



BOARD OF DIRECTORS REGULAR BOARD MEETING MINUTES

November 17, 2021

(APPROVED: JANUARY 19, 2022)

1. OPENING CEREMONIES

The Board of Directors convened a teleconference Open Session at **6:00 p.m.** on **November 17, 2021**, via the Zoom application <https://us02web.zoom.us/j/83090212376>, webinar id: 83090212376 and by phone 669-900-6833. This meeting was conducted by webinar and teleconference only in accordance with AB 361. The meeting was not available for in-person attendance.

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	Amy Ackerman, District Counsel
Director Danziger	Dave Winnacker, Fire Chief	Marcia Holbrook, District Clerk

2. PUBLIC COMMENT (audio 0:50)

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

At **6:01 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: 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

At **6:10 p.m.**, the Board adjourned the Closed Session.

4. RECONVENE THE MEETING (audio 2:10)

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	Mary Smith, Finance Manager
Director Baitx	Dave Winnacker, Fire Chief	Amy Ackerman, District Counsel
Director Danziger	Jeff Isaacs, Fire Marshal	Donna Williamson, District Counsel
Director Donner	Gloriann Sasser, Admin. Services Director	Marcia Holbrook, District Clerk

5. REPORT OF CLOSED SESSION ACTION (audio 2:42)

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 2:52)

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

7. CONSENT AGENDA (audio 3:07)

7.1 Adopt Resolution 21-18 Re-Ratifying Findings and Determining A Need to Continue Holding Remote Meetings By Teleconference.

Staff Recommendation: Adopt Resolution 21-18 Re-Ratifying Findings and Determining A Need to Continue Holding Remote Meetings By Teleconference

7.2 Meeting Minutes – October 18, 2021 (Special), October 20, 2021 (Regular), October 27, 2021 (Special).

Staff Recommendation: Approve and File

7.3 Monthly Incident Report – October 2021: Staff Recommendation: Approve and File

7.4 Monthly Check/Voucher Register – October 2021: Staff Recommendation: Approve and File

7.5 Monthly Financial Report – October 2021: Staff Recommendation: Approve and File

- 7.6 **Quarterly Investment Report – September 2021:** Staff Recommendation: Approve and File
- 7.7 **GASB 75 OPEB Actuarial Report Measured as of June 30, 2021:** Staff Recommendation: Approve and File
- 7.8 **2022 Regular Board Meeting Schedule:** Staff Recommendation: Approve and File
- 7.9 **Dissolve the Joint Fire Prevention Ad Hoc Committee with the City of Orinda and Town of Moraga**
Staff Recommendation: Approve to dissolve the Joint Fire Prevention Ad Hoc Committee with the City of Orinda and Town of Moraga

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 Danziger and seconded by Director Jex to approve Consent Agenda items 7.1 through 7.9. Said motion carried 5-0 roll call vote (Ayes: Baitx, Danziger, Donner, Jex, and Jorgens; Noes: None; Absent: None; Abstain: None).

8. REGULAR AGENDA

8.1 Annual Audit and Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2021 (audio 5:24)

Administrative Services Director Sasser provided the report. The District's Administrative Services Division prepared the financial statements for the fiscal year ending June 30, 2021. Eide, Bailly, LLP audited the financial statements. In addition to the financial statement audit, Eide, Bailly, LLP prepared a required report on the District's Gann appropriations spending limit calculation and a letter to the Board required by professional accounting standards discussing their audit engagement and the procedures performed. This report included no audit findings.

Mr. Ahmad Gharaibeh, a partner with Eide Baily LLP, was scheduled to attend the meeting to present the audit results and overview of the annual comprehensive financial report. Due to the delay of Mr. Gharaibeh, President Jorgens recommended the Board move to item 8.2 on the agenda until Mr. Gharaibeh can join the meeting. No objections were received from the Board. At 7:04 p.m., President Jorgens proceeded to agenda item 8.2, Asset Allocations and Investment Guidelines Documents for the Pension Trust and the Other Post-Employment Benefits Trust (audio 6:26). At 7:41 p.m. Mr. Gharaibeh, partner with Eide Baily LLP, provided an overview of the audit. In addition to the financial statement audit, Eide Bailly LLP prepared a required report on the District's Gann appropriations spending limit calculation and a letter to the Board required by professional accounting standards discussing their audit engagement and the procedures performed. This report includes no audit findings, no adjustments to the financial statements, and the auditors experienced no difficulties in the performance of the audit. In addition to the audited financial statements, the District prepared an Annual Comprehensive Financial Report (ACFR) designed to meet the requirements of the Government Finance Officers Association (GFOA). Director Jex commented that the Audit Committee met with the auditor and recommended approval of the audited financial statements. Directors Jex and Danziger thanked Mr. Gharaibeh and Staff.

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

Motion by Director Jex and seconded by Director Donner to Approve the Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2021, the Communication With Those Charged With Governance June 30, 2021, and the Independent Accountant's Report on Applying Agreed-Upon Procedures for Appropriations Limit Calculation For the Year Ended June 30, 2021. Said motion carried 5-0 roll call vote (Ayes: Baitx, Danziger, Donner, Jex, and Jorgens; Noes: None; Absent: None; Abstain: None).

