fire Chief Winnacker confirmed. President Jorgens stated that the Board discussed not forecasting the HDL percentages due to 6 years of all positive and above-average numbers. The Board used a lower number than the average rather than use predictions from a particular year when things might take a downturn. The Board lowered the overall forecast.

Director Danziger asked if the Board would be able to go through the numbers on each of the scenarios presented. Fire Chief Winnacker answered that the Board's direction was to provide scenarios. With Board direction, Mr. Benson could provide additional modeling. The three scenarios presented are intended to be at the macro level. With Board direction on the presented scenarios, Staff can place the projects on the LRFF and Capital Improvement Plan and subsequently plan based on the availability of funds.

Director Danziger supported proceeding with Scenario A and requested including a timeframe on Stations 41 and 45. Director Danziger did not support using Scenario B or C.

Director Donner supported Scenario A due to the current low-interest rates. Director Donner stated that it would be prudent for the District to go with Scenario A.

Director Danziger asked if it was possible to place a down payment on Scenario A. Fire Chief Winnacker confirmed and stated that the District could structure the debt to borrow what is needed. If the Board directed to make the funds available, then MOFD would decide what funds are needed and borrow the delta between the cash available on hand and costs projected. Fire Chief Winnacker added that the District could include details of early payoff in the loan.

Director Baitx supported Scenario A for rebuilding Station 41.

President Jorgens opposed Scenario B due to the ten-year waiting period. President Jorgens supported a modified Scenario C, subject to closed session negotiations about the land. President Jorgens stated that the Project's planning would take a couple of years and suggested the District could fund the Project out of

general funds. President Jorgens suggested the Board evaluate funding of the Project if it is delayed by a year using cash flows and general fund balances or a combination of funding and a smaller amount of debt. Director Baitx opposed the suggestion since the District is going through negotiations and does not want any money earmarked toward the station. Director Baitx supports issuing debt with Scenario A.

Director Jex expressed that the District has been burdened with \$28M of debt, which restricted the District's ability to plan and prepare for future items. The Board needs to resolve issues regarding what the District can pledge and how much the District can borrow. The District has assets that the Board needs to consider in advance of making the decision. President Jorgens suggested placing the scenarios on the next agenda after a closed session discussion on the real estate precursors. Director Jex stated that knowing the value of Station 41 will impact the amount the District borrows. District Council Holtzman suggested placing the topic on a later meeting or forming an ad hoc committee to talk through the options and gather additional facts and variables that allow other approaches to be considered by the Board. District Council Holtzman reminded the Board that the LRFF is an advisory document where the Board provides input and does not require adoption.

Fire Chief Winnacker added that discussions regarding acquiring land and disposing of 41 require an understanding that the District is committed to moving forward with the Project as it pertains to potential discussions with partners. Fire Chief Winnacker stated that it would be helpful to understand the Board's direction concerning the funding mechanism and other scenarios that the Board would consider. Fire Chief Winnacker requested that the Board provide direction to determine the planning time horizon impacting the current Partners. District Council Holtzman stated that one challenge is that a majority of the Board is sufficient to give direction on the LRFF, but it takes 4 out of 5 members to issue a bond. President Jorgens reiterated placing the item on the closed session agenda so the Board can discuss the information. Fire Chief Winnacker reviewed that the information previously shared with the Station 41 Ad Hoc committee and with the Board in closed session was almost two years ago. That information shared is primarily unchanged, and the partner remains the same. Director Danziger agreed to add the item to a closed session agenda. President Jorgens stated that the guidance is to have a precursor closed session meeting and then place the modified scenarios on the next regular meeting agenda. Directors Baitx, Danziger, Donner, and Jex agreed.

**President Jorgens opened public comment. There were no requests to address the Board. President Jorgens closed public comment.** No further discussion by the Board.

**9.2 Quarter Three Financial Update and Budget Review FY2021 (audio 89:08)**

Administrative Services Director Sasser provided the report and shared a PowerPoint presentation (attached to these minutes – Item 9.2 attachment A). ASD Sasser stated that when the District prepared the current FY budget last spring, the District did not know how the economic effects of the pandemic would impact the District's finances. As a result, the District followed the recommendation of the GFOA and adopted a conservative budget. The original budget adopted in June 2020 projected a deficit of \$1.5M. The actuals through the third quarter show a General Fund surplus of \$571K. The surplus includes one-time money from the North Orinda Shaded Fuel Break of \$447K. ASD reviewed the quarter three financial revenues and expenditures through March 31, 2021.

<u>Revenue – Exceed budget \$124K</u>	<u>Expenditures – Less than budget \$887K</u>
<ul style="list-style-type: none"> <li>• Property tax revenue is projected to exceed the budget at \$8K.</li> <li>• Strike team revenue is budgeted at \$3M and projected to be under budget (\$337K). The actual projection is \$2,663,000.</li> <li>• Ambulance revenue is projected to exceed budget \$2K.</li> <li>• Plan review revenue is projected to exceed budget \$53K due to continued development in Wilder.</li> <li>• The transfer from the Fuel Break Fund will exceed budget \$447K</li> </ul>	<ul style="list-style-type: none"> <li>• Salaries are projected less than budget \$15K</li> <li>• Strike team overtime costs, which correlated with revenue and projected less than budget \$300K.</li> <li>• Staffing overtime and retirement costs projected less than budget \$36K.</li> <li>• The OPEB contribution is less than budget \$144K - actual contribution was made based on the most recent actuarial valuation amount.</li> <li>• Services/supplies expenditures projected less than budget \$183K - savings in the COVID and Fire Chief contingency budget.</li> </ul>

Director Jex asked if the published financial statements will reflect the Orinda Shaded Fuel Break income as a transfer between funds and not as revenue. ASD Sasser confirmed.

ASD Sasser reviewed that general fund revenue is trending higher than budgeted and higher than the prior year. General fund expenditures are trending above budget and higher than the prior year. Ambulance revenue and transports are lower than the prior year; however, March 2021 transports have exceeded March 2020 transports. Ambulance revenue is trending less than last year but more than the budget. ASD reviewed both strike team revenue and overtime expense. The surplus from strike team activity has gone

into the General Fund over the last five years. FY2021 is the highest amount and projected at \$550K. The District received cash inflow in December 2020 but had significant cash outflow for strike team overtime. The District began to receive reimbursement for strike team overtime in January 2021. The Teeter plan was utilized in early December for \$400K. The March 2021 cash balance decreased significantly due to the pension and OPEB trust contributions to PARS in the amount of \$1,894,000. The District started the FY with \$9.6M in the general fund/unrestricted fund balance. The fund balance is projected to increase to \$10,188,000. The District's fund balance policy states that the District will maintain a minimum unrestricted fund balance in the general fund of at least 17% of budgeted general fund revenue with a goal of 50%. It is projected that the fund balance will be 36.5% at fiscal year-end.

COVID-19 expenditures for FY2021 are budgeted at \$150K. The District has spent \$24K through the third quarter. The Capital Projects Fund has a projected surplus of \$220K, the Debt Service Fund has a projected surplus of \$260K, and the North Orinda Emergency Fuel Break Fund balance transfer to General Fund is \$446K. ASD Sasser reported nothing significant to report regarding the District's other three funds. Actual results in these three funds are trending appropriately.

ASD Sasser reviewed that Staff has provided three financial updates this fiscal year. The final update will be presented at the end of the FY at the August board meeting. ASD Sasser requested board direction regarding future quarterly financial updates in the next fiscal year. The Board expressed appreciation for the quarterly financial updates and requested they continue in the next fiscal year.

**President Jorgens opened public comment. There were no requests to address the Board. President Jorgens to closed public comment.** No further discussion by the Board.

### **9.3 Public Budget Workshop - Development of Annual Operating Budget FY2022 and Board Direction Regarding the Draft Budget, Additional General Fund Property Tax Revenue, General Fund Discretionary Expenditure Budget and Capital Projects Fund Expenditure Budget (audio 99:22)**

Fire Chief Winnacker announced that the public budget workshop was intended for the Board to receive public input and a time for the public to engage and for the Board to provide direction from which Staff will take and refine the budget based on the direction provided by the output of this meeting. Administrative Services Director Sasser gave a PowerPoint presentation on the proposed budget, attached to these minutes, Item 9.3, Attachment A. The proposed budget was presented for detailed review, discussion, and input from the Board and members of the public. The proposed budget is scheduled for additional Board discussion and input at the May meeting and adoption at the June meeting. The California Government Code requires the Board to adopt a budget by October 1, 2021.

The draft budget includes General Fund revenue of \$28.7M, General Fund expenditures of \$28M, and a budget surplus of \$752K. Total General Fund revenue is projected to increase \$661K. Total District property tax revenue (which is the most important revenue source) is projected to increase 4.24% based on estimates provided by HdL. Property tax revenue in the General Fund is projected to increase 14.2% because \$2.2M property tax revenue that previously was required to pay for the Pension Obligation Bonds, which will now go into the General Fund. Ambulance revenue is projected to increase 2% based on a fee increase. Plan review fees are projected to decrease based on conservative estimates for plan review fees and weed abatement charges. Finally, intergovernmental revenue is projected to decrease due to the completion of the SAFER grant. Total General Fund expenditures are budgeted to be \$27.9M. Salaries and benefits expenditures are \$25.1M. This is based on the current salary schedule. An OPEB contribution is included in the full annual required contribution of \$435K. A Pension Rate Stabilization Trust contribution is included at \$2.4M, the full amount at a 6.25% discount rate. Operating Expenditures of \$2.8M reflect a 4% increase over the current year. Director Jorgens asked if this was the first year of the LRFF. ASD Sasser confirmed.

ASD Sasser explained that the increase in expenditures in 2021 is primarily due to two factors: Full contributions to the pension and OPEB trusts totaling \$1.9M and an increase in Strike Team overtime which was \$2.1M. (2021 strike team expenditures \$2,113,942, Revenue projected \$2,663,000. Net \$550K.). Authorized FTE positions include, Board: 5.00, Finance: 4.10, Human Resources: 1.25, Information Technology: 0.25, Emergency Operations: 61.00, Fire Prevention: 1.00, Fuels Mitigation: 4.00, Emergency Preparedness: 1.00 for a Total: 77.6 (same number of positions as the prior year). The draft Budget includes funding for 57 safety positions using the existing salary schedule. Fire Chief Winnacker noted that the budget includes Staffing 57 Safety members. The District currently has five vacancies. The District does not plan to fill those vacancies at the current moment, and the constant staffing level is at 51 (17 per day), with no over-hires or vacation relief. There will be a saving in planned pay and benefits for members increased overtime to fill the vacancies that the vacation relief staff would have filled. Fire Chief Winnacker pointed out that the overtime rate is lower than a fully burdened member by 25%. There will be an increase

in overtime and a decrease in salary and benefits from the current projections based on the authorized strength of 57. Due to these savings, a slight increase in available funds in the unrestricted reserve will occur by the end of the fiscal year.

President Jorgens asked how the employees feel about the situation. Fire Chief Winnacker answered that it had been developed as a collaborative approach that best fits the current environment.

Director Jex asked if the reason the positions are not being filled is that they are not available. Fire Chief Winnacker answered there are some legacy reasons why the safety roster was increased to 57. This is not a great time to compete for firefighters because everybody is hiring, and Staff has established over the last year the impacts of a busy fire season, the impacts in the offseason, and determined Constant Staffing is a good fit for our deployment model, combined with the current hiring environment. Director Jex asked how many of those positions were from retirement. Fire Chief Winnacker answered that there had been very few departures. Janet Brandi just retired and two people the previous year.

ASD Sasser continued to review that many of the District's expenditures are required based on contractual, operational or legal requirements. The non-discretionary expenditures are salaries and benefits for Suppression Staff: \$18,418,849, salaries and benefits for Administration staff: \$1,146,489, Worker's compensation insurance: \$1,033,239, Retiree health insurance: \$876K, Unemployment insurance: \$11K, Operating Expenses: \$2,625,450, for a Total non-discretionary: \$24.1M. Some expenditures are not mandatory, however represent a continuation of effort. Pension rate stabilization trust contribution: \$2,362,470, Salaries and benefits - Fuels Mitigation staff: \$481,000, OPEB trust contribution: \$434,528, Emergency Preparedness/CERT: \$277,337, Fuels mitigation operating expenses: \$100,000, Fire chief contingency: \$100,000, Discretionary training: \$35,000, Fire station furniture: \$12,000, Exercise equipment: \$8,000, GIS mapping: \$5,000, Hat badges: \$4,700, for a Total discretionary: \$3.8M.

The draft budget includes the Capital Projects Chipper and Truck: \$180,000, Capital Outlay - LifePak 15 Monitor 2x: \$80,000, Capital Outlay - Oxygen Generator and Fill Station: \$65,000, Capital Outlay - Utility Pickup : \$55,000, Capital Outlay - E-43 Hurst Extrication Tools: \$38,000, Station 44 Landscaping: \$20,000, Station 44 - Paint Exterior Trim: \$7,000, Station 44 - Treadmill & Elliptical Machine: \$5,900, for a total of \$451K. The draft budget does not include any money for the Station 41/Administration rebuild project to upgrade Station 45, pending Board direction. Board direction is requested regarding the draft Budget, which will be brought back to the Board at the May board meeting. Staff requested direction regarding available property tax revenue, the discretionary expenditure budget, and Station 41/Administration rebuild, capital projects, and any other draft budget changes the Board would like implemented.

**President Jorgens opened the public workshop. There were no requests to address the Board. President Jorgens left the workshop open for future comments.**

Director Baitx asked for more explanation on the proposed expenditures for the Capital Projects Fund. Fire Chief Winnacker reviewed each item.

1. Chipper and Truck: The Board previously authorized leasing a chipper and truck. The current lease costs approximately \$10,000 a month. The cost represents two years of leasing. If the Board continues with the Chipper program, Fire Chief Winnacker recommended purchasing the truck and chipper.
2. Capital Outlay - LifePak 15 Monitor 2x & Oxygen Generator and Fill Station: The LifePak and Oxygen Generator Fill Station is associated with the ALS care provision. These items have a limited service life.
3. Capital Outlay - Utility Pickup: The utility pickup truck provides our members with reliable and uniform vehicles. The alternative is to rent, and renting comes with challenges when considering the financial element and lack of availability to rent the utility truck, particularly during fire season. The four-wheel-drive utility vehicle is designed for the environment, and the airport rental four-wheel-drive vehicle is often not appropriate for fireline service. Fire Chief Winnacker explained that the District intends to continue participating in out-of-county deployments for the gained experience as our members learn about megafires. When our District experiences that once-in-a-career large fire, it will not be the first time our members have seen a fast-moving large-scale fire because they will have experienced it firsthand. When the members gain valuable experience and training, MOFD receives OES reimbursement for their time, vehicle, and administrative fee. When MOFD deploys a member in a district vehicle, the District is reimbursed at approximately \$105 a day. The cost of the vehicle is recouped over time. In addition, the vehicles hold value in the ability to move people and equipment while executing prescribed fire in the District.
4. Capital Outlay - E-43 Hurst Extrication Tools: The Hurst extrication tool has evolved from the original "jaws of life." The size and the mobility and hydraulics along with battery-power have improved. This item will be replacing the one on engine 43, which is a rescue rig and runs on the freeway regularly.