8.2 Asset Allocations and Investment Guidelines Documents for the Pension Trust and for the Other Post-Employment Benefits Trust (audio 6:26)

Fire Chief Winnacker provided the report. The District contracts with Public Agency Retirement Services (PARS) for pension trust and post-employment benefits trust services. PARS provides an IRS Section 115 approved irrevocable trust for the District to use to fund other post-employment benefits (OPEB) and to fund a pension rate stabilization trust account. On September 15, 2021, the Board directed Staff to place the topic asset allocation of the PARS trust accounts on a future agenda. The Board determines asset allocation ranges as part of the Investment Guidelines Document. The Investment Guidelines Documents were provided in the board packet as item 8.2, attachments A and B. Fire Chief Winnacker reviewed the current Investment Guidelines outlined in the staff report. As of June 30, 2021, the District's OPEB plan was 20% funded, and the District's pension plan was 89.6% funded. As the Board discussed at the previous meeting, decreasing the cash and fixed income ranges would increase equity and risk/volatility. Highmark Capital Management provided an analysis that assumes a 100% equity allocated portfolio, provided in the board packet as item 8.2, attachment E. Based on the report, the expected return is 7.35% which is an increase of 0.71% above the current estimate of 6.64%. The volatility of the District's portfolio would

increase to 16.69% from the current volatility estimate of 12.53%. In summary, a change in the portfolio to 100% equities would increase the expected rate of return 0.71%, and the volatility would increase 4.16%. Fire Chief Winnacker introduced Andrew Brown, Highmark Capital Management, and Angela Tang, PARS Representative to review options and answer questions regarding asset allocations.

Director Danziger asked if the District's current asset allocations were standard compared to other agencies. Mr. Brown answered the District's portfolio is more aggressive than other plans. Many clients have a much shorter time horizon, and Highmark manages their funds for a two to three-year period. The investment recommendation is much more conservative for clients with a shorter time horizon. The District has adopted a long-term horizon strategy.

Director Jex commented on a recent news article regarding CalPERS adopting much more aggressive alternative investments like Bitcoin. Mr. Brown responded he had not heard about the Bitcoin investments but heard about the more aggressive approach, and explained that CalPERS and the District's experience are similar to what Highmark has done over the last couple of years. Mr. Brown discussed how CalPERS and MOFD are in the same predicament and the difficulties in achieving the 6-7% percent rate of return. Director Jex stated that normally, if an agency has cash at the levels that the District has, it is because of liquidity issues. The District does not have the liquidity requirement or need-based funding. Director Jex supported having some bonds but did not see any reason to carry the balance's cash percentage when the District could be earning 2-3% versus nothing. Mr. Brown answered with 5% as policy and 1% as a four percent underweight; Highmark would look at that as de minimus. Mr. Brown stated that Highmark likes to have cash for some transactions, but the Board could lower the cash allocation. Highmark changes the allocation 7-8 times throughout the year.

President Jorgens inquired about a heading in the previous report "real rate of return" on assets, and cash was at 2.54% used during the last presentation on page 33. President Jorgens stated that there is no need for cash other than facilitating transactions when switching portfolios which should be minimal. President Jorgens expressed concern with 21% of the District's portfolio invested in Bonds and the historically low bond rates of return. In the last 15-years, bonds have not traded much differently than the stock market. Recent proposals included investing in emerging markets. President Jorgens opposed investing in emerging markets and views emerging markets as being volatile and unpredictable. President Jorgens recommended getting out of the emerging markets, reducing bond holdings, and a minimum amount of cash. Mr. Brown confirmed reducing the cash is an option if directed by the Board. The cash and bonds investment is a hedge, not a great hedge unless the equity market goes down 33% over a six week period as it did in February/March of 2020.

President Jorgens stated the District has high coupon bonds and asked what happened to those bonds during this same time frame (probably went to zero instead of going down 33%). Mr. Brown answered no because those bonds are high-yield bonds and went down 5-6%, which is a small amount of the portfolio. Those bonds went down in value, less than stocks, and were not in the black. Mr. Brown agreed the emerging markets equities are more volatile. The District experienced two stock categories that were up in the most recent quarterly report, Large Cap was up .5%, and REITS up .7-.8%. Emerging markets were down about 8%. Highmark likes to have some exposure in emerging markets and some exposure to Small Caps. Highmark reduced the emerging market exposure equities by 1.5%. Highmark recommended retaining a position in emerging markets because other markets will perform better than domestic markets.

President Jorgens commented about investing in the S&P 500, and asked which part of the portfolio is invested in the S&P since 100% of those portfolios have assets and do business in the emerging markets, effectively getting some diversification benefit. The pandemic can affect those kinds of markets dramatically more than the US markets. Usually, emerging markets are by far the most volatile markets. Mr. Brown agreed and stated that Highmark tempers the buy policy when investing into emerging markets, and an overweighting of emerging markets for Highmark would be much less than an underweighting to large caps. Many of those S&P 500 multinational corporations (80-90%) do business with some emerging markets. It is a different dynamic investing in Microsoft who does a lot of business with China, versus directly dealing with an underlying Chinese company. President Jorgens added people are discovering that those companies do not follow GASB accounting, are dependent on Chinese policy and subsequently find out the business is worth half as much as it was because the Chinese changed their policy. Director Jex expressed little confidence in what is published regarding emerging market financial information due to many experiences getting financial information with little or no validity. President Jorgens recommended minimizing cash and not investing in emerging markets.