5. Station 44 Landscaping: The landscaping at station 44 does not meet fire code requirements. Fire Chief Winnacker reviewed options to have the members go out and do mature landscaping. Fire Chief Winnacker recommended having the landscaping done professionally due to the station's visibility and have it serve as an example for the community.
6. Station 44 - Paint Exterior Trim: preventive Maintenance regarding painting the trim. A couple of gallons of paint now will save us major work down the road and it is recommended as part of our preventive maintenance program.
7. Station 44 - Treadmill & Elliptical Machine: The treadmill and elliptical machines at station 44 have reached the end of their service life.

Director Jex asked if the last three items should be reclassified as an operational expense and not listed as a capital expense. President Jorgens agreed. ASD Sasser answered that the capital policy states that the threshold for Capital projects is \$5K and above for the item to capitalize. The Station 44 landscaping is going to be a significant project. The painting and the treadmill could get moved to the general fund if that is the Board's direction.

Mark McCullah, requested that the Board defer the projects until negotiations have concluded.

Director Danziger supported the items listed in the proposed expenditures capital projects fund. President Jorgens agreed.

Director Jex asked how long the District has been leasing the chipper and truck and the option to buy. Fire Chief Winnacker answered for seven to eight months with no purchasing option. President Jorgens asked if it was possible to purchase the chipper and truck used. Fire Chief Winnacker answered possibly but explained that Staff is also considering a chipper that is designed for push versus pull that utilizes machinery to load the chipper. This design would increase the efficiency of the Chipping Crew. Director Jex asked if there was a schedule to place an order. Fire Chief Winnacker explained that the utility truck is purchased off the GSA schedule, which has a delay. Items 1, 2, 3, 4 & 5 are relatively specialized with some time delay, but none of them are particularly time-sensitive.

Director Danziger asked questions on the landscaping for station 44 and the fire code. Fire Chief Winnacker answered that landscaping would provide an opportunity to install fire-resistant, drought-tolerant landscaping and serve as an example for citizens passing by the station. President Jorgens asked if the other stations meet the Fire Code. Fire Chief Winnacker answered that Station 42 does not, but it is a resolvable problem.

Baitx asked if any of the items on the list were pressing. Fire Chief Winnacker answered that the LifePaks and Extrication tools are. Director Baitx supported the LifePaks and Extrication tools and deferring the other items for a couple of months due to negotiations. Fire Chief Winnacker recommended the Board pass the Annual Budget without the intention to modify the adopted budget in August.

President Jorgens asked if the alternative for the chipper and truck is to rent versus buy. Fire Chief Winnacker confirmed and stated that if the Board's direction is to continue renting, Staff could continue to lease at \$10,000/month. Director Donner asked about the balance of the current lease. Fire Chief Winnacker answered one and a half months. Director Donner asked if it was possible to have a month-by-month lease. Fire Chief Winnacker confirmed.

Director Jex asked if it would be better to authorize the LifePak and Extraction tools now rather than waiting for the approved budget. Fire Chief Winnacker stated that the current items could wait for the approved budget.

Director Danziger asked about the Emergency Preparedness/CERT program and if the \$277K represented MOFD's contribution to the program. Fire Chief Winnacker answered that Lafayette gives \$9K towards the program. Director Danziger requested to know more about what the \$277K brings to the District. Fire Chief Winnacker answered that the \$277K includes the cost of the Emergency Preparedness Manager and all other things that go into the CERT program. President Jorgens added that the Emergency Preparedness Manager also included all of the evacuation plans and more.

Director Danziger asked why the exercise equipment is listed on the Discretionary/Continuation of Effort list versus the Capital Projects Fund. Fire Chief Winnacker explained that the Discretionary/Continuation of Effort list items is less than \$5K for each item. Director Danziger asked for an explanation for the Hat badges. Fire Chief Winnacker explained that the badges are required for the class A uniform. President Jorgens asked about the \$1K for gutter cleaning and suggested installing gutter guards as a capital expenditure. Fire Chief Winnacker responded that Staff is currently working on quotes.

Fire Chief Winnacker stated that the direction from the Board is understood for the Monitors and Extrication tools and asked for clarification on the remaining Capital Projects expenditures. President Jorgens

answered that the Board would discuss the remaining Capital Projects expenditures at the May board meeting.

**There were no further requests to address the Board.** No further discussion by the Board.

#### 9.4 **City of Orinda Chipping Program (audio 134:20)**

Fire Chief Winnacker provided the report. As a result of increased public awareness following the major fires of the last three years, MOFD has aggressively worked with the community to decrease wildfire risk. In 2020 Orinda voters passed Measure R with a portion of the funds allocated to fire risk reduction. The City of Orinda is in the process of purchasing a chipper and truck with an estimated delivery later this spring. Fire Chief Winnacker presented three options for Board consideration. Option one, hire two additional MOFD Fuel Mitigation Specialists. Option two, MOFD contracts for third-party staffing, and option three, the City of Orinda, provides the staffing via an existing contract with MCE or a third party. The City of Orinda will be responsible for all costs associated with the Chipping service and has recommended that MOFD not charge an overhead or administrative fee. The use of the Crew and equipment would be limited to the City of Orinda. The District would submit quarterly performance reports. If the Board's direction is to pursue staffing option 3, sections 1.3 in attachment A and section G would require amendment. Staff requested direction regarding staffing and recommended approving entering into a contract to provide chipping services to the City of Orinda.

#### **President Jorgens opened Public Comment.**

Jonathan Goodwin, Canyon resident, expressed disappointment that resources would be going to the City of Orinda Chipper program and that the Project is only available to people in Orinda.

#### **There were no further requests to address the Board. President Jorgens closed Public Comment.**

Danziger asked if the District would designate the Orinda Chipper to Orinda residents and establish a tracking system to ensure that MOFD resources go to the entire community. Fire Chief Winnacker explained that the Chippers would be marked with identifiers and assigned using the current methodology. President Jorgens commented that the City of Orinda also wants to ensure that the Chipper program continues to be equally proportioned and that the City of Orinda's Chipper program is a supplemental program. Director Danziger asked if the requirements for using the City of Orinda Chipper and the MOFD chipper be identical. Fire Chief Winnacker confirmed.

Director Donner asked if the District will suspend the chipping program as Staff enters into enforcement season and compliance. Fire Chief Winnacker confirmed. The contract services that the Board approved at the April 7, 2021 meeting will continue to run until the funds are spent. Director Donner inquired if there would be any negative impact on Staff's performance by taking on Orinda's Chipping program. Fire Chief Winnacker answered no that the efficiency of running a single program is currently established and adding a Chipper within the already developed system is the same.

Director Baitx asked why MOFD is not charging an administrative fee. Fire Chief Winnacker replied that the fee could be added at the Board's direction. Director Baitx disagreed with the recommendation as the District covers all of Moraga and Orinda, and Staff would be operating a program that only covers Orinda. Director Baitx recommended charging an administrative fee. Director Danziger inquired if the District could cancel the contract if the program became a burden on resources. Fire Chief Winnacker confirmed. Director Jex supported the Project. President Jorgens and Director Donner agreed.