Director Danziger commented the cash is already minimized at slightly over 1%. President Jorgens agreed and stated that is not the current policy. Director Danziger asked President Jorgens if the recommendation was to change the policy to a lower percentage. President Jorgens confirmed.

Mr. Brown appreciated the feedback and real-world experiences. The portfolio presented is Highmark's recommendation. However, at the Board direction, ceilings can be placed on emerging market exposure and cash exposure. The guidelines would need to be rewritten to reflect the spirit that the Board wishes to implement an investment policy.

Director Danziger asked if the Board changed the investment policy to cash at 2.5%, would that impact the way Highmark does business, and would there be a negative impact on how the account is managed. Mr. Brown answered the only impact would be if there is a rebalancing and moving between an ETF and a Mutual Fund that cost more than 2.5%; one transaction would happen on one day and the other transaction on the next day. President Jorgens expressed more concern about the emerging markets and the debt than about the cash. Mr. Brown shared that another agency had expressed the same concern and limited emerging market exposure to 3%, with equities capped at 6%. This client has significantly reduced the amount Highmark is to invest in emerging markets. Director Danziger asked if the current policy has a cap for emerging markets. Mr. Brown confirmed a 0-25% cap for international and emerging markets. Mr. Brown recommended revising the policy breaking out emerging markets for the District.

President Jorgens supported the change in the policy with some guidance from the Board. President Jorgens stated that if the cash is not needed short-term, the equities have historically outperformed the debt. Director Jex agreed. Mr. Brown stated if the portfolio is modified to an all-stock portfolio with 2-3% in cash and 97-98% in equities, the assumptions increase .7% for the annualized rate of return, but with a bevy full of additional risk. A 4% standard deviation is not a number that too many people can wrap their arms around unless the market experiences a time when the market suffers significant downside volatility and goes into a different level of risk with the elimination of cash and bonds. President Jorgens responded that it would be a different level of short-term risk but not long-term risk. President Jorgens argued the downside of the current bond market and zero interest rates and stated conventional wisdom is the bonds can only go up, which means the value of the bond goes down. Mr. Brown agreed.

Mr. Brown stated that currently, the District does not have a two-year forecast but could quickly develop a two-year forecast as discussed. Director Jex supported a policy change and stated the Board could change the portfolio if the requirement becomes necessary. Mr. Brown will return with a pro forma policy recommendation change capping cash at 3% and if the Board feels it is prudent to eliminate the fixed income and run an all Equity portfolio. Mr. Brown recommended that Highmark develop the same policy for OPEB.

Director Danziger opposed making the fixed income section zero. President Jorgens agreed but would like to reduce it to below 20% and suggested 10%. President Jorgens recommended 0% for emerging markets and 2-4% for cash. Directors Donner and Baitx supported the recommendation. Mr. Brown asked the Board to consider 0-5% versus 0% for emerging markets cap. Director Danziger supported the recommendation. President Jorgens supported the recommendation and suggested a maximum of 10% for the debt and 0-5% for cash. Director Danziger agreed. Mr. Brown to present draft new investment policies at the January regular board meeting.

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

President Jorgens returned to agenda item 8.1, Annual Audit and Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2021. (audio 43:29)

8.3 Quarter One Financial Update and Budget Review FY2022 (audio 49:09)

Administrative Services Director Sasser provided the report and presented a PowerPoint presentation, attached to these minutes, Item 8.3; attachment A. The financial update covered July 1, 2021, through September 30, 2021. Property tax revenue is projected to meet the budget. Ambulance revenue is projected to exceed the budget of \$1.1M. Ambulance revenue is an uncertain category due to the volatility of COVID and will be monitored throughout the fiscal year. Strike team revenue is projected to exceed the \$189K budget. Plan Review revenue is projected less than budget \$54K due to a slowdown in plans submitted to the District. Salaries are projected less than budget \$325K and retirement contributions less than budget \$217K due to six vacant or unpaid firefighter paramedic positions. Negotiated salary increases have been included in the projected amounts. Staffing overtime will exceed the budget due to increased leave usage and six vacant positions. Strike team overtime costs are projected to exceed budget \$170K due to increased activity.

President Jorgens asked if future Strike team costs will be under budget due to the early end of the fire season. ASD Sasser answered that the projections were based on all known Strike Team activity through October. Director Jex inquired about the non-strike team overtime overage. Fire Chief Winnacker explained that the overtime was due to leave usage for a long-term injury. Many factors go into the overtime budget,

and particularly with COVID, the District has seen a significant increase in leave usage. The leave usage presented at the October regular meeting reviewed leave usage for 2019, 2020, and 2021 year-to-date has significantly increased. The District has several long-term injuries that have resulted in vacancies that had to be filled with overtime.

ASD Sasser continued with the financial update and reviewed ambulance activity. President Jorgens asked how the ambulance activity compared to 2019. ASD Sasser answered the activity information was included the 2019 and 2020 fiscal years. ASD Sasser reviewed Strike team activity and the surplus revenue generated from the Strike team activity.

The District started the fiscal year with \$15.7M in unrestricted cash and investments and \$12M in the General Fund unrestricted fund balance. The projected surplus will increase the unrestricted fund balance to \$13M, which exceeds the Fund Balance Policy minimum of 17% and less than the Policy goal of 50%.

The Capital Projects Fund has a projected deficit of \$506K due to several budgeted capital purchases. The Debt Service Fund has a planned use of reserves of \$2.1M due to the final year of the pension obligation bonds. The pension obligation bonds will be paid-in-full on July 1, 2022. Director Jex asked about the two grants in the Capital Fund. ASD Sasser answered part of the Capital Fund was for the \$300K solar installed at the station. Director Danziger asked what defines the non-secured property tax revenue. ASD Sasser answered unsecured property is boats and airplanes and similar types of assets that are assessed property tax

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

8.4 Approval of a Memorandum of Understanding between the District and Moraga-Orinda Fire Chief Officers Association for the period July 1, 2021 – June 30, 2024; Approval of Salary Schedule Effective July 1, 2021 (audio 61:01)

District Negotiator Williamson provided the report and shared a PowerPoint presentation reviewing the Moraga-Orinda Fire Chief Officers Association (MOFCOA) Process; attached to these minutes, item 8.4 attachment A. Seven Negotiations Meetings were held between May 2021 and October 2021. Parties negotiated an agreement on November 1, 2021. Board was regularly updated in fourteen (14) closed sessions while negotiations were occurring. The key negotiation bargaining issues included wages, medical benefits for current employees, and retiree medical benefits. Key provisions of the tentative agreement and MOU changes included the term of three years (expires on June 30, 2024), wages increase 4% (FY2022)/4% (FY2023)/5% (FY2024), increase in the medical benefit District monthly contribution and Retiree Medical Benefits District contribution to RHSA. The projected fully burdened additional cost, including retirement costs and payroll taxes, is provided below.

	Projected Additional Annual Cost FY2022	Projected Additional Annual Cost FY2023	Projected Additional Annual Cost FY2024	Projected Additional Annual Cost Total
Salary increases 4%/4%/5%	\$48,542	\$50,483	\$53,007	\$152,032
Medical insurance increases to \$798/\$1,595/\$2,073	\$5,160	Ongoing	Ongoing	\$5,160
Retiree health savings account contribution all employees - \$100 per month	\$3,675	Ongoing	Ongoing	\$3,675
Deferred comp - \$100 per month	\$3,600	Ongoing	Ongoing	\$3,600
Overtime add acting pay rate	\$7,000	\$7,280	\$7,644	\$21,924
Increase vacation hours 18 to 19	\$2,184	\$2,271	\$2,362	\$6,818
Total	\$70,161	\$60,035	\$63,014	\$193,209

The two parties successfully reached a tentative agreement. MOFCOA ratified the tentative agreement (TA) on October 14, 2021. The Term of the recommended MOU is July 1, 2021 – June 30, 2024.

President Jorgens opened the public comment.

Vince Wells, Local 1230 Union President, expressed concern about the amount of money going to retiree health care. Mr. Wells expressed that Firefighters should receive the same level of health care when retired, and retiree healthcare should be a priority for employees who engage in this type of work from the Fire Board.

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

Director Danziger expressed support for the agreement and asked all Directors to vote in favor. No further discussion by the Board.

Motion by Director Danziger and seconded by Director Donner to Approve the Memorandum of Understanding between the District and Moraga-Orinda Fire Chief Officers Association for July 1, 2021 – June 30, 2024; and Approval of the Salary Schedule Effective July 1, 2021. Said motion carried 3-2-0-0 roll call vote (Ayes: Baitx, Danziger, and Donner; Noes: Jex and Jorgens; Absent: None; Abstain: None).

8.5 Approval of Unrepresented Employee Handbook Authorizing Salary and Benefits for Unrepresented Employees Effective November 18, 2021

Fire Chief Winnacker provided the report. The District has 11 unrepresented employee positions. Salary and benefits for Unrepresented Employees are authorized in the Unrepresented Employee Handbook. The District completed the negotiations process with the two labor unions. As a result of those negotiations, the District authorized the establishment of a Retiree Health Savings Account with a \$100 per month district contribution and increased district contribution to deferred compensation for management positions from \$50 per month to \$150 per month. The annual cost of the two benefits: \$13,200 for Retiree Health Savings Account and \$6,000 Deferred compensation.

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

Director Danziger expressed support for the agreement and asked all Directors to vote in favor. No further discussion by the Board.

Motion by Director Danziger and seconded by Director Donner to Approve the Unrepresented Employee Handbook authorizing salary and benefits for Unrepresented Employees effective November 18, 2021. Said motion carried 5-0 roll call vote (Ayes: Baitx, Danziger, Donner, Jex, and Jorgens; Noes: None; Absent: None; Abstain: None).

8.6 Adoption Resolution 21-19 VantageCare Retirement Health Savings (RHS) Program (audio 74:00)

Administrative Service Director Sasser provided the report. The District recently entered into a new Memorandum of Understanding (MOU) with United Professional Fire Fighters of Contra Costa County IAFF. Local 1230. The terms of the MOU included the establishment of retiree health savings accounts with a District contribution of \$100 per month for all active bargaining unit members. The District is eligible to join the ICMA VantageCare Retirement Health Savings Program (RHS Program). The RHS program allows the District to accumulate assets to pay for health insurance and out-of-pocket medical expenses for employees in retirement.

Director Danziger asked if the District pays the \$25 charge per account per year that ICMA charges. ASD Sasser confirmed. Fire Chief Winnacker stated that the represented labor groups have requested that the District delay enrollment of their members pending review and to better understand the retirement health savings program and account options. Staff recommended approval of the resolution, so the District is ready to move forward with enrollment pending labor group concurrence.