**Motion by Director Jex and seconded by Director Donner to approve entering into a contract to provide chipping services to the City of Orinda. Said motion carried 5-0 roll call vote (Ayes: Baitx, Danziger, Donner, Jex, and Jorgens; Noes: None; Absent: None; Abstain: None).**

No further discussion by the Board

#### 9.5 **Accept the CAL FIRE/ Diablo Fire Safe Council Fuel Reduction Project Grant in the amount of \$50,000 and Authorize General Fund Revenue and Expenditure Budget Adjustment Increases in the amount of \$50,000 (audio 149:23)**

Fire Chief Winnacker provided the report. In early February 2021, Moraga-Orinda Fire District (MOFD) was contacted by CAL FIRE Santa Clara Unit and the Diablo Fire Safe Council (DFSC) about two short notice fuel reduction projects. The Diablo Fire Safe Council worked on expending remaining funds from a CAL FIRE grant due to expire in March of 2021. Due to the pandemic, DFSC could not expend allocated funds on public education as identified in their grant. CAL FIRE allowed the DFSC to use money allocated for public education to conduct fuel reduction work along evacuation routes in SRA and LRA WUI areas. MOFD, with the assistance of local Firewise neighborhoods, identified, coordinated, and scheduled

contractors for this work. While MOFD coordinated the work, payment was made directly from DFSC to the chipping contractors. As a result, funds did not pass through the District, and no Board action was required.

In late February 2021, MOFD was notified of the availability of CAL FIRE SCU project funds for work in the SRA. \$50,000 was used to begin a fuel break along Pinehurst Road near the community of Canyon. The fuel break work was followed by pile burning to reduce collected fuel and set the stage for future understory broadcast burning between the tracks and Pinehurst East of Highway 24. At the time of notification, Staff believed these funds would also be paid directly to the contractors and not pass through MOFD. In April 2021, Staff was informed that the funds must pass through MOFD to the contractors per state procurement regulations. Staff recommended the Board accept the CalFire Fuel Mitigation Grant of \$50K and requested updating the current grant policy to allow the Fire Chief to accept no match fuel reduction grants for services up to \$100K.

**President Jorgens opened Public Comment.**

Jonathan Goodwin, Canyon resident, asked if the District was entitled to an administrative fee. Fire Chief Winnacker stated the District was not entitled to an administrative fee.

**There were no further requests to address the Board. President Jorgens closed Public Comment.**

Director Baitx asked how much money the District receives with the no match. Fire Chief Winnacker answered \$130K between the two grants for this year. The \$100K amount for the grant policy was based on the current purchasing authority. Director Baitx asked for confirmation that no match grants mean zero out-of-pocket money for MOFD. Fire Chief Winnacker confirmed. Director Danziger asked if updating the grant policy needed to be agendaized. Fire Chief Winnacker confirmed. President Jorgens supported updating the grant policy. All Directors agreed.

No further discussion by the Board.

**Motion by Director Jex and seconded by Director Baitx to accept the CalFire Fuel Mitigation Grant in the amount of \$50,000 and Authorize General Fund Revenue and Expenditure Budget Adjustment Increases amount of \$50,000. Said motion carried 5-0 roll call vote (Ayes: Baitx, Danziger, Donner, Jex, and Jorgens; Noes: None; Absent: None; Abstain: None).**

**9.6 Approve the Community Wildfire Protection Plan (CWPP) (audio 160:56)**

Fire Chief Winnacker provided the report and reviewed the development of the CWPP process since December 2020. Staff conducted three presentations for the City of Orinda, Town of Moraga, and Canyon/Bollinger communities. A Stakeholder meeting was held with EBRPD, EBMUD, John Muir Land Trust, County Roads, BART, City of Orinda, Town of Moraga, Moraga School District, Orinda Union School District, Acalanes Union High School District, St Mary's College, Orinda Country Club, and Moraga Country Club. The California Department of Transportation did not attend the stakeholder meeting. The participating agencies determined there was not a need for additional meetings. Public comments received during the community presentations and the MOFD website were reviewed and incorporated into the draft CWPP. Staff recommended the Board adopt the CWPP. Once adopted, the CWPP will be presented to the County Board of Supervisors and CalFire SCU. Fire Chief Winnacker reviewed the benefits of the CWPP development process, the public's input and output of the Stakeholder workshop, and consensus reached with the attending agencies. The CWPP is the roadmap and valuable tool that will make the District more effective and efficient in reducing the risk of loss from uncontrolled wildfire.

**President Jorgens opened Public Comment.**

Jonathan Goodwin, Canyon resident, commented that the Pinehurst photo on the previous agenda item was mislabeled. Mr. Goodwin requested the District collaborate directly with the stakeholders in the community. Mr. Goodwin asked that procedures be in place to be a collaborative structure to discuss and identify projects.

**There were no further requests to address the Board. President Jorgens closed Public Comment.**

Director Danziger asked if the County Board of Supervisors has been involved in the process. Fire Chief Winnacker confirmed that Candace Anderson's office has been heavily involved in the process.

No further discussion by the Board

**Motion by Director Danziger and seconded by Director Baitx to approve the Community Wildfire Protection Plan. Said motion carried 5-0 roll call vote (Ayes: Baitx, Danziger, Donner, Jex, and Jorgens; Noes: None; Absent: None; Abstain: None).**

### 9.7 California Department of Transportation Update (audio 169:55)

Fire Chief Winnacker provided the report. In October 2020, MOFD staff participated in a call with the CalTrans Director Toks Omishakin organized by Assemblymember Bauer-Kahan and State Senator Glazer. Staff presented long-standing concerns regarding both the roadside conditions on state-owned land along Highway 24 and the apparent failure of CalTrans District 4 to complete mandated planning to reduce the risk of roadside ignitions. A series of four workshops were organized by CalTrans staff from November 2020 to March 2021. Along with CalFire SCU, MOFD participated, representing the Contra Costa County Fire Chief's Association and Alameda County Fire Deputy Chief Eric Moore attending on behalf of the Alameda County Fire Chief's association. During these workshops, CalTrans presented information on a wide-ranging series of topics.

Since May 2018, MOFD insisted that CalTrans complete the planning steps required by CalTrans standards. The CalTrans Fire Prevention Guidelines also address the necessity for a VegCon Plan. The guidelines provide that the Department's annual plans include the Fire Plan and VegCon Plan.

In June 2020, MOFD filed a Public Records Act (PRA) request to receive the District 4 annual Fire Risk Plan. The response to this PRA request stated that the Fire Plan had not been produced in three of the last five years and that site-specific fire risk plans had never been produced. MOFD reviewed the Fire Risk Plan and determined that it consisted of a series of memos directing fuel reduction steps and local fire authority engagement, which did not occur, roadside fuel reduction fire safety precautions, and state fire hazard severity maps from 2009.

On April 8, 2021, CalTrans provided a draft 2021 Fire Risk Plan, which, except the date on the cover page, was a word-for-word re-publication of the 2020 plan. A draft VegCon plan was also included but did not include dates or information indicating how work would be prioritized and appears to be a re-publication of the prior year's plan. Fire Chief Winnacker explained that it is impossible to monitor progress and track efficacy in the absence of scheduled dates.