President Jorgens asked if the approval is generic to allow Staff to proceed or if the resolution is specific to a company. Fire Chief Winnacker stated it would be the same program for all three labor groups. ICMA VantageCare is the standard provider used by all other public employers in this area. On November 16, 2021, the District received a request from the labor group for more time to consider. Given that it is anticipated that the Board will not meet again until January, Staff recommended moving forward with the approval of the recommended contract as a vendor of choice. If a request for a different provider is received, the District will review to determine if the options are equal and advantageous to the employees and cost neutral to the employer. There would be no concern about returning to the Board and modifying the resolution. If the vendor is acceptable to the labor group, there would be a delay in implementation due to the Board not meeting until the third week of January. President Jorgens suggested approving this ICMA VantageCare or another equivalent. Fire Chief Winnacker answered VantageCare officially required the specific resolution in the exact format. President Jorgens suggested modifying the resolution and delegating authority to the Chief to make changes as necessary. Fire Chief Winnacker explained the issue is whether or not the Fire Chief has signature authority for the resolution. If the District were to enter into a contract with a different provider, it would require a different resolution specific to the vendor. President Jorgens asked District Counsel if there was a way to approve a generic resolution. District Counsel Ackerman answered the provider requires the specific resolution with the elements in the resolution presented. District Counsel Ackerman agreed with the Fire Chief's recommendation.

President Jorgens opened the public comment.

Vince Wells, Local 1230 Union President, stated the Labor group agreed to go to a program but has not had a conversation about the specific vendor or vendor options.

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

Director Danziger asked if it was a requirement that the District and Local 1230 mutually agree on a vendor. Fire Chief Winnacker answered no requirement and explained that any plan offered would be under the same IRS rules, and the pricing is assumed to be identical or similar. Fire Chief Winnacker recommended moving forward in a collaborative process with Local 1230 and the other labor groups.

No further discussion by the Board.

Motion by Director Jex and seconded by Director Danziger to Adopt Resolution No. 21-19 Adopting the VantageCare Retirement Health Savings Program. Said motion carried 5-0 roll call vote (Ayes: Baitx, Danziger, Donner, Jex, and Jorgens; Noes: None; Absent: None; Abstain: None).

8.7 Election of Board Officers (audio 84:38)

President Jorgens expressed the importance of the District to follow traditions and the established processes that keep the organization from being politicized and polarized. The City of Orinda, Town of Moraga, and MOFD have a process where the Board rotates the leadership positions among all the members. President Jorgens motioned to nominate current VP Michael Donner as President for the 2022 calendar year. Director Jex seconded the motion. Director Donner accepted the nomination.

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

Director Danziger asked when the position went into effect. President Jorgens answered January. Director Baitx asked for clarification if the motion was for Director Donner as President or Director Donner as President and going back to the rotation of positions. Fire Chief Winnacker answered the rotations of positions were an informal collegial process and not written in the rules of procedure. There was no further discussion by the Board.

President Jorgens restated the motion to nominate current VP Michael Donner as President for the 2022 calendar year. Director Danziger seconded the motion. Said motion carried 5-0 roll call vote (Ayes: Baitx, Danziger, Donner, Jex, and Jorgens; Noes: None; Absent: None; Abstain: None).

Director Baitx nominated Director Danziger as Vice President for the 2022 calendar year. President Jorgens commented that the challenge with nominating Director Danziger would be that Director Danziger would become the President again, which would make it three out of four years. Director Danziger stated that there is a general election between now and the next election of officers. There is no requirement to follow the precedent of Vice President becoming President. President Jorgens stated it would be contrary to the historical processes.

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

Director Baitx restated the motion to nominate Director Danziger as vice president for the 2022 calendar year. Director Donner seconded the motion. Said motion carried 4-0-0-1 roll call vote (Ayes: Baitx, Danziger, Donner, and Jex; Noes: None; Absent: None; Abstain: Jorgens).

Director Danziger stated he had inquired with Fire Chief Winnacker and District Counsel if a Director could hold more than one position on the Board. Fire Chief Winnacker answered the Fire Protection District Law of 1987 states that a director could not hold multiple positions. The Secretary and Treasurer positions are not required positions. The updated Rules of Procedure draft previously presented to the Board and withdrawn will be recirculated for consideration at the January meeting. The updated rules of procedure would eliminate those positions. Existing rules of procedure identify the positions and require that they be filled.

Director Danziger motioned to nominate Director Baitx as Secretary for the 2022 calendar year. Director Donner seconded the motion. President Jorgens opened the public comment. There were no requests to address the Board. President Jorgens closed public comment. Said motion carried 5-0 roll call vote (Ayes: Baitx, Danziger, Donner, Jex, and Jorgens; Noes: None; Absent: None; Abstain: None).

Director Danziger motioned to nominate Director Jex as Treasurer for the 2022 calendar year. Director Baitx seconded the motion. President Jorgens opened the public comment. There were no requests to address the Board. President Jorgens closed public comment. Said motion carried 5-0 roll call vote (Ayes: Baitx, Danziger, Donner, Jex, and Jorgens; Noes: None; Absent: None; Abstain: None).

8.8 Appointment of Standing and Ad Hoc Committee Members and District Liaisons (96:15)

Fire Chief Winnacker provided the report. Each year the Board of Directors appoints new Committee Members and District Liaisons. Fire Chief Winnacker reviewed the current 2021 Standing and Ad Hoc

Committee and District Liaisons to outside agencies and opened the discussion for the appointments of Standing and Ad Hoc Committee members and District Liaisons for the calendar 2022 year.

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

Director Danizger recommended reviewing each committee individually to see if other directors are interested in participating on the committees. No Directors expressed interest. President Jorgens asked if the standing Finance committee was necessary since the Board effectively does the committee work. Fire Chief Winnacker stated it is not required. Director Donner asked if any Directors wanted to change their current position or committees. All Directors agreed to keep their current committees and District Liaisons positions.

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

Motion by Director Donner and seconded by Director Baitx to Appoint the same 2021 Audit Committee members, 2021 Ad Hoc Committee members to be effective January 1, 2022; and Dissolve the Finance Committee to be effective January 1, 2022. Said motion carried 5-0 roll call vote (Ayes: Baitx, Danziger, Donner, Jex, and Jorgens; Noes: None; Absent: None; Abstain: None).

Fire Chief Winnacker reviewed the current 2021 District Liaisons to outside agencies. President Jorgens opened the discussion. Director Danziger inquired if other board members were interested in the District liaison for the City of Orinda and Town of Moraga. No members expressed interest.

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

Motion by Director Donner and seconded by Director Baitx to Appoint the same 2021 District Liaisons effective January 1, 2022. Said motion carried 5-0 roll call vote (Ayes: Baitx, Danziger, Donner, Jex, and Jorgens; Noes: None; Absent: None; Abstain: None).

9. COMMITTEE REPORTS (audio 106:12)

- 9.1 Audit Committee (Directors Danziger and Jex).** No report
- 9.2 Finance Committee (Directors Danziger and Jorgens).** No report.
- 9.3 Facilities Station 41 Ad Hoc Committee (Directors Baitx and Donner).** No report.

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

10. ANNOUNCEMENTS (audio 106:31)

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

10.3.1 Operations

Fire Chief Winnacker provided the report and shared a PowerPoint presentation on the wildfire season and operation activity, attached to these minutes Item 10.3.1 Attachment A. On October 18, firefighters responded to a 4,500 sq. ft. non-sprinklered house fire located at Silver Oak Terrace in North Orinda. Crews rescued a victim from the residence who succumbed to the injuries related to the fire. The response was a joint response between MOFD and Contra Costa County Fire Protection District. Fire Chief Winnacker expressed appreciation for the support from Contra Costa County Fire District and sorrow for the loss of life. The cause of the fire remains under investigation. The District conducted a joint after-action review with the Contra Costa County Fire District.

Fire Chief Winnacker shared photos of the Firefighters and the community enjoying trick-or-treating traditions on Halloween. Pictures of the 20 new CERT graduating class were shared. Fire Chief Winnacker express gratitude for the CERT organization and volunteers. On November 6, the District responded to a solo vehicle accident on Moraga Way. The vehicle crashed into a power pole with significant damage to both the vehicle and the pole. Crews extricated and transported the patient for care and provided additional support to the police. On November 8, Crews responded to a commercial structure fire in Lafayette supporting the Contra Costa County Fire. On November 16, 2021, the District hosted new Rescue 1 Foundation Board members to review donated equipment and answer questions. November is cancer awareness month. MOPFA produced commemorative t-shirts with proceeds to support the Children's Hospital in Oakland. Director Donner asked if the fatal structural fire had working smoke detectors. Fire

Chief Winnacker answered the cause remains under investigation. The initial indication is that the smoke detectors had been removed for a painting operation.

Fire Chief Winnacker reported that the District received the final contract from the State of California for the \$6.3M Tunnel East Bay Hills Fuel break. District Clerk Holbrook is in the process of querying the Board for a special meeting to accept that Grant. Staff will present a more detailed explanation of the project to include the final project map based on the resources provided and the environmental review process before the District can start executing fuel mitigation.

10.3.2 Human Resources

Administrative Services Director Sasser provided the report. The Human Resources Manager resigned as of November 5. The District opened the recruitment, received 12 applications, and conducted interviews. The District is pleased to announce Christine Russell will be returning to the District as Human Resources Manager effective November 22, 2021. Fire Chief Winnacker shared Lisa Dalton left for an opportunity to serve with the California State Senate and expressed appreciation for the work performed at the District

10.3.3 Finance Report

Finance Manager Smith provided the report and presented the status of OES reimbursements, attached to these minutes, Item 10.3.3; attachment A. Finance Manager stated the District had received about 70% of the OES invoices expected. Director Jex asked if the estimated amounts are through the fiscal year 2022. Finance Manager Smith confirmed. Finance Manager Smith stated that Payroll completed the retro benefit change per the new MOU and working on the retro payroll increases for the December 10 payroll.

10.3.4 Fire Marshal

Fire Marshal Isaacs provided the report. The Fire Prevention monthly data report is available for viewing in the board packet as Item 10.3.4. Fire Marshal Isaacs met with the Superintendent of the Moraga School District (MSD) to answer questions regarding their inspections. Inspectors will re-inspect in January. The Orinda School District had several questions and will re-inspect in January. Staff is completing R2 (apartments) inspections. Director Jex asked if a fee was associated with the property transfer inspections. Fire Chief Winnacker reviewed the fee schedule and free options available to the sellers. Director Danziger asked about the status of the FAC-A ambassador program. Fire Marshal Isaacs answered the FAC-A program is still in pilot status with plans to expand in February 2022. President Jorgens and Director Danziger expressed interest in attending the FAC-A training when scheduled. Director Danziger requested the training time be shared with all Board members.