Fire Chief Winnacker added that previous Public Records Act requests for the results of site surveys to assess the effectiveness of fuel mitigation work have not been provided, and CalTrans does not appear to have a system for assessing or recording roadside conditions. Fire Chief Winnacker stated that a site-specific fire risk plan considering fire risk in sufficient detail to reflect changing vegetation types and other factors to include annual rainfall was omitted. Engagement with CalTrans District 4 staff suggests the Office of Roadside Management at CalTrans HQ has never provided a template for such a plan. During Workshop #4 in March 2021, the acting Director of the Office of Roadside Management did not respond when asked for such a template.

Fire Chief Winnacker stated that failure to complete such a plan resulted in planned and conducted work without considering local conditions. Fire Chief Winnacker provided an example that CalTrans was observed mowing roadside grass between Orinda and Wilder on April 3. This grass has already begun to regrow and will require a second mowing resulting in the waste of limited resources. Much of CalTrans roadside fuel reduction work falls under the 1992 EIR. The EIR broadly allows fuel mitigation within ten feet of the roadside. The memo referenced above directs the removal of brush within nine feet of the roadside.

Fire Chief Winnacker reviewed that MOFD has consistently requested the work be done throughout the district and region. The requests have not been acknowledged or incorporated in District 4's 2021 plan. Roadside ignitions continue to occur throughout the region and include several roadside fires in Oakland and the Altamont pass in early April 2021. Failure of CalTrans to maintain the state-owned land along Hwy 24 has created unsafe conditions which threaten the community and increase the risk of uncontrolled wildfire. Confirmation of this came in July 2020, when a roadside fire started near the Wilder off-ramp on Westbound Hwy 24 rapidly spreading upslope towards upper El Toyonal, burning onto EBMUD watershed was a violation of Health and Safety Code 13000 and 13008.

CalTrans has asserted that as a state agency they are not subject to MOFD's Fire Code, and the Public Resource Code and the defensible space requirements do not apply to state agencies. MOFD does not appear to have the authority to order CalTrans to abate these unsafe conditions. Staff recommended after three years of unsuccessful engagement, the Board should consider alternative courses of action to address the ongoing presence of combustive vegetation in the state-owned lands traversing the District. Fire Chief Winnacker added on April 16, 2021, the Caltrans Deputy Director of Maintenance apologized for the failure to be responsive and live up to their plans and pledged an update within the next two weeks. Fire Chief Winnacker to provide an update to the Directors on Friday, April 30.

**President Jorgens opened public comment.**

Jonathan Goodwin, Canyon resident, asked if not complying with the EIR is a CEQA offense. Fire Chief Winnacker answered that the EIR governs the maximum, not the minimum, and not doing the work does not violate the EIR. Completing work beyond 10-feet would require a new EIR or use of the Cal mapper VTP. Mr. Goodwin asked if there is anything stated that could be brought in a lawsuit. Fire Chief Winnacker replied that the potential litigation would be unsafe conditions resulting in a fire that spreads onto the lands of another. Mr. Goodwin asked about possible CEQA litigation. Fire Chief Winnacker responded that CEQA allows for work up to 10-feet, and CalTrans has the authority to do work up to 10-feet under the existing CEQA allowance. In addition, CalTrans has policies and procedures that allow for the work to be completed. District Council Holtzman stated that MOFD is evaluating legal options.

Dick Olsen, Moraga resident, asked if the 10 feet controls the inner limit of 76% of fire starts. Fire Chief Winnacker confirmed (2007 memo). Mr. Olsen expressed disappointment that CalTrans would find it acceptable that 24% of roadside fires start and extend beyond the roadside in neighboring vegetation that could rapidly expand into a wildland fire. Fire Chief Winnacker agreed and added that CalTrans does not consider annual rainfall since the plan is the same year over year. On April 3, CalTrans mowed the shoulders to the West between the Wilder off-ramp and Orinda. That grass is already regrown to mid-calf height and will soon reach knee height and require a second mowing. CalTrans is resource-constrained and mowing something twice reduces the resources.

**There were no further requests to address the Board. President Jorgens closed public comment.**

President Jorgens asked for clarification on the direction staff is asking for. Fire Chief Winnacker requested direction to move forward with a Resolution. President Jorgens asked if there was a downside to making a Resolution. District Council Holtzman recommended the Resolution as a course of action. Director Danziger agreed and suggested involving State Representatives. Director Jex agreed. President Jorgens directed Staff to bring a Resolution to the next regular meeting.

No further discussion by the Board.

#### **10. COMMITTEE REPORTS (audio 187:55)**

- 10.1 Audit Committee (Directors Danziger and Jex).** No report.
- 10.2 Finance Committee (Directors Danziger and Jorgens).** No report.
- 10.3 Facilities Station 41 Ad Hoc Committee (Directors Baitx and Donner).** No report.
- 10.4 Joint Fire Prevention Ad Hoc Committee (Directors Danziger and Jorgens).** No report.

**President Jorgens opened public comment. There were no requests to address the Board. President Jorgens closed public comment.**

#### **11. ANNOUNCEMENTS (audio 188:07)**

- 11.1 Brief information only reports related to meetings attended by a Director at District expense** (Government Code Section 53232.3(d)). No report.
- 11.2 Questions and informational comments from Board members and Staff.** No report.
- 11.3 Fire Chief Updates**

##### **11.3.1 COVID-19**

Fire Chief Winnacker provided the report. Staff is seeing an increase in ambulance transports as the community starts to return to pre-COVID activity events that cause them to need ambulance services. Staff is concerned about how the return to regular activity will translate into the fire season with the curing of the fuels.

##### **11.3.2 Human Resources**

Administrative Services Director Sasser provided the report. Andrew Kalenian was promoted to Engineer, April 1, 2021. The new Human Resources Manager starts on May 3. Benjamin Reikes, Fuels Mitigation Specialist, started on April 14, 2021. One vacant Fuel Mitigation Specialist remains open. The recruitment for the position will begin after the new HR Manager is onboard. The Captain's promotional process opened and applications are due May 30, 2021. The examination will occur on June 4, 2021. Director Danziger requested the new hires attend the next meeting so the Board can welcome them to the District.

### 11.3.3 Finance Report

Finance Manager Smith provided the report and gave a presentation on the status of OES reimbursement, attached to these minutes, item 11.3.3, attachment A. OES Strike Team receivables \$2,584,459. OES payments received \$2,116,663, with net receivable outstanding \$467,796. The most recent payment was received on April 15, 2021, with 21 invoices paid and 9 invoices outstanding. Nine personnel staffed COVID vaccine clinics in March for a total of 97.7 hours or \$7K in payroll. No timeline on reimbursement from FEMA. The interim phase of the audit will begin the week of April 26, 2021. The COVID-19 Emergency Sick Leave has been implemented.

### 11.3.4 Fire Marshal

Fire Marshal Isaacs provided the report and shared the monthly Fire Prevention Report, attached to these minutes as Item 11.3.4; Attachment A. Fire Marshal Isaacs stated that the District received 34 dead tree complaints, 29 exterior hazard complaints, and 201 property transfer requests. Staff conducted one state-mandated inspection and 115 plan reviews. The exterior hazard inspections for 2021 have not started. Staff completed 16 days of chipping and removed 48 tons of material. Staff will conduct a new hire orientation and training for the Fuel Mitigation staff. Staff continues with the training for Fire Adapted Community (FAC-A) Ambassadors. Fire Marshal Isaacs reviewed a new Application being developed by the GoGov system to assist the community in reporting exterior hazards directly from their phones. Fire Chief Winnacker outlined the improved benefits of the GoGov app for both the community and the Staff. The GoGov application is expected to provide high-quality photos with the geocode location, eliminating the need to inspect the property physically. The Plans Review Examiner and Fire Inspector will add inspecting a property for exterior hazards as they conduct other operational and building inspections since they will already be on-site to assist with the exterior hazard inspections.