10.4 Communications Received

Fire Chief Winnacker reported that the District had received cards of gratitude for the deployment of District members and resources in support of the Caldor fire.

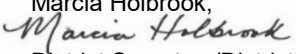
10.5 Future Agenda Items

Director Danziger requested that the discussion of appropriately celebrating the 25th anniversary of MOFD be placed on the January agenda.

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

11. ADJOURNMENT

At 9:07 p.m., Director Donner motioned and seconded by Director Baitx 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



Financial Update Quarter One

July 1, 2021 – September 30, 2021

Quarter One General Fund Surplus Projections

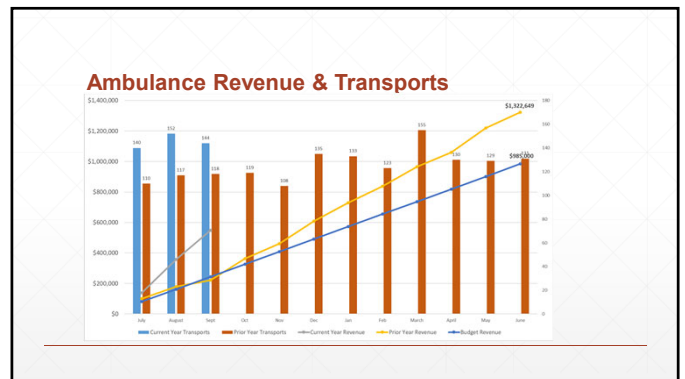
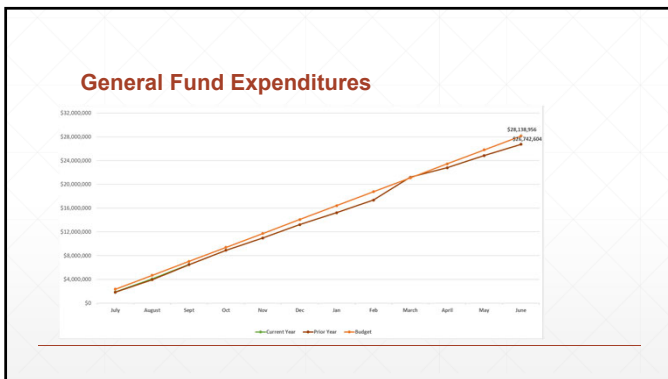
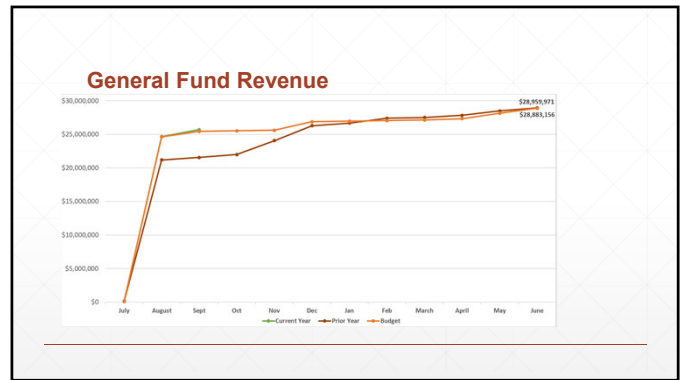
- Budget surplus \$744K
- Projected surplus \$1.0M

	Budget June 2021	Projected After Quarter One
Revenue	\$28.9M	\$30.1M
Expenditures	\$28.1M	\$29.1M
Surplus	\$744K	\$1.0M

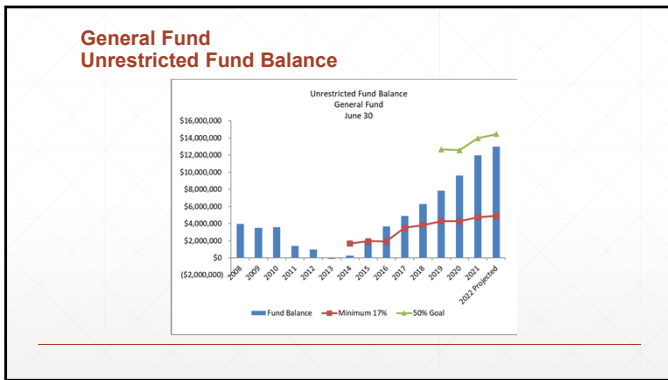
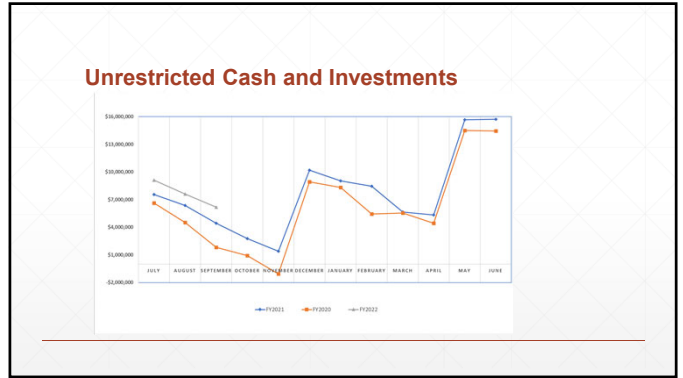
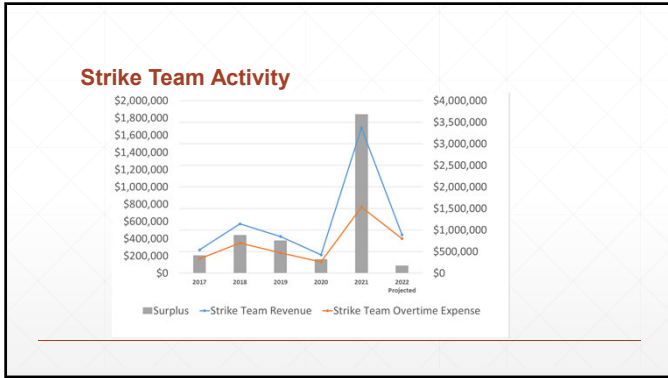
Quarter One Financial Update