Fire Chief Winnacker discussed the upcoming fire season and shifting into enforcement. The community needs to focus on cutting the grass and fuel reduction work and the new elements of the fire code. Staff is working to encourage people to continue to complete the roadside fuel reduction work on the evacuation routes. Fire Chief Winnacker spoke about the upcoming grants that the District is pursuing, which will help with the efforts for the large exterior fuel reduction projects as experienced with the North Orinda Shaded Fuelbreak. Director Danziger asked if the state called for grant proposals. Fire Chief answered that the Forest Health and Fire Prevention opened in April and close on May 19, 2021.

### 11.4 Communications Received

Fire Chief Winnacker reported several communications received previously forwarded to the Directors.

### 11.5 Future Agenda Items

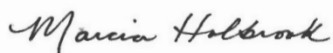
Director Baitx requested Consolidation with Contra Costa County be added to the LRFF. President Jorgens stated that it should be added as an agenda item for board discussion. Director Danziger requested that it be added as an informational report. Director Baitx agreed.

Director Danziger requested Fire Hydrants be added to the next agenda as an information report on what agency is responsible for the hydrants. Fire Chief answered that East Bay Municipal Utility District (EBMUD) is the owner. Staff will present information on the difference between NFPA standards which are advisory and not a requirement and explain the related codes. Staff will invite East Bay Municipal Utility District to the May board.

**President Jorgens opened Public Comment. There were no requests to address the Board. President Jorgens opened Public Comment. No further discussion by the Board.**

## 12. ADJOURNMENT

**At 10:26 p.m., Director Danziger motion and seconded by Director Donner to adjourn the meeting. Said motion carried 5-0 roll call vote (Ayes: Baitx, Danziger, Donner, Jex, and Jorgens; Noes: None; Absent: None; Abstain: None).**



Marcia Holbrook,  
District Secretary/District Clerk

## LONG RANGE FINANCIAL FORECAST

Board Meeting  
April 21, 2021



## LONG RANGE FINANCIAL FORECAST OVERVIEW AND PROCESS

- Forward looking 10-year period
- Separate from the Annual Operating Budget
- Board direction will be used to prepare the Annual Operating Budget

March 17:  
Public Input

➔

March 17:  
Board Direction

➔

April 21:  
Board Adoption

➔

April 21:  
Public Board Budget Workshop

## LONG RANGE FINANCIAL FORECAST BOARD DIRECTION FROM MARCH 21, 2021 PUBLIC WORKSHOP

- Reduce strike team net revenue to \$300K
- Project the District's cash balance at lowest point (December 15)
- Present scenarios, including one scenario that projects completing Station 41/Administration rebuild project without issuing debt

## LONG RANGE FINANCIAL FORECAST THREE SCENARIOS

- Scenario A – Issue debt for Station 41/Administration rebuild
  - Construct Station 41/Administration in FY2022
- Scenario B – Pay cash for Station 41/Administration rebuild using fire flow tax
  - Construct Station 41/Administration in FY2031
- Scenario C – Pay cash for Station 41/Administration using fire flow tax and property tax revenue that was previously used to pay for the pension obligation bonds
  - Design Station 41/Administration in FY2022 and construct in FY2024

## LONG RANGE FINANCIAL FORECAST SIGNIFICANT ASSUMPTIONS

<u>Revenue</u>	<u>Expenditures</u>
• Property taxes: +4.27%, +2%, +3.5% thereafter	• Salaries and Overtime: Existing salary schedule, then +3% thereafter
• Ambulance revenue: +2%, +1.5% thereafter	• CCCERA: Actual, +0.23%, -1.93%, +3.38%, -1.70%, -1.04%, GovInvest
• Net strike team revenue: \$300K, +3% thereafter	• OPEB Funding: Full actuarially recommended contributions
	• Pension Rate Stabilization Fund: Full contribution recommended using 6.25% discount rate

Line 34 - General Fund Unrestricted Fund Balance  
District long-term goal of minimum 50% unrestricted fund balance projected in FY2026

## PENSION OBLIGATION BONDS ISSUED IN 2005 PAID-IN-FULL JULY 1, 2022 BOARD DIRECTION REQUESTED

- POBs were paid for using property tax revenue
- The District is nearing the end of the POB payments
- The property tax revenue that previously went into the Debt Service Fund will go into the General Fund unless the Board directs otherwise:
 

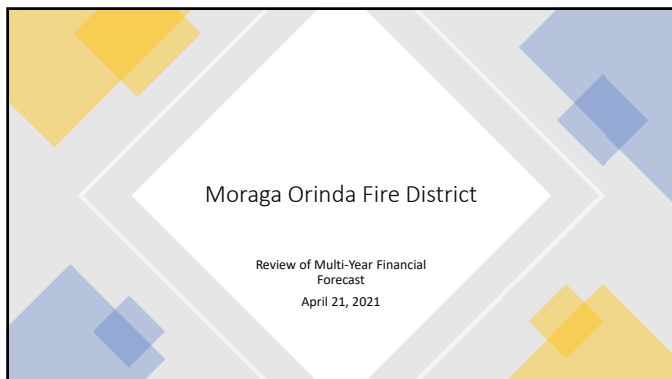
• FY 21/22	+\$2,153,942
• FY 22/23	+\$1,730,869

BOARD DIRECTION  
REQUESTED

CAPITAL PROJECTS

- Rebuild of Fire Station 41 and Administration
- Remodel of Fire Station 45
- Fire flow tax revenue is insufficient to fund these projects. Capital Projects funding alternatives:
  - Use General Fund money
  - Use POB money
  - Explore debt options
  - Other/combinations of the above
  - Defer capital projects





### MOFD Revenue Forecast

**Property Tax Revenues**

- 15-year look back
- 3 years of negative growth in property taxes
- 2 years of growth in property taxes that, while positive, is below the long-term assumptions used in the forecast
- Compound annual growth rate (CAGR) or Internal Rate of Return (IRR) looks at compound growth over time, including short-term ups and downs
- Important for evaluating projections across a business cycle (trough to trough or peak to peak)

Property Tax Revenue Ten Year History			
Fiscal Year	Property Tax Revenue	Dollar Change	Percentage Change
2006	\$14,227,016	-	0%
2007	\$15,941,297	\$1,714,281	12.05%
2008	\$15,805,123	(\$136,174)	-0.85%
2009	\$16,407,887	\$602,764	3.81%
2010	\$16,827,597	\$419,710	2.54%
2011	\$16,882,276	\$54,679	0.32%
2012	\$16,524,808	(\$357,468)	-2.12%
2013	\$16,471,345	(\$53,463)	-0.32%
2014	\$17,670,263	\$1,198,918	7.28%
2015	\$19,235,848	\$1,565,585	8.86%
2016	\$20,693,314	\$1,457,466	7.58%
2017	\$22,121,300	\$1,427,986	6.90%
2018	\$23,220,123	\$1,098,823	4.97%
2019	\$24,686,257	\$1,466,134	6.31%
2020	\$26,074,303	\$1,388,046	5.62%
2021 Projected	\$27,074,105	\$999,802	3.83%
FY06 to FY20 CAGR (15 Year)			4.4%
FY11 to FY20 CAGR (10 Year)			4.9%
FY16 to FY20 CAGR (5 Year)			5.9%

### Why Multi-Year Forecasting?

- Budgeting is the process of allocating finite resources to the prioritized needs of an organization
- Long-range forecasting provides a multi-year perspective of both revenues and expenditures
- Provides a format for policymakers to evaluate the long-term impacts of current decisions on the organization's bottom line
- Helps to answer the following questions:
  - In which direction are recurring revenues and recurring expenditures trending?
  - Is the current operating budget fundamentally in balance, or is there already a structural deficit?
  - Are there known challenges or opportunities on the horizon, such as anticipated changes in debt service or pension funding requirements?
  - Even without the effects of a recession, are strategies to bend revenue or spending curves needed to close budgetary gaps and to address longer-term needs and liabilities?

### MOFD Financial Forecast

- Forecast assumption of 3% in out years is less than forecast prepared by HdL (4.3% growth), taking into account normal increases in assessed valuations (capped per Prop 13), plus growth in AV due to property turnover

Year	YOY % Growth
2007	12.05%
2008	-0.85%
2009	3.81%
2010	2.54%
2011	0.32%
2012	-2.12%
2013	-0.32%
2014	7.28%
2015	8.86%
2016	7.58%
2017	6.90%
2018	4.97%
2019	6.31%
2020	5.62%

### MOFD Revenue Forecast

- 94% of FY 2021-22 projected General Fund revenues are derived from Property Taxes
- Property tax provides a relatively stable revenue source, even during severe periods of economic contraction
- Other revenues (linked to service delivery) such as ambulance fees and charges for services reasonably lowered in the forecast based upon current expectations, with moderate (CPI) based adjustments in the outer years

### MOFD Expense Forecast

- Expenditures**
  - Structurally balanced, with ongoing revenues exceeding ongoing expenditures
  - Healthy unassigned fund balance, though short of 50% goal
  - Like many public agencies, personnel costs make up vast majority of costs
  - Forecast reasonably captures pension costs (based on CCCERA actuarial reports), wage growth (subject to negotiation), and healthcare inflation
  - OPEB costs are held constant over the forecast period, but could come in slightly higher than forecast due to changes in actuarial assumptions (e.g., people living longer) even with a cap on retiree medical benefits
- Good news:
  - Fully funding Pension & OPEB Annual Required Contribution
  - Established OPEB Trust
  - Funding a Pension Rate Stabilization Fund to help offset potential increases in pension expenses over the forecast horizon

**MOFD  
Scenario  
Analysis**

- **Option A**
  - Issue Debt for Station 41/Administration Rebuild
- **Pros**
  - Timing – Infrastructure delivered when needed
  - Spreads cost over useful life of the asset
  - Increases capacity to invest in infrastructure (if needed)
  - Beneficiaries of the capital project share in the cost (inter-generational taxpayer equity)
- **Cons**
  - Interest cost
  - Debt payments limit budgetary flexibility in the future

**MOFD  
Scenario  
Analysis**

- **Option B**
  - Pay Cash for Station 41/Administration Rebuild Using Fire Flow Tax
- **Option C**
  - Pay Cash for Station 41/Administration Rebuild Using Fire Flow Tax and Previous Pension Obligation Bond Money
- **Pros**
  - Interest savings
  - Avoid risk of default (low)
  - Future funds are not tied up to service debt
- **Cons**
  - Long wait time for capital project (particularly in Option B)
  - Exhausts capital funds
  - Reduces available unassigned fund balance
  - Inflation risk (future cost increases)
  - May need to expend resources in the short-term to keep asset in use

**Summary**

- Reasonable revenue and expenditures projections given uncertainty that exists in the broader economy
- District has strong adherence to best practices in financial management evidenced by healthy reserve and reserve policy, structurally balanced budget, and set-asides for long-term liabilities (Pension & OPEB)
- Scenarios on Station 41/Administration rebuild are all reasonable options, though Option B has more drawbacks due to the time it would take to build sufficient assets
- Given general economic uncertainty, Option C results in a reduction in the District's projected unassigned fund balance – must balance the need to replace capital asset with the need for future financial flexibility
- May want to consider additional scenarios that model economic contraction (e.g., pessimistic revenue forecast)



# Financial Update Quarter Three

July 1, 2020 – March 31, 2021

## FY2021 Budget Adoption COVID-19

- Significant assumed ongoing economic uncertainty due to COVID-19 pandemic
- Government Finance Officers' Association recommended local governments maintain budget flexibility:
  - Budget revenue conservatively low
  - Budget expenditures conservatively high
- District adopted conservative budget
  - Original Budget deficit projected \$1.5M (June 2020)
  - Projected actual budget surplus \$0.6M (April 2021)
    - Includes \$447K one-time NOSFB administrative fee transfer (February 2021)

## Quarter Three Projected General Fund Surplus

- Updated projected surplus \$571K
- Transfer from Fuel Break Fund \$447K

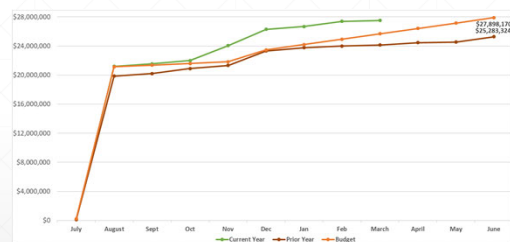
	Updated General Fund Projections
Revenue	\$28.0M
Expenditures	\$27.4M
Surplus	\$0.6M

## Quarter Three Financial Update

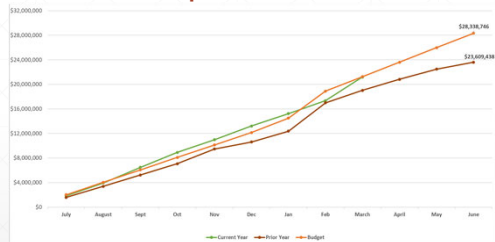
Revenue – Exceed budget \$124K      Expenditures – Less than budget \$887K

- Property tax exceed budget \$8K
- Strike team revenue (\$337K)
- Ambulance services +\$2K
- Fire prevention/plan review +\$53K
- Transfer from Fuel Break Fund +\$447K
- Salaries less than budget (\$15K)
- Strike team overtime (\$300K)
- Overtime (\$36K)
- Retirement contributions (\$36K)
- OPEB contribution (\$144K)
- Services & supplies (\$183K)