Revenue – Exceed budget \$1.2M **Expenditures – Exceed budget \$923K**

- Property tax meet budget
- Ambulance services +\$1.1M
- Strike team revenue \$189K
- Fire prevention/plan review (\$54K)
- Salaries less than budget \$325K
- Overtime exceed budget (\$1.1M)
- Strike team overtime exceed budget (\$170K)
- Retirement contributions less than budget \$217K



Item 8.3 - Attachment A Financial Update - Quarter One



- ### Other Funds
- Capital Projects Fund – Projected deficit \$506K
 - Debt Service Fund – Projected deficit \$2.1M



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Moraga Orinda Fire District MOFCOA Negotiations Process

November 17, 2021

Presented by: Donna Williamson
Partner

www.LCWlegal.com

Agenda

- Review Negotiations Process
- Key Issues
- Key Provisions of TA and MOU changes
- Legal Process Following Reaching a Tentative Agreement
- Open Session Process

2

Negotiations Process

- District is governed by the Meyers-Milias-Brown Act (MMBA)
- Good Faith Negotiations Requirement: Parties are required to negotiate in good faith until the parties reach either (1) agreement, or (2) an impasse in negotiations
- Parties negotiated to an agreement which was reached on November 1, 2021
- Seven Negotiations Meetings between May 2021 and October 2021
- Closed Sessions: Board was regularly updated in fourteen (14) closed sessions while negotiations were occurring

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Key Provisions of TA and MOU Changes

- Term: Three years expires on June 30, 2024
- Wages:
 - Year 1: 4% salary increase
 - Year 2: 4% salary increase
 - Year 3: 5% salary increase
- Medical Benefits for current employees: District monthly contribution increased to equivalent of 93% of Kaiser rate as follows:
 - Employee Only Coverage: \$798
 - Employee Plus One Coverage: \$1,595
 - Employee Plus Family Coverage: \$2,073
- Retiree Medical Benefits: \$100 District contribution to RHSA
- Deferred Compensation: \$100 District increase to deferred compensation

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Financial Cost – Fully Burdened

	Projected Additional Annual Cost FY2022	Projected Additional Annual Cost FY2023	Projected Additional Annual Cost FY2024	Projected Additional Annual Cost Total
Salary increases 4%/4%/5%	\$48,412	\$50,483	\$53,067	\$151,962
Medical insurance increases to \$798/\$1,595/\$2,073	\$5,160	Ongoing	Ongoing	\$5,160
Retiree health savings account contribution all employees - \$100 per month	\$3,675	Ongoing	Ongoing	\$3,675
Deferred comp - \$100 per month	\$3,600	Ongoing	Ongoing	\$3,600
Overtime add acting pay rate	\$7,280	\$7,280	\$7,644	\$21,924
Increase vacation hours 18 to 19	\$2,184	\$2,271	\$2,362	\$6,817
Total	\$70,311	\$66,093	\$68,324	\$193,200

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Open Session Process

- MOFCOA's membership ratified the TA on October 14, 2021
- Tonight, the Board will hold a public hearing, discuss the TA and vote on its adoption
- The terms of the TA were the result of a good faith process resulting in mutual agreement

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Item 10.3.1 Attachment A Operations Update Presentation


MOFD Board Update
November 17, 2021



The logo for Moraga Fire District is a Maltese cross with a fire hydrant in the center. The word "MORAGA" is written above the cross and "ORINDA" below it. The letters "F" and "D" are on the left and right arms of the cross, respectively.





Strike Team Reimbursement - OES


- Strike Team Receivable Update:

	Actual <u>2020-2021</u>	Estimated <u>2021-2022</u>	Total
OES Strike Team Receivable	\$3,354,750	\$994,569	\$4,349,319
OES Payments Received	<u>\$2,459,811</u>	<u>\$ 24,041</u>	<u>\$2,483,852</u>
Net Receivable Outstanding	\$ 894,939	\$970,528	\$1,865,467
- 2021-2022 figures estimated based on F-42's received to date –received 11 invoices from OES confirming F-42's for recent activity, reimbursements in process
- Most recent payment from OES – 10/25/21- \$65k received in October

Finance Report – Cont'd.

- Payroll:
 - Retro benefit changes per new MOU were completed for 11/10 payroll
 - Retro payroll increases per new MOU will be completed for 12/10 payroll