## General Fund Revenue

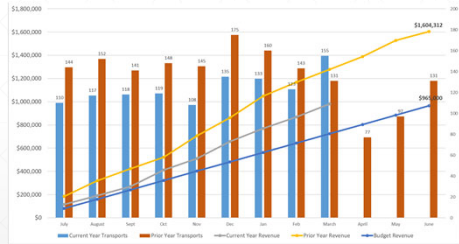


## General Fund Expenditures

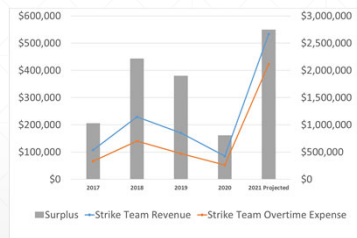


# Item 9.2 - Attachment A

## Ambulance Revenue & Transports



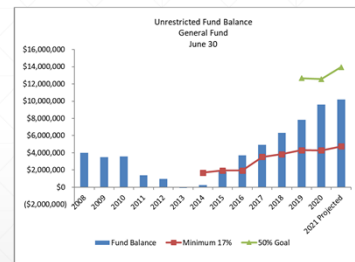
## Strike Team Activity



## Unrestricted Cash and Investments



## General Fund Unrestricted Fund Balance

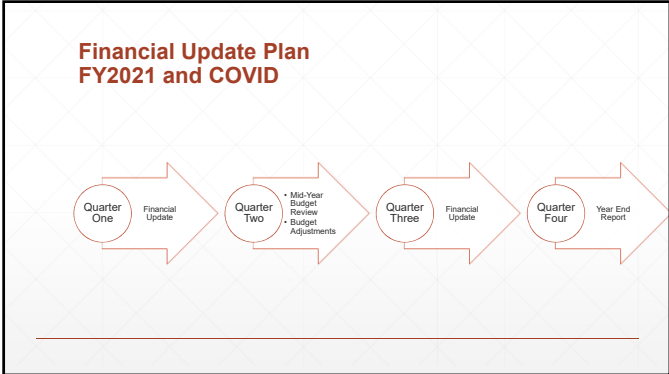


## COVID-19 Expenditures FY2021

Expenditures July 1 through March 31, 2021	
Respirators	\$6,070
Technology equipment – work from home	4,032
EMS backpacks/medic bags	3,204
Personal protective equipment, supplies, equipment	6,079
Cleaning of Station 45 & Administration	2,840
Testing and quarantine expenses	3,848
Rescue One donation	(1,800)
<b>Total</b>	<b>\$24,273</b>

## Other Funds

- Capital Projects Fund – Projected surplus \$220K
- Debt Service Fund – Projected surplus \$260K
- North Orinda Emergency Fuel Break – Fund balance transferred to General Fund \$446,887




## Moraga Orinda Fire District 2022 Annual Operating Budget Proposed

MORAGA-ORINDA FIRE DISTRICT

**DRAFT**

Annual Operating Budget  
Fiscal Year 2022



Board of Directors Meeting  
April 21, 2021

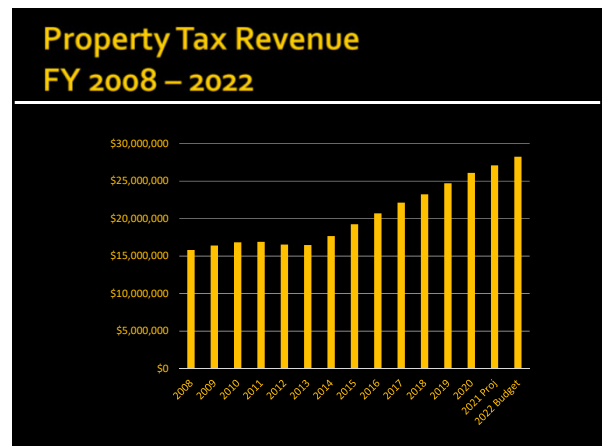


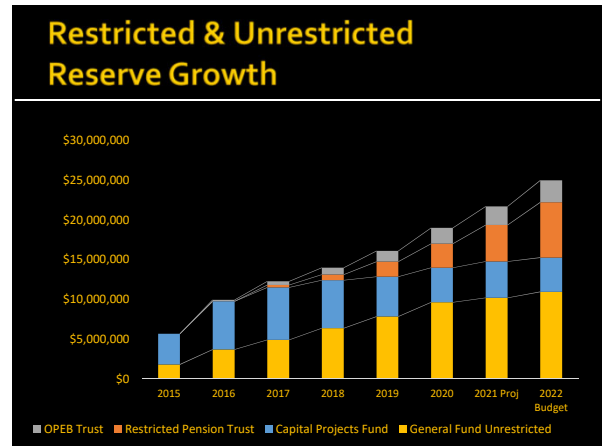
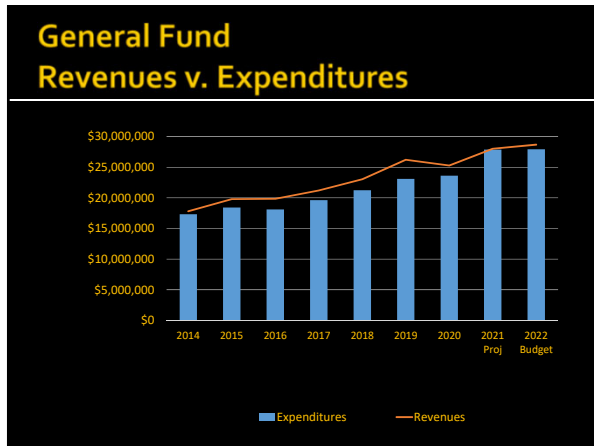
## General Fund Budget Overview Surplus \$752,094

General Fund Revenue	\$28.7M
Salaries and Benefits Expenditures	25.1
Operating Expenditures	2.8
Revenue in Excess of Expenditures	\$0.8M

- ## General Fund Budget Highlights Surplus \$752,094
- General Fund Revenues: \$28.7M (+\$661K)
    - Property taxes: \$26.5M (+4.2%/+14.2%)
    - Ambulance fees: \$985K (2%)
    - Plan Review/Permits: \$-46K (-17%)
    - Intergovernmental: \$-196K (-46%)

- ## General Fund Budget Highlights Surplus \$752,094
- General Fund Expenditures: \$27.9M
    - Salaries & benefits: \$25.1M (current salary schedule)
      - OPEB Contribution: \$435K (full ARC)
      - Pension Rate Stabilization Trust: \$2.4M (full amount 6.25% discount rate)
    - Operating: \$2.8M (+4%)





### Proposed Budget FY2022 Authorized Positions

Board	5.00
Finance	4.10
Human Resources	1.25
Information Technology	0.25
Emergency Operations	61.00
Fire Prevention	1.00
Fuels Mitigation	4.00
Emergency Preparedness	1.00
<b>Total</b>	<b>77.6</b>

- ### Proposed Budget 2022 Authorized Positions
- Y Emergency Operations
    - Y Safety roster 57
    - Y Current vacancies 5
    - Y Constant staffing 51

### Proposed Budget 2022 Non-Discretionary Expenditures

Salaries and benefits - Suppression staff	\$18,418,849
Salaries and benefits - Administration staff	1,146,489
Worker's compensation insurance	1,033,239
Retiree health insurance	876,000
Unemployment insurance	11,000
Operating Expenses	2,625,450
<b>Total non-discretionary</b>	<b>\$24,111,027</b>

### Proposed Budget 2022 Discretionary/Continuation of Effort

Pension rate stabilization trust contribution	\$2,362,470
Salaries and benefits - Fuels Mitigation staff	481,000
OPEB trust contribution	434,528
Emergency Preparedness/CERT	277,337
Fuels mitigation operating expenses	100,000
Fire chief contingency	100,000
Discretionary training	35,000
Fire station furniture	12,000
Exercise equipment	8,000
GIS mapping	5,000
Hat badges	4,700
<b>Total discretionary</b>	<b>\$3,820,035</b>

**Proposed Expenditures  
Capital Projects Fund**

Chipper and Truck	\$180,000
Capital Outlay - LifePak 15 Monitor 2x	80,000
Capital Outlay - Oxygen Generator and Fill Station	65,000
Capital Outlay - Utility Pickup	55,000
Capital Outlay - E-43 Hurst Extrication Tools	38,000
Station 44 Landscaping	20,000
Station 44 - Paint Exterior Trim	7,000
Station 44 - Treadmill & Elliptical Machine	5,900

**Board Direction Requested**

- Y Available property tax revenue due to the conclusion of the pension obligation bonds - \$2.154M
- Y General Fund discretionary expenditure budget
- Y Station 41/Administration rebuild project
- Y Capital projects purchases
- Y Any other direction regarding the draft Budget